



AGENDA

January 16, 2019

CITY COUNCIL MEETING HOUSING SUCCESSOR AGENCY MEETING

7:00 p.m.

Council Chambers
311 Vernon Street
Roseville, California
www.roseville.ca.us

THE CITY OF ROSEVILLE WELCOMES YOUR PARTICIPATION

If an agenda item is open to public comment, such public comment shall be addressed to the chair of the meeting.

Public Comment - Speakers have three minutes under Public Comment to speak on issues that are not listed on the agenda and are within the City's jurisdiction. The Brown Act does not permit any action or discussion on items not listed on the agenda.

Consent Calendar - If applicable, the Consent Calendar consists of routine items that may be approved by one motion. Any person can remove an item from the Consent Calendar to be discussed separately.

Agenda Items - Speakers have five minutes to address items that are listed on the agenda.

Americans with Disabilities Act - Notify the City Clerk or Secretary at least 72 hours in advance if special assistance is required to participate in a meeting including the need of auxiliary aids or services.

Audio/Visual Presentations - If making a presentation regarding an agenda item, audio/visual materials must be submitted to the City Clerk or Secretary at least 72 hours in advance.

Roseville City Clerk 311 Vernon Street, Roseville, CA 916-774-5200 TDD 916-774-5220

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. MEETING PROCEDURES

5. PUBLIC COMMENTS

6. CONSENT CALENDAR

BEGINNING OF CONSENT CALENDAR

Minutes

6.1. Minutes of Prior Meetings

Memo from City Clerk Sonia Orozco requesting City Council approve the Minutes of the December 5, 2018, December 10, 2018 and December 19, 2018 City Council meetings.

CC #: 9760

File #: 0102-03

CONTACT: Sonia Orozco 916-774-5269 sorozco@roseville.ca.us

Bids / Purchases / Services

6.2. Parking Lot Sweeping and Pressure Washing Services - Service Agreement

Memo from Facilities Supervisor Blaine Weigel and Acting Public Works Director Jason Shykowski recommending Council adopt RESOLUTION NO. 19-13 APPROVING A SERVICE AGREEMENT BETWEEN THE CITY OF ROSEVILLE AND VALLEY SWEEPING & MAINTENANCE, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE (\$1908059). This service agreement is for parking lot sweeping and pressure washing services. Total value of the agreement is \$80,000.00 and funding for this year is included in the Building Maintenance FY2018-19 budget. The funds will be encumbered one year at a time pending Council approval of budgets for each year. The Request for Proposals includes four one-year renewals and staff requests authorization to continue utilizing each contract without further Council approvals until the contract expires or until City staff determines that continuing with the same vendor is not in the City's best interest.

CC #: 9738

File #: 0203-04

CONTACT: Blaine Wiegel 916-746-1774 bwiegel@roseville.ca.us

6.3. General Construction and Repair Services - Service Agreement Renewal

Memo from Facility Manager Dan Allen and Acting Public Works Director Jason Shykowski recommending Council adopt RESOLUTION NO. 19-18 APPROVING A SERVICE AGREEMENT RENEWAL BETWEEN THE CITY OF ROSEVILLE AND BULLARD, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE (\$1908037). This service agreement renewal with Bullard Construction provides miscellaneous construction services and repairs on an as-needed basis throughout the City. The total value of this agreement is \$350,000.00, not to exceed annual budgeted amounts. The funds will be encumbered one year at a time pending Council approval of budgets for each year. The Request for Proposals includes four (4) one (1) year renewals and

staff requests authorization to continue utilizing the service agreement without further Council approvals until the contract expires, or until City staff determines that continuing with the same vendor is not in the City's best interest.

CC #: 9745

File #: 0203-04

CONTACT: Dan Allen 916-774-5741 dallen@roseville.ca.us

6.4. Light Duty Vehicle Collision Repair and Painting – Service Agreement

Memo from Fleet Manager Brian Craighead and Acting Public Works Director Jason Shykowski recommending Council adopt RESOLUTION NO. 19-22 APPROVING A SERVICE AGREEMENT BETWEEN THE CITY OF ROSEVILLE AND AUERNIG AUTO BODY DBA FLEET COLLISION SERVICES, AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE (\$1908165). The service agreement with Auering Auto Body dba Fleet Collision Services is to provide light duty vehicle collision repair and painting services to City vehicles as needed. The total cost of services will not exceed \$565,000.00 over a four and a half year period. The total cost of services will not exceed \$65,000.00 for the first six months available in the FY2018-19 Fleet Services Accident Repair budget. Future year spending of approximately \$125,000.00 per year is subject to approval of future year budgets.

CC #: 9748

File #: 0203-02

CONTACT: Brian Craighead 916-774-5731 bcraighead@roseville.ca.us

6.5. Vehicle Purchases

Memo from Fleet Manager Brian Craighead and Acting Public Works Director Jason Shykowski recommending Council approve a purchase order to Towne Motor Company dba Towne Ford Sales for one Ford Transit van with Ranger shelving utilizing RFQ 10-3195 in the amount of \$48,400.00; approve a purchase order to Dobbs Heavy Duty Holdings LLC dba Western Truck Center for one Autocar with a roll-off refuse body utilizing RFQ 10-3196 in the amount of \$209,345.57; approve two purchase orders to 72 Hour LLC dba National Auto Fleet Group for one Dodge Caravan and one Ford Escape utilizing Sourcewell contract #120716-NAF in the amount of \$30,648.98 and \$23,362.01; Funding for these vehicles is included in the FY2018-19 Auto Replacement budget.

CC #: 9740

File #: 0203-01

CONTACT: Brian Craighead 916-774-5731 bcraighead@roseville.ca.us

Resolutions

6.6. Historical Data Repository - Professional Design Services Agreement Amendment

Memo from EIM Systems Coordinator Charles Aycock and Environmental Utilities Director Richard Plecker recommending Council adopt RESOLUTION

NO. 19-19 APPROVING A FIRST AMENDMENT TO PROFESSIONAL DESIGN SERVICES AGREEMENT BETWEEN THE CITY OF ROSEVILLE AND CH2M HILL ENGINEERS, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE. The Historical Data Repository is a centralized Oracle data repository which stores Environmental Utilities water and wastewater compliance data, as well as providing complex data reporting support. Approval of the First Amendment to Professional Design Services Agreement will allow CH2M Hill Engineers, Inc. to continue to provide engineering support until final completion of the project. Total cost of the amendment is \$133,116.00 and the requested funds are available in the Historical Data Repository System Upgrade project budget.

CC #: 9746

File #: 0800-02

CONTACT: Charles Aycock 916-746-1887 caycock@roseville.ca.us

6.7. Supervisory Control and Data Acquisition Systems Replacement Project - Notice of Completion

Memo from EIM Systems Coordinator Charles Aycock and Environmental Utilities Director Richard Plecker recommending Council adopt RESOLUTION NO. 19-14 ACCEPTING THE PUBLIC WORK KNOWN AS THE SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA) SYSTEMS REPLACEMENT PROJECT, APPROVING THE "NOTICE OF COMPLETION", AND AUTHORIZING THE DIRECTOR OF ENVIRONMENTAL UTILITIES TO EXECUTE SAID NOTICE ON BEHALF OF THE CITY OF ROSEVILLE. The Supervisory Control and Data Acquisition (SCADA) Systems Replacement project contract with WT Roseville Joint Venture entailed replacing the legacy SCADA systems at the two wastewater treatment plants and the water treatment plant. The final total contract cost was \$7,754,239.11 which was jointly funded by the Water and Wastewater Rehabilitation Funds via the SCADA Systems Replacement Project Capital Improvement project.

CC #: 9739

File #: 0800-02

CONTACT: Charles Aycock 916-746-1887 caycock@roseville.ca.us

6.8. Folsom Reservoir Water Supply - Interim Renewal Contract

Memo from Acting Water Utility Manager Sean Bigley and Environmental Utilities Director Richard Plecker recommending Council adopt RESOLUTION NO. 19-16 APPROVING AN INTERIM RENEWAL CONTRACT BETWEEN THE CITY OF ROSEVILLE AND THE UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU OF RECLAMATION, AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE. Renewal of this contract will secure Roseville's Central Valley Project water supply from Folsom Reservoir from March 1, 2019, through February 28, 2021. There is no fiscal impact related to this item.

CC #: 9744

File #: 0800-02

CONTACT: Sean Bigley 916-774-5513 sbigley@roseville.ca.us

6.9. South Placer Wastewater Authority - Second Amended and Restated Joint Exercise of Powers Agreement, Funding Agreement, and Operation and Use Agreement

Memo from Wastewater Utility Manager Kenneth Glotzbach and Environmental Utilities Director Richard Plecker recommending Council adopt RESOLUTION NO. 19-35 APPROVING THE SECOND AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT FOR THE SOUTH PLACER WASTEWATER AUTHORITY AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE FOLLOWING SOUTH PLACER WASTEWATER AUTHORITY BOARD APPROVAL; and adopt RESOLUTION NO. 19-36 APPROVING SECOND AMENDED AND RESTATED FUNDING AGREEMENT RELATING TO THE SOUTH PLACER REGIONAL WASTEWATER FACILITIES AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE FOLLOWING SOUTH PLACER WASTEWATER AUTHORITY BOARD APPROVAL; and adopt RESOLUTION NO. 19-37 APPROVING THE SECOND AMENDED AND RESTATED AGREEMENT REGARDING THE OPERATION AND USE OF THE SOUTH PLACER REGIONAL WASTEWATER FACILITIES AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE FOLLOWING SOUTH PLACER WASTEWATER AUTHORITY BOARD APPROVAL. This item requests Council authorize the City's representatives on the South Placer Wastewater Authority Board to approve the Second Amended and Restated Joint Exercise Powers Agreement, Funding Agreement, and Operation and Use Agreement. These changes result in an \$8.17 million decrease of Roseville's share of the SPWA Rate Stabilization Fund (as of June 30, 2018) in exchange for an increased ownership share of treatment plant UV disinfection system capacity.

CC #: 9759

File #: 0800-02

CONTACT: Kenneth Glotzbach 916-774-5754 kglotzbach@roseville.ca.us

6.10. Sierra Vista Specific Plan (San Fernando Drive) - Developer/Developer Reimbursement Agreement

Memo from City Engineer Marc Stout and Development Services Director Mike Isom recommending Council adopt RESOLUTION NO. 19-26 APPROVING A REIMBURSEMENT AGREEMENT, BY AND BETWEEN DF PROPERTIES, INC., JOHN MOURIER CONSTRUCTION, INC., AND THE CITY OF ROSEVILLE, AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE. Staff recommends Council approve a developer-developer reimbursement agreement between the City, DF Properties, Inc. and John Mourier Construction, Inc. for public improvements identified as San Fernando Drive in the Sierra Vista Specific Plan. The actions requested as part of this item will have no impact to the City's General Fund, as all construction costs are developer's responsibility.

CC #: 9752

File #: 1008

CONTACT: Marc Stout 916-774-5339 mstout@roseville.ca.us

6.11. Sierra Vista Specific Plan (Bramblewood Way) - Reimbursement Agreement

Memo from City Engineer Marc Stout and Development Services Director Mike Isom recommending Council adopt RESOLUTION NO. 19-25 APPROVING A REIMBURSEMENT AGREEMENT BY AND BETWEEN THE CITY OF ROSEVILLE AND JOHN MOURIER CONSTRUCTION, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE. Staff recommends Council approve a Developer Reimbursement Agreement with John Mourier Construction, Inc. for public improvements identified as Bramblewood Way in the Sierra Vista Specific Plan. The actions requested as part of this item will have no impact to the City's General Fund, as all construction costs are developer's responsibility.

CC #: 9751

File #: 1008

CONTACT: Marc Stout 916-774-5339 mstout@roseville.ca.us

6.12. Resolution to Vacate Approvals for Fiddymment Plaza Project

Memo from Associate Planner Shelby Vockel and Development Services Director Mike Isom recommending Council adopt RESOLUTION NO. 19-34 VACATING AND SETTING ASIDE RESOLUTION NO. 17-430 ADOPTED ON OCTOBER 4, 2017 WHICH APPROVED THE FIDDYMENT PLAZA PROJECT AND VACATING AND SETTING ASIDE THE CITY'S DETERMINATIONS THAT THE PROJECT QUALIFIES FOR A CATEGORICAL EXEMPTION AS AN IN-FILL DEVELOPMENT PURSUANT TO SECTION 15332 OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND SECTION 305 OF THE CITY OF ROSEVILLE CEQA IMPLEMENTING PROCEDURES. A Petition for a Writ of Mandate was filed in Placer County Superior Court to challenge the City Council's October 4, 2017 approval of the Fiddymment Plaza project. On December 5, 2018, the Court issued a Peremptory Writ of Mandate instructing the City Council within 60 days to vacate and set aside Resolution No. 17-430 adopted on October 4, 2017 which approved the Fiddymment Plaza project. Adoption of this resolution is required in order to comply with the Court order.

CC #: 9757

File #: 0400-04-09-1

CONTACT: Shelby Vockel 916-746-1347 svockel@roseville.ca.us

6.13. Royer Park to Harding Blvd. Bike Trail Segment 3 - Notice of Completion

Memo from Assistant Engineer Cathy Gosalvez and Acting Public Works Director Jason Shykowski recommending Council adopt RESOLUTION NO. 19-24 ACCEPTING THE PUBLIC WORK KNOWN AS THE ROYER PARK TO HARDING BLVD. BIKE TRAIL SEGMENT 3 PROJECT, APPROVING THE "NOTICE OF COMPLETION", AND AUTHORIZING THE ACTING

PUBLIC WORKS DIRECTOR TO EXECUTE SAID NOTICE ON BEHALF OF THE CITY OF ROSEVILLE. Staff recommends that City Council accept the Royer Park to Harding Blvd. Bike Trail Segment 3 project as complete and authorize the Acting Public Works Director to execute the Notice of Completion. Segment 3 provides a Class 1 Bikeway connection from Folsom Road to the bike trail that was constructed at the rear of relocated Fire Station No. 1 on Lincoln Street. The \$579,425.07 project is funded with local transportation funds. No General Fund resources were used for this project.

CC #: 9750

File #: 0721-05

CONTACT: Cathy Gosalvez 916-746-1300 cgosalvez@roseville.ca.us

6.14. Golf Maintenance Services Agreement Amendment

Memo from Recreation Superintendent Rob Nakamura and Parks, Recreation & Libraries Director Dion Louthan recommending Council adopt RESOLUTION NO. 19-17 APPROVING A FIRST AMENDMENT TO GOLF MAINTENANCE SERVICES AGREEMENT, BY AND BETWEEN THE CITY OF ROSEVILLE AND BRIGHTVIEW GOLF MAINTENANCE, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE. The requested amendment to the golf maintenance services agreement, effective February 1, 2019, adjusts the pricing by 1.6% which is an increase of \$23,200.00 annually, and an increase of \$9,666.00 for the remainder of FY2018-19. The golf maintenance services agreement is funded within the golf course operations fund.

CC #: 9743

File #: 0702

CONTACT: Rob Nakamura 916-774-5135 makamura@roseville.ca.us

6.15. Local Agency Investment Fund Investment Authority

Memo from Financial Analyst Jacquie Clarizio and Chief Financial Officer Dennis Kauffman recommending Council adopt RESOLUTION NO. 19-23 AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND. With the recent reclassification of the Finance Director position to Chief Financial Officer, it is necessary to update the Authorization Transfer of Funds for the Local Agency Investment Fund from Finance Director to the Chief Financial Officer. There is no fiscal impact as a result of this resolution.

CC #: 9749

File #: 0200

CONTACT: Jacquie Clarizio 916-774-5323 jclarizio@roseville.ca.us

6.16. Bond Opportunities for Land Development Program

Memo from Administrative Analyst Jeannine Thrash and Chief Financial Officer Dennis Kauffman recommending Council adopt RESOLUTION NO. 19-12 AUTHORIZING USE OF THE BOND OPPORTUNITIES FOR LAND DEVELOPMENT (BOLD) PROGRAM; AUTHORIZING THE CALIFORNIA

MUNICIPAL FINANCE AUTHORITY TO ACCEPT APPLICATIONS FROM PROPERTY OWNERS, CONDUCT PROCEEDINGS AND LEVY SPECIAL TAXES WITHIN THE TERRITORY OF THE CITY OF ROSEVILLE PURSUANT TO THE MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982, AS AMENDED; AND AUTHORIZING RELATED ACTIONS. The Bond Opportunities for Land Development program is a new program that allows developers another option when considering community facilities district financing for their infrastructure and impact fee costs. BOLD creates a mechanism where many small projects can participate in spreading bond issuance costs under one pooled bond issue. The pooled bond issue is facilitated by the California Municipal Finance Authority of which the City is a member. City Council approval of the resolution authorizing the use of the BOLD program allows developers more options to finance their infrastructure and impact fee costs. There will be no fiscal impact to the City. All costs associated with the BOLD program are the responsibility of the participating developer.

CC #: 9736

File #: 0200

CONTACT: Jeannine Thrash 916-774-5473 jthrash@roseville.ca.us
Dennis Kauffman 916-774-5313 dkauffman@roseville.ca.us

6.17. Villages at Sierra Vista - Funding, Construction and Acquisition Agreement

Memo from Administrative Analyst Jeannine Thrash and Chief Financial Officer Dennis Kauffman recommending Council adopt RESOLUTION NO. 19-29 APPROVING FUNDING, CONSTRUCTION AND ACQUISITION AGREEMENT IN CONNECTION WITH VILLAGES AT SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES). The resolution being recommended for approval pertains to the Community Facilities District's (CFD) Funding, Construction and Acquisition Agreement which is to establish the mechanics and requirements for reimbursement to the owner of costs incurred for the public facilities financed by CFD bond proceeds. The recommended agreement has no impact on the City's General Fund. The CFD will generate special taxes that will be paid by the property owners sufficient to pay the costs for debt service, CFD administration, and any authorized pay-as-you-go facilities.

CC #: 9754

File #: 0400-04-09-1

CONTACT: Jeannine Thrash 916-774-5473 jthrash@roseville.ca.us
Dennis Kauffman 916-774-5313 dkauffman@roseville.ca.us

6.18. Dry Creek Greenway West Planning & Feasibility Study - Professional Services Agreement Amendment

Memo from Alternative Transportation Analyst Jeannie Gandler and Acting Public Works Director Jason Shykowski recommending Council adopt RESOLUTION NO. 19-15 APPROVING A FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT, BY AND BETWEEN THE CITY OF ROSEVILLE AND DOKKEN ENGINEERING, AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE. The requested amendment will increase the total

cost for professional services by \$20,769.00, from \$206,805.00 to \$227,574.00 to include additional technical meetings, expanded community engagement efforts, events and an online survey, and additional field work and analysis of potential alignments. A budget adjustment is not required as there are currently sufficient funds in the project budget. Funding is provided by a Federal Transit Administration grant and Local Transportation Funds. No General Fund resources are being used for this project.

CC #: 9741

File #: 0721-05

CONTACT: Jeannie Gandler 916-746-1289 jgandler@roseville.ca.us

Ordinances (for introduction and adoption - appropriation/urgency measures)

6.19.401 Oak Street and Tower Theater - Budget Adjustment

Memo from Facility Manager Dan Allen and Acting Public Works Director Jason Shykowski recommending Council adopt ORDINANCE NO. 6049 OF THE COUNCIL OF THE CITY OF ROSEVILLE AUTHORIZING CERTAIN AMENDMENTS TO THE 2018-19 BUDGET AND DECLARING THIS ORDINANCE TO BE IMMEDIATELY EFFECTIVE AS AN APPROPRIATION MEASURE. The total cost to remove the underground and above ground storage tanks, emergency generator, and all furniture out of 401 Oak Street, and to clean up the interior of the Tower Theater, treat for termites, and make necessary repairs is \$293,569.00. The requested budget adjustment will transfer \$285,053.00 from the sale of surplus property of 401 Oak Street and the remaining \$8,516.00 will come from fund balance in the Building Improvement fund.

CC #: 9735

File #: 0201-01 & 0203-02

CONTACT: Dan Allen 916-774-5741 dallen@roseville.ca.us

Reports / Requests

6.20. Development Impact Fee Reports for Fiscal Year Ending June 30, 2018

Memo from Administrative Analyst Jeannine Thrash and Chief Financial Officer Dennis Kauffman recommending Council accept the Informational Development Impact Fee Reports as required by California Government Code Sections (GC §) 66000 through 66008 ("Mitigation Fee Act"). There is no impact to the City's General Fund.

CC #: 9737

File #: 0215

CONTACT: Jeannine Thrash 916-774-5473 jthrash@roseville.ca.us

Dennis Kauffman 916-774-5313 dkauffman@roseville.ca.us

6.21. Financial Reports for Fiscal Year Ended June 30, 2018

Memo from Controller Jacquelyn Flickinger and Chief Financial Officer Dennis Kaufman with three informational financial reports for the year ended June 30,

2018. There is no impact to the City's General Fund.

CC #: 9742

File #: 0202-01

CONTACT: Jacquelyn Flickinger 916-774-5516 jflickinger@roseville.ca.us

Ceremonial Documents

6.22. Proclamation - School Choice Week

Proclaim January 20-26, 2019 as School Choice Week and urge residents of Roseville to support public and non-public K-12 education options for all children.

CC #: 9758

File #: 0102-06

CONTACT: Rosalinda Parra 916-774-5263 rparra@roseville.ca.us

END OF CONSENT CALENDAR

7. SPECIAL REQUESTS/REPORTS/PRESENTATION

7.1. Fiscal Year 2017-18 Year-End Report

Memo from Budget Manager Scott Pettingell and Chief Financial Officer Dennis Kauffman with a year-end version of the quarterly report. This report will provide Council brief and useful information regarding the financial performance of the City during FY2017-18 including a series of tables and charts displaying financial data for the General Fund, the enterprise operating funds, and revenues in selected other funds. It also includes an explanation of significant variations. For information only.

CC #: 9755

File #: 0202-01

CONTACT: Scott Pettingell 916-746-1306 spettingell@roseville.ca.us

8. PUBLIC HEARING

NOTICE TO THE PUBLIC

City Council, when considering the matter scheduled for hearing, will take the following actions:

1. Open the Public Hearing
2. Presentation by Staff
3. Presentation by applicant or Appellant
4. Accept Public Testimony
5. Appellant or Applicant Rebuttal Period
6. Close the Public Hearing
7. City Council Comments and Questions
8. City Council Action

In the future, if you wish to challenge in court any of the matters on this agenda for

which a public hearing is to be conducted, you may be limited to raising only those issues, which you, or someone else raised orally at the Public Hearing or in written correspondence received by the City or before the hearing

Public Hearings listed for continuance will be continued as noted and posting of this agenda serves as notice of continuation.

8.1. The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities) - Resolution of Formation

Memo from Administrative Analyst Jeannine Thrash and Chief Financial Officer Dennis Kauffman recommending Council adopt RESOLUTION NO. 19-30 A RESOLUTION OF FORMATION OF THE CITY COUNCIL OF THE CITY OF ROSEVILLE TO FORM THE CITY OF ROSEVILLE THE RANCH AT SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES) AND FUTURE ANNEXATION AREA; and adopt RESOLUTION NO. 19-31 A RESOLUTION DETERMINING NECESSITY TO INCUR BONDED INDEBTEDNESS OF THE CITY COUNCIL OF THE CITY OF ROSEVILLE FOR THE CITY OF ROSEVILLE THE RANCH AT SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES); and adopt RESOLUTION NO. 19-32 A RESOLUTION CALLING SPECIAL ELECTION OF THE CITY COUNCIL OF THE CITY OF ROSEVILLE REGARDING THE CITY OF ROSEVILLE THE RANCH AT SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES); and adopt RESOLUTION NO. 19-33 A RESOLUTION DECLARING RESULTS OF SPECIAL ELECTION AND DIRECTING RECORDING OF NOTICE OF SPECIAL TAX LIEN REGARDING CITY OF ROSEVILLE THE RANCH AT SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES); and introduce for first reading ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ROSEVILLE LEVYING SPECIAL TAXES WITHIN CITY OF ROSEVILLE THE RANCH AT SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES). The landowner, Sierra Vista Communities, LLC., has requested the City form a Community Facilities District (CFD) under the Mello-Roos Community Facilities Act of 1982 to provide funding for certain authorized public facilities as well as authorized services within the property, as detailed in the List of Authorized Facilities and Services attachment in the Resolution of Formation. The property within the boundaries of the CFD will be assessed special taxes as described in the Rate and Method of Apportionment, also included in the Resolution of Formation. The CFD will generate special taxes that will be paid by property owners sufficient to pay the costs for debt service, CFD administration, authorized pay-as-you-go facilities, and future maintenance/replacement of constructed facilities. The formation and administration of the CFD will not impact the City's General Fund.

CC #: 9756

File #: 0206-03-01

CONTACT: Jeannine Thrash 916-774-5473 jthrash@roseville.ca.us

Dennis Kauffman 916-774-5313 dkauffman@roseville.ca.us

8.2. The Villages at Sierra Vista Community Facilities District No. 1 (Public

Facilities) - Amendment to the Special Tax Formula and Authorized Facilities and Services

Memo from Administrative Analyst Jeannine Thrash and Chief Financial Officer Dennis Kauffman recommending Council adopt RESOLUTION NO. 19-27 RESOLUTION OF CONSIDERATION TO AMEND THE SPECIAL TAX FORMULA AND AUTHORIZED FACILITIES AND SERVICES OF VILLAGES AT SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES); and adopt ROSEVILLE RESOLUTION NO. 19-28 RESOLUTION DECLARING RESULTS OF AMENDMENT OF SPECIAL TAX ELECTION, DETERMINING VALIDITY OF PRIOR PROCEEDINGS, AND DIRECTING RECORDING OF AMENDED NOTICE OF SPECIAL TAX LIEN OF VILLAGES AT SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 1. The Amendment to The Special Tax Formula and Authorized Facilities and Services for the Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities) is needed in order to add authorized services. The amendment allows the Community Facilities District to be able to provide funding in the future for the maintenance/replacement of constructed facilities. The Amendment to the Special Tax Formula and Authorized Facilities and Services will not impact the City's General Fund.

CC #: 9753

File #: 0206-03-01

CONTACT: Jeannine Thrash 916-774-5473 jthrash@roseville.ca.us
Dennis Kauffman 916-774-5313 dkauffman@roseville.ca.us

8.3. HOUSING SUCCESSOR - Main Street Plaza Housing Project (304 Washington Boulevard) - Third Amended and Restated Disposition and Development Agreements

Memo from Housing Manager Danielle Foster and Economic Development Director Laura Matteoli recommending Council adopt HOUSING SUCCESSION AGENCY RESOLUTION NO. 19-20 APPROVING A THIRD AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT AGREEMENT, BY AND BETWEEN MAIN STREET PLAZA, LLC AND THE CITY OF ROSEVILLE, AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE; and adopt HOUSING SUCCESSION AGENCY RESOLUTION NO. 19-21 APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT, BY AND BETWEEN ROSEVILLE APARTMENTS, L.P. AND THE CITY OF ROSEVILLE, AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE. This item is to update the previous Disposition and Development Agreement (DDA) for Main Street Plaza Apartments at 304 Washington Boulevard into two DDAs to accommodate the requirements of committed state and federal funding sources in the completion of this 65-unit affordable housing mixed-use project. This item does not impact the General Fund.

CC #: 9747

File #: 0709-03-02

CONTACT: Danielle Foster 916-774-5446 dfoster@roseville.ca.us

9. COUNCIL / STAFF / REPORTS/ COMMENTS

10. ADJOURNMENT



COUNCIL COMMUNICATION

CC #: 9760
File #: 0102-03

Title: Minutes of Prior Meetings
Contact: Sonia Orozco 916-774-5269 sorozco@roseville.ca.us

Meeting Date: 1/16/2019
Item #: 6.1.

RECOMMENDATION TO COUNCIL

Recommend City Council approve the December 5, 2018, December 10, 2018 and December 19, 2018 City Council Minutes.

BACKGROUND

There is no background associated with this item. The request is to approve the minutes of previous meetings.

FISCAL IMPACT

Not applicable.

ECONOMIC DEVELOPMENT / JOBS CREATED

Not applicable.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonable foreseeable indirect physical change in the environment (CEQA Guidelines §15061(b)(3)). The approval of minutes does not include the potential for a significant environmental effect, and therefore is not subject to CEQA.

Respectfully Submitted,

Sonia Orozco, City Clerk



Dominick Casey, City Manager

ATTACHMENTS:

Description

December 5, 2018 City Council Minutes

December 10, 2018 City Council Minutes

December 19, 2018 City Council Minutes



MINUTES

December 5, 2018

CITY COUNCIL MEETING
HOUSING AUTHORITY MEETING
7:00 p.m.
City Council Chambers
311 Vernon Street
Roseville, California

1. CALL TO ORDER

Prior to calling the meeting to order, Mayor Susan Rohan spoke on the life of Former President George H.W. Bush, and held a moment of silence in acknowledgement of his passing.

Mayor Susan Rohan called the December 5, 2018 City Council/Housing Authority meeting to order at 7:00 p.m.

2. ROLL CALL

Present: Gore, Alvord, Herman, Allard, Rohan

3. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Councilmember Tim Herman.

4. MEETING PROCEDURES

City Clerk Technician Helen Dreyer announced the procedures for addressing Council.

5. PUBLIC COMMENTS

Bruce Houdesheldt - Spoke on the passing of Former President George H.W. Bush.

6. CONSENT CALENDAR

BEGINNING OF CONSENT CALENDAR

Motion by Tim Herman, seconded by John Allard, to approve the Consent Calendar as recommended. The Motion Passed.

Roll call vote: Ayes: Allard, Alvord, Gore, Herman, Rohan

Bids / Purchases / Services

6.1. Control Switches (RFQ 10-3190) - Purchase Orders

Memo from Buyer Babette Owens and Finance Director Dennis Kauffman recommending Council approve purchase orders with Electro Switch Corp. for the purchase of control switches on an as-needed basis. The estimated annual cost is \$68,000.00. Funding is included in the Electric Department FY2018-19 budget.

CC #: 9653

File #: 0203-07-01

CONTACT: Babette Owens 916-774-5704 bowens@roseville.ca.us

6.2. High-Density Linear Polyethylene Storage Tanks (RFQ 10-3187) - Reject All Bids

Memo from Buyer Babette Owens and Finance Director Dennis Kauffman recommending Council adopt RESOLUTION NO. 18-482 REJECTING ALL BIDS FOR HIGH-DENSITY LINEAR POLYETHYLENE STORAGE TANKS. Staff requests that the City Council reject all bids received for Request for Quotes (RFQ) 10-3187 for high-density linear polyethylene storage tanks. During staff review of the bids and specifications that were received, it was determined that it would be in the City's best interest to standardize with a specific tank that is already known to fit the existing structures. There is no fiscal impact resulting from this action.

CC #: 9654

File #: 0203-21

CONTACT: Babette Owens 916-774-5704 bowens@roseville.ca.us

6.3. Orchard Ranch Adventure Club Modular Building - Service Agreement Amendment and Budget Adjustment

Memo from Park Development Analyst Rjahja Canlas and Parks, Recreation & Libraries Director Dion Louthan recommending Council adopt RESOLUTION NO. 18-481 APPROVING AMENDMENT NO. 1 TO SERVICE AGREEMENT BETWEEN CITY OF ROSEVILLE AND CLASS LEASING, LLC, AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE (\$1808253); and adopt ORDINANCE NO. 6030 OF THE COUNCIL OF THE CITY OF ROSEVILLE AUTHORIZING CERTAIN AMENDMENTS TO THE 2018-19 BUDGET AND DECLARING THIS ORDINANCE TO BE IMMEDIATELY EFFECTIVE AS AN APPROPRIATION MEASURE. The amount of the amendment is \$14,534.00, bringing the service agreement total from \$224,615.00 to \$239,149.00. The budget adjustment is in the amount of \$30,000.00 from the Youth Development Fund to the Orchard Ranch Adventure Club Capital Improvement Project. There is

no impact to the General Fund.

CC #: 9651

File #: 0704

CONTACT: Rjahja Canlas 916-774-5342 rcanlas@roseville.ca.us

6.4. Roseville Electric Painting Services (RFQ 10-3183) - Service Agreement

Memo from Buyer Tiffany Valdez and Finance Director Dennis Kauffman recommending Council adopt RESOLUTION NO. 18-491 APPROVING A SERVICE AGREEMENT BETWEEN THE CITY OF ROSEVILLE AND D & T PAINTING, AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE (S1908219). D&T Painting will provide materials and labor to paint specific areas at the Roseville Electric Service Center, Electric Warehouse, and the Electric Operations Center. The total amount of the award is \$83,000.00. Funding is included in the Electric Department's FY2018-19 Electric Rehabilitation Fund.

CC #: 9660

File #: 0203-07

CONTACT: Tiffany Valdez 916-774-5708 tvaldez@roseville.ca.us

6.5. White Crystal Solar Salt (RFQ 10-3186) - Service Agreement

Memo from Buyer Becky Philipp and Finance Director Dennis Kauffman recommending Council adopt RESOLUTION NO. 18-486 APPROVING A SERVICE AGREEMENT BETWEEN THE CITY OF ROSEVILLE AND MORTON SALT, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE (S1903122). The service agreement with Morton Salt, Inc. is for the purchase and delivery of White Crystal Solar Salt to the Roseville Energy Park which is required for water softening in the industrial process. The initial contract award is \$33,000.00 and will not exceed budgeted amounts. Funding is included in the Roseville Energy Park FY2018-19 budget. Staff requests authorization to renew without further Council approval.

CC #: 9661

File #: 0203-03

CONTACT: Becky Philipp 916-774-5724 bphilipp@roseville.ca.us

6.6. Centrifuge Equipment - Open Annual Purchase Order

Memo from Principal Engineer Bryan Buchanan and Environmental Utilities Director Richard Plecker recommending Council adopt RESOLUTION NO. 18-484 APPROVING A PURCHASE ORDER FOR CENTRIFUGE EQUIPMENT. This item requests an open annual purchase order, including four optional one-year renewals, with GEA Mechanical Equipment US for the purchase of replacement and spare parts used to support rehabilitation and maintenance of the City's three GEA Westfalia Separator Centrifuges in service at the Pleasant Grove Wastewater Treatment Plant. GEA Mechanical Equipment US, Inc. is the sole source distributor and manufactured parts provider for Westfalia Centrifuges

and their subcomponents manufactured by GEA Westfalia Separator, and therefore is needed for standardization. The total annual cost will not exceed \$250,000.00. Funding is included in the Wastewater Fund through the approved annual Wastewater Operations budget.

CC #: 9658

File #: 0203-09

CONTACT: Bryan Buchanan 916-746-1812 bbuchanan@roseville.ca.us

6.7. Pumps and Pump Parts - Open Annual Purchase Order

Memo from Principal Engineer Bryan Buchanan and Environmental Utilities Director Richard Plecker recommending Council approve RESOLUTION NO. 18-485 APPROVING A PURCHASE ORDER FOR FLYGT PUMPS AND PUMP PARTS. This item requests an open annual purchase order, including four optional one-year renewals with Xylem Water Solutions U.S.A., Inc. for the purchase of Flygt pumps and pump parts used with several processes at the City's two wastewater treatment plants and collections system. The total annual cost will not exceed \$250,000.00 (\$100,000.00 per plant and \$50,000.00 for Wastewater Collections). Funding is included in the Wastewater Fund through the approved annual Wastewater Operations budget.

CC #: 9659

File #: 0203-09

CONTACT: Bryan Buchanan 916-746-1812 bbuchanan@roseville.ca.us

Resolutions

6.8. HOUSING AUTHORITY - Mainstream Voucher Limited Preference Set-aside and Lease-up Process

Memo from Housing Deputy Director Danielle Foster and Housing Assistant Director Laura Matteoli, recommending Council acting as the Housing Authority Board of Directors adopt HOUSING AUTHORITY OF THE CITY OF ROSEVILLE RESOLUTION NO. 4-18 APPROVING A MAINSTREAM VOUCHER LIMITED PREFERENCE SET-ASIDE AND LEASE UP PROCESS, AND ADOPTING THE PROPOSED AMENDMENTS TO THE ROSEVILLE HOUSING AUTHORITY ADMINISTRATIVE PLAN. There is no cost to the general fund. The Mainstream Vouchers have been awarded to the City under the federal Housing Choice Voucher program.

CC #: 9655

File #: 0709-01

CONTACT: Danielle Foster 916-774-5446 dfoster@roseville.ca.us

6.9. Parks and Landscape Maintenance Services - Professional Services Agreement

Memo from Parks Superintendent Eric Dexter and Parks, Recreation & Libraries Director Dion Louthan recommending Council adopt RESOLUTION NO. 18-487 APPROVING A PARK AND LANDSCAPE MAINTENANCE SERVICES AGREEMENT BETWEEN THE CITY OF ROSEVILLE AND BRIGHTVIEW

LANDSCAPE SERVICES, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE; and adopt RESOLUTION NO. 18-488 APPROVING A PARK AND LANDSCAPE MAINTENANCE SERVICES AGREEMENT BETWEEN THE CITY OF ROSEVILLE AND CAGWIN & DORWARD, AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE. The agreement with Cagwin & Dorward has a not to exceed amount of \$13,834,445.00 and the agreement with BrightView Landscape Services, Inc. has a not to exceed amount of \$3,150,650.00. Each agreement has a base term of four years, with three optional two year extensions. The funds for the initial year of the contracts are included in FY18-19 operating budgets, which include Parks, Recreation & Libraries, Public Works, Environmental Utilities, Roseville Electric, Community Facility Districts, and Landscape and Lighting Districts. Future years will be requested through the annual budget process. There is no net impact to the General Fund.

CC #: 9666

File #: 0203-16

CONTACT: Eric Dexter 916-746-1769 edexter@roseville.ca.us

6.10. Oak Ridge Bridge Replacement Project - Professional Services Agreement Amendment

Memo from Associate Engineer Hossein Naghibzadeh and Public Works Director Rhon Herndon recommending Council adopt RESOLUTION NO. 18-480 APPROVING A FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF ROSEVILLE AND PARAGON PARTNERS, LTD., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE. Paragon Partners, Ltd will provide additional right of way services needed for the Oak Ridge Drive Bridge Replacement project. Paragon Partners previously prepared right of way documents based on the design of a two span bridge but the amount of right of way necessary to accommodate a two span bridge was deemed to be excessive. The project team and Caltrans later determined that a single span bridge would reduce the required right of way needed for the project. The proposed design revisions, and revisions to the right of way services, have been approved by Caltrans, and Federal Highway Bridge Program grant funding has been approved to cover the additional right of way services necessary to make the revisions. The first amendment to the contract will increase the not to exceed value by \$16,170.00, changing it from \$53,928.00 to \$70,098.00. The Federal Highway Bridge Program fund will cover 100% of the cost associated with this amended contract. No General Funds will be used on this project.

CC #: 9650

File #: 0900-04-01

CONTACT: H. Naghibzadeh 916-746-1300 hnaghibzadeh@roseville.ca.us

Ordinances (for introduction and adoption - appropriation/urgency measures)

6.11. City Manager Office Staffing Allocation and Salary Schedule Changes

Memo from Human Resources Director Stacey Peterson recommending Council adopt ORDINANCE NO. 6031 OF THE COUNCIL OF THE CITY OF ROSEVILLE AMENDING ORDINANCE NO. 6028, THE SALARY ORDINANCE FOR MANAGEMENT EMPLOYEES, AS AMENDED BY APPENDIX "X" TO BE EFFECTIVE JANUARY 5, 2019, AS AN URGENCY MEASURE. As part of an ongoing assessment of the appropriate staffing levels to provide a high level of service to the community, staff is recommending the following changes to the City's staffing allocation schedule and salary schedules to meet business needs. Staff recommends the City Council approve Management A & B salary schedules and approve the addition of two (2) new allocations and the deletion of two (2) allocations on the citywide allocation schedule. The total fiscal impact to the General fund is a cost savings of \$51,778.00. All costs have been included within the FY 2018-19 budgets.

CC #: 9667

File #: 0600-01

CONTACT: Stacey Peterson 916-774-5374 slpeterson@roseville.ca.us

6.12. Property Agreements and Signal Plan Approval for Fairgrounds Improvement Project and Budget Adjustments

Memo from Assistant Engineer Jerome Pastor and Public Works Director Rhon Herndon recommending Council adopt RESOLUTION NO. 18-489 APPROVING AN AGREEMENT OF PURCHASE AND SALE OF REAL PROPERTY BETWEEN THE COUNTY OF PLACER AND THE CITY OF ROSEVILLE, FOR THE SALE OF ±3.412 ACRES OF REAL PROPERTY LOCATED AT THE FORMER PLACER COUNTY FAIRGROUNDS, AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT AND ALL ESCROW RELATED DOCUMENTS ON BEHALF OF THE CITY OF ROSEVILLE; and adopt RESOLUTION NO. 18-490 AUTHORIZING THE CITY MANAGER TO ACCEPT A TRAFFIC CONTROL EASEMENT AND WATER LINE EASEMENT FROM PLACER COUNTY AND TO EXECUTE A QUITCLAIM DEED CONVEYING A PORTION OF LAWTON AVENUE TO PLACER COUNTY; and adopt ORDINANCE NO. 6032 ORDINANCE OF THE COUNCIL OF THE CITY OF ROSEVILLE AUTHORIZING CERTAIN AMENDMENTS TO THE 2018-19 BUDGET AND DECLARING THIS ORDINANCE TO BE IMMEDIATELY EFFECTIVE AS AN APPROPRIATION MEASURE; and adopt ORDINANCE NO. 6033 ORDINANCE OF THE COUNCIL OF THE CITY OF ROSEVILLE AUTHORIZING CERTAIN AMENDMENTS TO THE 2018-19 BUDGET AND DECLARING THIS ORDINANCE TO BE IMMEDIATELY EFFECTIVE AS AN APPROPRIATION MEASURE. As part of an executed Memorandum of Understanding (MOU) with Placer County, Placer Valley Tourism (PVT), and the Placer Valley Sports Complex, Inc. regarding the proposed Indoor Sports and Event Center (ISEC) to be located at the former Placer County Fairgrounds, the MOU states that a new signalized intersection at Junction Blvd. and Vallejo. Ave shall be constructed to mitigate traffic impacts created by the ISEC project. All costs associated with these intersection improvements are a part of a land acquisition agreement with Placer County whereby the City's costs of the signal are credited towards the cost of the property needed for the expansion of the public safety building adjacent to the fairgrounds. In order to accommodate landscape and driveway improvements

created by the new signalized intersection, a portion of right-of-way on Lawton Avenue needs to be conveyed from the City to the County. To proceed with the construction of the intersection improvements, Staff is also requesting Council approve the plans and specifications for the Junction Blvd. and Vallejo Ave. Intersection Improvements. A budget adjustment for \$95,000.00 is being recommended to realign the budget to properly account for the design portion of this project as part of the capital improvement project. The second budget adjustment for \$2,279,640.00 is being recommended to establish a project budget of \$1,493,412.00 for the construction of the Junction Blvd. and Vallejo Ave. signalized intersection and the associated ISEC driveway and to transfer \$786,228.00 from the Public Facilities Fund to the Traffic Mitigation Fund. The project expense is being split between the Public Facilities Fund and Traffic Mitigation Fund and is consistent with the most recent (2015) Public Facilities Nexus study. No General Funds will be used for this project.

CC #: 9668

File #: 1002 & 0201-01

CONTACT: Jerome Pastor 916-746-1300 jpastor@roseville.ca.us

Reports / Requests

6.13.HOUSING AUTHORITY - Quarterly Status Report

Memo from Housing Analyst Suzanne Acrell and Economic Development Director Laura Matteoli with a quarterly report on the Housing Authority's Housing Choice Voucher Program. This report is for informational purposes only and has no impact on the City's General Fund.

CC #: 9656

File #: 0709-03-02

CONTACT: Suzanne Acrell 916-774-5469 sacrell@roseville.ca.us

6.14.Street Closure Request - 57th Annual Sylvia Besana Holiday Parade

Memo from Recreation Superintendent and Park, Recreation & Libraries Director Dion Louthan recommending Council adopt RESOLUTION NO. 18-496 APPROVING AN AGREEMENT BETWEEN THE CITY OF ROSEVILLE AND DOWNTOWN ROSEVILLE MERCHANTS, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE. The street closures will include S. Grant Street between Oak Street and Atlantic Street, Vernon Street between 6th Street and Lincoln Street, Folsom Road between Vernon Street and Roseville Square Shopping Center and Pratt Street between Vernon Street and Oak Street on Saturday, December 15, 2018, 7:00 a.m. - 12:30 p.m. for the 57th Annual Sylvia Besana Holiday Parade. All direct costs associated with this event for City services will be reimbursed by the applicant.

CC #: 9669

File #: 0109-02

CONTACT: Jeff Nereson 916-774-5974 jnereson@roseville.ca.us

Ceremonial Documents

6.15. Resolution of Commendation to Mike Helmer

Mike Helmer be commended for 17 years of outstanding service and dedication to the City of Roseville and wished a long, healthy, and enjoyable retirement.

CC #: 9663

File #: 0102-10

CONTACT: Lupe Nelson 916-774-5281 LNelson@roseville.ca.us

6.16. Resolution of Commendation to Corey Mah

Corey Mah be commended for 28 years of outstanding service and dedication to the City of Roseville and wished a long, healthy, and enjoyable retirement.

CC #: 9664

File #: 0102-10

CONTACT: Cheryl Hammond 916-774-5636 CHammond@roseville.ca.us

6.17. Resolution of Commendation to Jacquelyn DeMuth

Jacquelyn DeMuth be commended for 13 years of outstanding service and dedication to the City of Roseville and wished a long, healthy, and enjoyable retirement.

CC #: 9662

File #: 0102-10

CONTACT: Susan Hernandez 916-774-5623 shernandez@roseville.ca.us

6.18. Resolution of Commendation to Toby August

Toby August be commended for 33 years of outstanding service and dedication to the City of Roseville and wished a long, healthy, and enjoyable retirement.

CC #: 9665

File #: 0102-10

CONTACT: Shelly Tilley 916-774-5785 STilley@roseville.ca.us

END OF CONSENT CALENDAR

7. RESOLUTIONS

7.1. Integrated Resource Plan - Professional Services Agreement

Memo from Acting Water Utility Manager Sean Bigley and Environmental Utilities Director Richard Plecker recommending Council adopt RESOLUTION NO. 18-483 APPROVING A PROFESSIONAL SERVICES AGREEMENT, BY AND BETWEEN THE CITY OF ROSEVILLE AND STANTEC CONSULTING SERVICES, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE

IT ON BEHALF OF THE CITY OF ROSEVILLE. Stantec Consulting Services will develop an Integrated Resource Plan for the Environmental Utilities Department (EU) for a not-to-exceed amount of \$339,752.00. The proposed project will be equally budgeted through the EU Water Utility Construction Fund (\$169,876.00) and EU Wastewater Utility Local Connection Fees Fund (\$169,876.00).

CC #: 9657

File #: 0800-02

CONTACT: Sean Bigley 916-774-5513 sbigley@roseville.ca.us

Environmental Utilities Director Richard Plecker made the presentation to Council.

No public comment received.

Motion by Tim Herman, seconded by John Allard, to adopt RESOLUTION NO. 18-483 APPROVING A PROFESSIONAL SERVICES AGREEMENT, BY AND BETWEEN THE CITY OF ROSEVILLE AND STANTEC CONSULTING SERVICES, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE. The Motion Passed.

Roll call vote: Ayes: Allard, Alvord, Gore, Herman, Rohan

8. ORDINANCES

8.1. Roseville Police Officer Association - Memorandum of Understanding

Memo from Human Resources Director Stacey Peterson recommending Council adopt RESOLUTION NO. 18-497 APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN CITY OF ROSEVILLE AND THE ROSEVILLE POLICE OFFICERS ASSOCIATION AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE; and adopt ORDINANCE NO. 6034 OF THE COUNCIL OF THE CITY OF ROSEVILLE AUTHORIZING CERTAIN AMENDMENTS TO THE 2018-19 BUDGET AND DECLARING THIS ORDINANCE TO BE IMMEDIATELY EFFECTIVE AS AN APPROPRIATION MEASURE; and adopt ORDINANCE NO. 6035 OF THE COUNCIL OF THE CITY OF ROSEVILLE AMENDING ORDINANCE NO. 5768, THE SALARY ORDINANCE FOR SWORN EMPLOYEES REPRESENTED BY THE ROSEVILLE POLICE OFFICERS ASSOCIATION, AS AMENDED BY APPENDIX "A" TO BE EFFECTIVE JANUARY 5, 2019, AS AN URGENCY MEASURE. The purpose of this request is to establish a successor memorandum of understanding (MOU) with the Roseville Police Association for a 3 year term. The cost to the FY2018-19 budget will be \$622,221.00, which will be covered by one-time monies from Supplemental Law Enforcement Fund (210). The overall ongoing projected costs of salary and benefit increases in the 3 year MOU is \$4 million, not accounting for the cost in year 3 of the labor market study to maintain salaries at market median that will be recommended to Council prior to approval.

CC #: 9672

File #: 0600-01

CONTACT: Stacey Peterson 916-774-5374 slpeterson@roseville.ca.us

Human Resources Director Stacey Peterson made the presentation to Council.

No public comment received.

Motion by Tim Herman, seconded by Bonnie Gore, to adopt RESOLUTION NO. 18-497 APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN CITY OF ROSEVILLE AND ROSEVILLE POLICE OFFICERS ASSOCIATION AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE; adopt ORDINANCE NO. 6034 OF THE COUNCIL OF THE CITY OF ROSEVILLE AUTHORIZING CERTAIN AMENDMENTS TO THE 2018-19 BUDGET AND DECLARING THIS ORDINANCE TO BE IMMEDIATELY EFFECTIVE AS AN APPROPRIATION MEASURE; and adopt ORDINANCE NO. 6035 OF THE COUNCIL OF THE CITY OF ROSEVILLE AMENDING ORDINANCE NO. 5768, THE SALARY ORDINANCE FOR SWORN EMPLOYEES REPRESENTED BY THE ROSEVILLE POLICE OFFICERS ASSOCIATION, AS AMENDED BY APPENDIX "A" TO BE EFFECTIVE JANUARY 5, 2019, AS AN URGENCY MEASURE, with amended three year fiscal cost adjustment as addressed in the staff presentation. The Motion Passed.

Roll call vote: Ayes: Allard, Alvord, Gore, Herman, Rohan

9. SPECIAL REQUESTS/REPORTS/PRESENTATION

9.1. Distribution of a Request For Proposal entitled Design and Implementation of the "Roseville Advantage Financing Program"

Memo from Chief Financial Officer Jay Panzica recommending Council approve the distribution of a Request For Proposal (RFP) entitled Design and Implementation of the "Roseville Advantage Financing Program" to locally headquartered banks. The purpose of this RFP is to provide a significant opportunity to the local banking community to work collaboratively with the City of Roseville in aggressively helping its existing businesses grow and prosper and to pursue new business development within the city.

CC #: 9671

File #: 0203-50

CONTACT: Laura Matteoli 916-774-5284 LMatteoli@roseville.ca.us

Dennis Kauffman 916-774-5313 DKauffman@roseville.ca.us

Chief Financial Officer Jay Panzica made the presentation to Council.

Economic Development Director Laura Matteoli continued the presentation to Council.

No public comment received.

Motion by Tim Herman, seconded by Bonnie Gore, to approve distribution of a Request for Proposal entitled Design and Implementation of the "Roseville Advantage Financing Program" to locally headquartered banks. The Motion Passed.

Roll call vote: Ayes: Allard, Alvord, Gore, Herman, Rohan

10. PUBLIC HEARING

10.1. Hewlett-Packard Campus Oaks Parcel CO-21, 31, 41, 42 - Campus Oaks Commercial

Memo from Associate Planner Lauren Hocker and Development Services Director Mike Isom recommending Council adopt RESOLUTION NO. 18-492 DENYING THE APPEAL FROM THE OCTOBER 25, 2018 APPROVALS BY THE PLANNING COMMISSION, ADOPTING THE TWO (2) FINDINGS OF FACT AND APPROVING THE MAJOR PROJECT PERMIT STAGE 2 SUBJECT TO ONE HUNDRED TWO (102) CONDITIONS OF APPROVAL; AND ADOPTING THE THREE (3) FINDINGS OF FACT AND APPROVING THE TENTATIVE SUBDIVISION MAP SUBJECT TO SIXTY-FOUR (64) CONDITIONS OF APPROVAL; and adopt RESOLUTION NO. 18-493 AMENDING THE GENERAL PLAN TO CHANGE THE TEXT WITHIN THE LAND USE ELEMENT; and adopt RESOLUTION NO. 18-494 AMENDING THE GENERAL PLAN TO CHANGE THE LAND USE DESIGNATIONS ON CERTAIN PROPERTY IN THE CITY OF ROSEVILLE; and introduce for first reading ORDINANCE OF THE COUNCIL OF THE CITY OF ROSEVILLE REZONING CERTAIN REAL PROPERTY LOCATED WITHIN THE CITY OF ROSEVILLE; and introduce for first reading ORDINANCE OF THE COUNCIL OF THE CITY OF ROSEVILLE ADOPTING A SEVENTH AMENDMENT TO THE DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF ROSEVILLE AND BBC ROSEVILLE OAKS, LLC RELATIVE TO THE CAMPUS OAKS PROPERTY WITHIN THE HEWLETT-PACKARD CAMPUS OAKS MASTER PLAN AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE; and adopt RESOLUTION NO. 18-495 ADOPTING THE TWO (2) FINDINGS OF FACT AND APPROVING THE MODIFICATION OF A MAJOR PROJECT PERMIT STAGE 1 IN ORDER TO MODIFY THE HEWLETT-PACKARD CAMPUS OAKS MASTER PLAN. The proposed project includes a General Plan text and land use Amendment, a Rezone of 10.39 acres from Business Professional to Community Commercial, a Development Agreement Amendment, and a Major Project Permit Stage 1 Modification to change the text and figures within the Campus Oaks Master Plan to accommodate a 240,000 square foot commercial center. A Major Project Permit Stage 2 is requested to allow construction of nine (9) commercial buildings. Finally, the applicant is requesting approval of a tentative subdivision map to create fifteen commercial lots. The project will not have any negative impacts on the City's General Fund.

CC #: 9670

File #: 0400-04-07-1 & 0400-08 & 0400-03

CONTACT: Lauren Hocker 916-774-5272 lhocker@roseville.ca.us

Mayor Susan Rohan opened the public hearing.

Planning Manager Greg Bitter made the presentation to Council.

Associate Planner Lauren Hocker continued the presentation to Council.

Applicant Stephen Des Jardins made the presentation to Council.

Kevin Parker - representing the applicant - Armstrong Development - spoke in support of the project.

James Dalton, representing Roseville Solidarity, spoke on behalf of the appellants.

Mayor Susan Rohan opened public comment.

No public comment received.

Mayor Susan Rohan closed public comment.

Applicant Stephen Des Jardins waived opportunity for rebuttal.

Mayor Susan Rohan closed the public hearing.

Motion by Tim Herman, seconded by John Allard, to adopt RESOLUTION NO. 18-492 DENYING THE APPEAL FROM THE OCTOBER 25, 2018 APPROVALS BY THE PLANNING COMMISSION, ADOPTING THE TWO (2) FINDINGS OF FACT AND APPROVING THE MAJOR PROJECT PERMIT STAGE 2 SUBJECT TO ONE HUNDRED TWO (102) CONDITIONS OF APPROVAL; AND ADOPTING THE THREE (3) FINDINGS OF FACT AND APPROVING THE TENTATIVE SUBDIVISION MAP SUBJECT TO SIXTY-FOUR (64) CONDITIONS OF APPROVAL; and adopt RESOLUTION NO. 18-493 AMENDING THE GENERAL PLAN TO CHANGE THE TEXT WITHIN THE LAND USE ELEMENT; and adopt RESOLUTION NO. 18-494 AMENDING THE GENERAL PLAN TO CHANGE THE LAND USE DESIGNATIONS ON CERTAIN PROPERTY IN THE CITY OF ROSEVILLE; and introduce for first reading ORDINANCE OF THE COUNCIL OF THE CITY OF ROSEVILLE REZONING CERTAIN REAL PROPERTY LOCATED WITHIN THE CITY OF ROSEVILLE; and introduce for first reading ORDINANCE OF THE COUNCIL OF THE CITY OF ROSEVILLE ADOPTING A SEVENTH AMENDMENT TO DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF ROSEVILLE AND BBC ROSEVILLE OAKS, LLC RELATIVE TO THE CAMPUS OAKS PROPERTY WITHIN THE HEWLETT-PACKARD CAMPUS OAKS MASTER PLAN AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE; and adopt RESOLUTION NO. 18-495 ADOPTING THE TWO (2) FINDINGS OF FACT AND APPROVING THE MODIFICATION OF A MAJOR PROJECT PERMIT STAGE 1 IN ORDER TO MODIFY THE HEWLETT-PACKARD CAMPUS OAKS MASTER PLAN. The Motion Passed.

Roll call vote: Ayes: Allard, Alvord, Gore, Herman, Rohan

11. COUNCIL / STAFF / REPORTS/ COMMENTS

Make-a-Wish - Councilmember Scott Alvord spoke on event.

Outgoing Mayor Susan Rohan and Councilmember Tim Herman - Vice Mayor Bonnie Gore and Councilmember John Allard thanked them for their service and dedication.

Happy Hanukkah - Councilmember Tim Herman extended wishes.

12. ADJOURNMENT

Motion by Tim Herman, seconded by Susan Rohan, to adjourn the meeting at 8:18 p.m. The Motion Passed.

Roll call vote: Ayes: Allard, Alvord, Gore, Herman, Rohan

Susan Rohan, Mayor

Helen Dreyer, City Clerk Technician



MINUTES

December 10, 2018

CITY COUNCIL SWEARING-IN CEREMONY AND SPECIAL MEETING NOTICE

5:00 p.m.

City Council Chambers
311 Vernon Street
Roseville, California

1. CALL TO ORDER

Mayor Susan Rohan called the December 10, 2018 City Council Swearing-In Ceremony to order at 5:00 p.m.

2. ROLL CALL

Present: Gore, Alvord, Herman, Allard, Rohan

3. PLEDGE OF ALLEGIANCE

Roseville Police Honor Guard presented the colors and led the Pledge of Allegiance.

4. PUBLIC COMMENTS

No public comment received.

5. PRESENTATIONS

5.1. Canvass of Results - 2018 Municipal Election

Memo from City Clerk Sonia Orozco recommending Council adopt RESOLUTION NO. 18-498 CANVASSING VOTES OF THE NOVEMBER 6, 2018 GENERAL MUNICIPAL ELECTION AND DECLARING THE RESULTS THEREOF PER PLACER COUNTY OFFICIAL ELECTION RESULTS declaring Vice Mayor elect Krista Bernasconi and Councilmember elect Pauline Roccucci as the two candidates receiving the highest votes cast, and declaring measure B, a half-cent (0.5%) Transactions and use Tax to Protect Roseville's Essential Services passed by a majority of yes votes. Estimated revenue of the

half-cent (0.5%) Transactions and use Tax is between \$16 to \$18 million annually.

CC #: 9715

File #: 0502-01

CONTACT: Sonia Orozco 916-774-5269 sorozco@roseville.ca.us

City Clerk Sonia Orozco made the presentation to Council.

No public comment received.

Motion by Tim Herman, seconded by Susan Rohan, to adopt RESOLUTION NO. 18-498 CANVASSING VOTES OF THE NOVEMBER 6, 2018 GENERAL MUNICIPAL ELECTION AND DECLARING THE RESULTS THEREOF PER PLACER COUNTY OFFICIAL ELECTION RESULTS declaring Vice Mayor elect Krista Bernasconi and Councilmember elect Pauline Roccucci as the two candidates receiving the highest votes cast, and declaring measure B, a half-cent (0.5%) Transactions and Use Tax to Protect Roseville's Essential Services passed by a majority of yes votes. The Motion Passed.

Roll call vote: Ayes: Allard, Alvord, Gore, Herman, Rohan

5.2. Recognition of Outgoing Councilmember Tim Herman

Resolution of Commendation and Appreciation and token of appreciation presented by Vice Mayor Bonnie Gore on behalf of the City Council, to outgoing Councilmember Tim Herman.

CC #: 9715a

File #: 0502-01

CONTACT: Sonia Orozco 916-774-5263 sorozco@roseville.ca.us

Vice Mayor Bonnie Gore made the presentation to outgoing Councilmember Tim Herman, who responded.

5.3. Recognition of Outgoing Mayor Susan Rohan

Resolution of Commendation and Appreciation and token of appreciation presented by Vice Mayor Bonnie Gore, on behalf of the City Council, to outgoing Mayor Susan Rohan.

CC #: 9715b

File #: 0502-01

CONTACT: Sonia Orozco 916-774-5263 sorozco@roseville.ca.us

Vice Mayor Bonnie Gore made the presentation to outgoing Mayor Susan Rohan, who responded.

6. **SWEARNG IN CEREMONY**

6.1. Oath of Office - Councilmember

City Clerk Sonia Orozco to administer oath of office to Councilmember elect Pauline Roccucci.

CONTACT: Sonia Orozco 916-774-5263 sorozco@roseville.ca.us

City Clerk Sonia Orozco administered the oath of office to Councilmember elect Pauline Roccucci.

6.2. Oath of Office - Mayor

City Clerk Sonia Orozco to administer oath of office to incoming Mayor Bonnie Gore.

CONTACT: Sonia Orozco 916-774-5263 sorozco@roseville.ca.us

City Clerk Sonia Orozco administered the oath of office to incoming Mayor Bonnie Gore.

6.3. Oath of Office - Vice Mayor

Carol Garcia, Sierra College Board Trustee, to administer oath of office to Vice Mayor Elect Krista Bernasconi.

CONTACT: Sonia Orozco 916-774-5263 sorozco@roseville.ca.us

Sierra College Board Trustee Carol Garcia administered the oath of office to Vice Mayor elect Krista Bernasconi.

7. COUNCIL / STAFF / REPORTS/ COMMENTS

Thank You - Councilmember John Allard, Councilmember Scott Alvord and Mayor Bonnie Gore thanked outgoing Mayor Susan Rohan and outgoing Councilmember Tim Herman for their dedicated service.

- Congratulations to Newly Elected Members - Councilmember John Allard and Councilmember Scott Alvord congratulated Vice Mayor Krista Bernasconi and Councilmember Pauline Roccucci.

8. ADJOURNMENT

Motion by Roccucci, seconded by Bernasconi, to adjourn the meeting at 5:40 p.m.

Vote: All Ayes

Bonnie Gore, Mayor

Sonia Orozco, City Clerk



MINUTES

December 19, 2018

CITY COUNCIL MEETING

7:00 p.m.

City Council Chambers

311 Vernon Street

Roseville, California

CLOSED SESSION

6:00 p.m.

Conference with Labor Negotiators

Pursuant to California Government Code Section 54957.6

Agency designated representative: Stacey Peterson

Employee Organizations: Roseville Police Association; IBEW, Local 1245; Stationary Engineers, Local 39; and, Roseville Firefighters, Local 1592

Contact: Stacey Peterson 916-774-5374 slpeterson@roseville.ca.us

Closed Session Disclosure: City Attorney Robert Schmitt reported no reportable action was taken in Closed Session.

1. CALL TO ORDER

Mayor Bonnie Gore called the December 19, 2018 City Council meeting to order at 7:00 p.m.

2. ROLL CALL

Present: Bernasconi, Allard, Alvord, Roccucci, Gore

3. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Vice Mayor Krista Bernasconi.

4. MEETING PROCEDURES

City Clerk Sonia Orozco announced the procedures for addressing Council.

5. PUBLIC COMMENTS

No public comment received.

5.1. Christams Eve Holiday Declaration

CONTACT: Stacey Peterson 916-774-5374 speterson@roseville.ca.us

City Clerk Sonia Orozco requested the City Council add an item to the agenda in order to act on the Presidential Declaration that Christmas Eve was declared an official governmental holiday.

Motion by Roccucci, seconded by Bernasconi, to add the Christmas Eve Holiday Presidential Declaration to the agenda.

Roll call vote: Ayes: Bernasconi, Alvord, Roccucci, Allard, Gore

Human Resources Director Stacey Peterson made the presentation to Council.

No public comment received.

Motion by Alvord, seconded by Roccucci, to declare December 24, 2018 as a holiday for all employees in order to treat employees fairly and equitably.

Roll call vote: Ayes: Bernasconi, Alvord, Roccucci, Allard, Gore

6. CONSENT CALENDAR

BEGINNING OF CONSENT CALENDAR

Mayor Bonnie Gore recused herself from the vote on item 6.32 for the Kaiser Grant Agreement as she sits as a member of the Invest Health Board.

Vice Mayor Krista Bernasconi recused herself from the vote on item 6.3 as her husband works for a local car dealership.

Motion by Allard, seconded by Roccucci, to approve the items on the Consent Calendar as presented with Mayor Bonnie Gore recusing herself on item 6.32 and Vice Mayor Krista Bernasconi recusing herself from item 6.3.

Roll call vote: Ayes: Bernasconi, Alvord, Roccucci, Allard, Gore

Minutes

6.1. Minutes of Prior Meetings

Memo from City Clerk Sonia Orozco recommending City Council approve the Minutes of November 7, 2018 and November 28, 2018 City Council meetings.

CC #: 9716

File #: 0102-03

CONTACT: Sonia Orozco 916-774-5269 sorozco@roseville.ca.us

Bids / Purchases / Services

6.2. Overhead Medium-Voltage Distribution Switches (RFQ 10-3191) - Purchase Orders

Memo from Buyer Babette Owens and Finance Director Dennis Kauffman recommending Council adopt RESOLUTION NO. 18-499 APPROVING A PURCHASE ORDER FOR OVERHEAD MEDIUM-VOLTAGE DISTRIBUTION SWITCHES. Staff requests approval of purchase orders to Anixter Inc. for overhead medium-voltage distribution switches on an as-needed basis. The estimated annual cost is \$40,000.00. Funding is included in the Electric Department 12kV Upgrade & Extension FY2018-19 budget. Staff requests authorization to renew without further Council approval, contingent upon budget approval each year.

CC #: 9676

File #: 0203-07-01

CONTACT: Babette Owens 916-774-5704 bowens@roseville.ca.us

6.3. Vehicle and Equipment Purchases

Memo from Fleet Manager Brian Craighead and Acting Public Works Director Jason Shykowski recommending Council approve a purchase order to Oroville Ford, Inc. for one Ford F250 utility body truck utilizing RFQ 10-3192 in the amount of \$49,729.71; approve a purchase order to Future Ford, Inc. for twelve Ford F150 trucks utilizing RFQ 10-3193 in the amount of \$366,220.07; approve a purchase order to John L. Sullivan Investments, Inc. dba Roseville Toyota for one Toyota Tacoma truck utilizing RFQ 10-3194 in the amount of \$33,899.23; and approve two purchase orders to Turf Star, Inc. for one Toro mower and one Toro aerator utilizing National Intergovernmental Purchasing Alliance contract #2017025 in the amount of \$71,189.45. Funding for these vehicles is included in the FY2018-19 Auto Replacement budget.

CC #: 9679

File #: 0203-01

CONTACT: Brian Craighead 916-774-5731 bcraighead@roseville.ca.us

Vice Mayor Krista Bernasconi recused herself on participating on approval of item 6.3.

6.4. Dietrich Park Play Structure Replacement - Service Agreement

Memo from Park Development Analyst Rjahja Canlas and Parks, Recreation & Libraries Director Dion Louthan recommending Council adopt RESOLUTION NO. 18-511 APPROVING A SERVICE AGREEMENT BETWEEN THE CITY OF ROSEVILLE AND PLAYPOWER LT FARMINGTON, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE (S1904311). Staff recommends approval of a service agreement with PlayPower LT Farmington, Inc. for \$147,965.86 to remove and replace the play structure at Dietrich Park. The project was approved in FY2017-18 using funds from the Parks, Recreation & Libraries Capital Fund. Ongoing maintenance costs are anticipated to stay the same and are included in the FY2018-19 Parks, Recreation & Libraries budget.

CC #: 9698

File #: 0704-01

CONTACT: Rjahja Canlas 916-774-5342 rcanlas@roseville.ca.us

6.5. Buljan Park Play Structure Replacement - Service Agreement

Memo from Park Development Analyst Rjahja Canlas and Parks, Recreation & Libraries Director Dion Louthan recommending Council adopt RESOLUTION NO. 18-510 APPROVING A SERVICE AGREEMENT BETWEEN THE CITY OF ROSEVILLE AND PLAYPOWER LT FARMINGTON, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE (\$1904312). Staff recommends approval of a service agreement with PlayPower LT Farmington C/O All About Play for \$139,946.36 to remove and replace the play structure at Buljan Park. The project was approved in FY2017-18 using funds from the Parks, Recreation & Libraries Capital Fund. Ongoing maintenance costs are anticipated to stay the same and are included in the FY2018-19 Parks, Recreation & Libraries budget.

CC #: 9697

File #: 0704-01

CONTACT: Rjahja Canlas 916-774-5342 rcanlas@roseville.ca.us

6.6. Fire - Public Safety Radio Equipment - Purchase Order

Memo from Assistant Fire Chief Brian Diemer and Fire Chief Rick Bartee recommending Council adopt RESOLUTION NO. 18-525 APPROVING A PURCHASE ORDER FOR PUBLIC SAFETY RADIO EQUIPMENT. Staff requests Council approval to utilize the companies authorized for public safety radio equipment from BK Technologies, Inc, through the use of the State of Washington NASPO Value Point Master Price Agreement pursuant to Participating Addendum Number 7-16-58-15 between the State of California Department of General Services and BK Technologies, Inc., for the term of November 7, 2018 thru June 30, 2021. The estimated cost of purchases for FY2018-19 is \$45,000.00, FY2019-20 is \$100,000.00 and FY2020-21 is \$100,000.00 for a total award of \$245,000.00. Funding is included in the Fire Department Support Services budget for FY2018-19 and subsequent fiscal years will be limited to the amount approved by Council.

CC #: 9674

File #: 0203-05

CONTACT: Brian Diemer 916-746-1392 bdiemer@roseville.ca.us

6.7. Ammunition - Sole Source Purchase Order

Memo from Police Department Rangemaster Randy Thompson and Police Chief Jim Maccoun recommending Council authorize a sole source purchase order of Hornady ammunition from the Miwall Corporation to meet the Police Department's needs. Hornady has been selected using FBI-established protocols as the best value for quality. Hornady ammunition is exclusively distributed by Miwall Corporation in the northern California area, and therefore is the City's only available

source for the purchase of Hornady brand ammunition. The estimated cost is \$83,991.77, which is included in the Police Department's FY2018-19 General Fund budget.

CC #: 9688

File #: 0203-12

CONTACT: Randy Thompson 916-774-5099 rthompson2@roseville.ca.us

Resolutions

6.8. Sierra Vista Village JM-02A - Phase 1 Final Map and Subdivision Agreement

Memo from Assistant Engineer Kerry Andrews and Development Services Director Mike Isom recommending Council adopt RESOLUTION NO. 18-505 APPROVING A SUBDIVISION AGREEMENT FOR THE SIERRA VISTA VILLAGE JM-02A - PHASE 1 SUBDIVISION, BY AND BETWEEN THE CITY OF ROSEVILLE AND JOHN MOURIER CONSTRUCTION, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE; and approve the Sierra Vista Village JM-02A - Phase 1 final map. Staff has completed its review of the final map and found that it is in compliance with the approved tentative map. This map will create 92 residential lots, 2 landscape lots and 1 open space lot. The actions requested have no fiscal impact to the City's General Fund.

CC #: 9692

File #: 0400-07 & 0400-04-12-1

CONTACT: Kerry Andrews 916-774-5346 kandrews@roseville.ca.us

6.9. Sierra Vista Village JM-03A - Phase 1 Final Map and Subdivision Agreement

Memo from Assistant Engineer Kerry Andrews and Development Services Director Mike Isom recommending Council adopt RESOLUTION NO. 18-506 APPROVING A SUBDIVISION AGREEMENT FOR THE SIERRA VISTA VILLAGE JM-03A - PHASE 1 SUBDIVISION, BY AND BETWEEN THE CITY OF ROSEVILLE AND JOHN MOURIER CONSTRUCTION, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE; and approve the Sierra Vista Village JM-03A - Phase 1 final map. Staff has completed its review of the final map and found that it is in compliance with the approved tentative map. This map will create 83 residential lots and 2 common area (private) lots. The actions requested have no fiscal impact to the City's General Fund.

CC #: 9693

File #: 0400-07 & 0400-04-12-1

CONTACT: Kerry Andrews 916-774-5346 kandrews@roseville.ca.us

6.10. Sierra Vista Village JM-20A - Phase 1 Final Map and Subdivision Agreement

Memo from Assistant Engineer Kerry Andrews and Development Services Director Mike Isom recommending Council adopt RESOLUTION NO. 18-507 APPROVING A SUBDIVISION AGREEMENT FOR THE SIERRA VISTA

VILLAGE JM-20A - PHASE 1 SUBDIVISION, BY AND BETWEEN THE CITY OF ROSEVILLE AND JOHN MOURIER CONSTRUCTION, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE; and approve the Sierra Vista Village JM-20A - Phase 1 final map. Staff has completed its review of the final map and found that it is in compliance with the approved tentative map. This map will create 88 residential lots. The actions requested have no fiscal impact to the City's General Fund.

CC #: 9694

File #: 0400-07 & 0400-04-12-1

CONTACT: Kerry Andrews 916-774-5346 kandrews@roseville.ca.us

6.11. Westpark Phase 3 Village 13D - Final Map and Subdivision Agreement

Memo from Assistant Engineer Kerry Andrews and Development Services Director Mike Isom recommending Council adopt RESOLUTION NO. 18-509 APPROVING A SUBDIVISION AGREEMENT FOR THE WESTPARK PHASE 3 VILLAGE 13D SUBDIVISION, BY AND BETWEEN THE CITY OF ROSEVILLE AND KB HOME SACRAMENTO, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE; and approve the Westpark Phase 3 Village 13D final map. Engineering has completed its review of the final map and found that it is in compliance with the approved tentative map. This map will be creating 81 residential lots and 2 landscape lots. The actions requested have no fiscal impact to the City's General Fund.

CC #: 9696

File #: 0400-04-09-1 & 0400-07

CONTACT: Kerry Andrews 916-774-5346 kandrews@roseville.ca.us

6.12. Federal Advocacy Services for the Environmental Utilities Department - Professional Services Agreement (ENS)

Memo from Acting Water Utility Manager Sean Bigley and Environmental Utilities Director Rich Plecker recommending Council adopt RESOLUTION NO. 18-503 APPROVING A PROFESSIONAL SERVICES AGREEMENT, BY AND BETWEEN THE CITY OF ROSEVILLE AND ENS RESOURCES, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE. Staff requests approval of a professional services agreement (PSA) with ENS Resources, Inc. for professional federal advocacy services for a not-to-exceed amount of \$624,000.00 (\$104,000.00 annually for a six year term) with the costs for the PSA equally budgeted between the Water Administration (Water Operations Fund) and Wastewater Administration (Wastewater Operations Fund). The PSA also provides that upon mutual agreement between the City and ENS Resources, Inc. that there be three options to extend the PSA for one additional year at a time (at \$104,000.00 additional not to exceed per year extended).

CC #: 9690

File #: 0114 & 0800-02

CONTACT: Sean Bigley 916-774-5513 sbigley@roseville.ca.us

6.13. Federal Advocacy Services for the Environmental Utilities Department - Professional Services Agreement (Thorn Run)

Memo from Acting Water Utility Manager Sean Bigley and Environmental Utilities Director Rich Plecker recommending Council adopt RESOLUTION NO. 18-502 APPROVING A PROFESSIONAL SERVICES AGREEMENT, BY AND BETWEEN THE CITY OF ROSEVILLE AND THORN RUN PARTNERS, LLC, AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE. Staff requests approval of a professional services agreement (PSA) with Thorn Run Partners, LLC for professional federal advocacy services for a not-to-exceed amount of \$540,000.00 (\$90,000.00 annually for a six year term) with the costs for the PSA equally budgeted between the Water Administration (Water Operations Fund) and Wastewater Administration (Wastewater Operations Fund). The PSA also provides that upon mutual agreement between the City and Thorn Run Partners that there be three options to extend the PSA for one additional year at a time (at \$90,000.00 additional not to exceed per year extended).

CC #: 9689

File #: 1004 & 0800-02

CONTACT: Sean Bigley 916-774-5513 sbigley@roseville.ca.us

6.14. Site Evaluation for City Services - Professional Services Agreement

Memo from Refuse and Stormwater Manager Devin Whittington and Environmental Utilities Director Richard Plecker recommending Council adopt RESOLUTION NO. 18-500 APPROVING A PROFESSIONAL SERVICES AGREEMENT, BY AND BETWEEN THE CITY OF ROSEVILLE AND HDR ENGINEERING, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE. Staff requests approval of a professional services agreement to HDR Engineering, Inc. for site evaluation for City services. The professional services agreement requires city service growth projections be reanalyzed and plotted out to determine future site needs. These services are needed to provide city services sustainably into the future. The cost of \$56,500.00 is budgeted in FY2018-19 in the Solid Waste Operations Fund.

CC #: 9677

File #: 0800-02

CONTACT: Devin Whittington 916-774-5783 dwhittington@roseville.ca.us

6.15. Fire Department Performance Audit - Professional Service Agreement

Memo from Assistant City Manager Kevin Payne and City Manager Dominick Casey recommending Council adopt RESOLUTION NO. 18-526 APPROVING A PROFESSIONAL SERVICES AGREEMENT, BY AND BETWEEN THE CITY OF ROSEVILLE AND FITCH & ASSOCIATES, LLC, AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE. The purpose of this request is to initiate a performance audit of the Roseville Fire Department operations. The total costs for

these services is \$59,999.00. The City Manager's FY2018-19 budget identified this expense as part of the budget process and full funding is available through the remainder of this fiscal year.

CC #: 9717

File #: 0600-08

CONTACT: Kevin Payne 916-774-5362 kpayne@roseville.ca.us

6.16. Revenue Enhancement Services - Professional Services Agreement Amendment

Memo from Budget Manager Scott Pettingell and Finance Director Dennis Kauffman recommending Council adopt RESOLUTION NO. 18-513 APPROVING A FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT, BY AND BETWEEN THE CITY OF ROSEVILLE AND MUNISERVICES, LLC, AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE; and adopt RESOLUTION NO. 18-530 AUTHORIZING THE EXAMINATION OF SALES OR TRANSACTIONS AND USE TAX RECORDS. The purpose of this request is to amend an existing agreement with MuniServices, LLC to include the review and examination of Measure B transaction and use tax records, extend the term of the agreement for one additional year, and increase the total contract compensation by \$125,000.00. This request also includes a recommendation to authorize MuniServices, LLC access to all sales and transaction and use tax records collected by the California Department of Tax and Fee Administration, including Measure B sales and use tax records. There are adequate funds available in the FY2018-19 approved budget to fund this amendment.

CC #: 9701

File #: 0200

CONTACT: Scott Pettingell 916-774-1306 spettingell@roseville.ca.us
Dennis Kauffman 916-774-5313 dkauffman@roseville.ca.us

6.17. City Transactions and Use Tax Agreements

Memo from Budget Manager Scott Pettingell and Finance Director Dennis Kauffman recommending Council adopt RESOLUTION NO. 18-514 AUTHORIZING THE CITY MANAGER TO EXECUTE AGREEMENTS AND ALL RELATED DOCUMENTS WITH THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION FOR IMPLEMENTATION OF A LOCAL TRANSACTIONS AND USE TAX. Staff requests approval of the agreements and related documents for the preparation and ongoing administration of the Measure B transactions. There are adequate funds available in the FY2018-19 General Fund contingency to fund the \$175,000.00 required for the implementation of the Measure B transactions. No budget adjustments are required for the ongoing administration of Measure B as these costs will be deducted from the taxes collected.

CC #: 9673

File #: 0210

CONTACT: Scott Pettingell 916-746-1306 spettingell@roseville.ca.us
Dennis Kauffman 916-746-5313 dkauffman@roseville.ca.us

6.18. Disclosure Consultant Services - Professional Services Agreement Amendment

Memo from Accounting Supervisor Nick Rosas and Finance Director Dennis Kauffman recommending Council adopt RESOLUTION NO. 18-512 APPROVING A FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT, BY AND BETWEEN THE CITY OF ROSEVILLE AND FIELDMAN, ROLAPP & ASSOCIATES, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE. Staff requests approval of the first amendment to a professional services agreement with Fieldman, Rolapp & Associates, Inc., dba Applied Best Practices. The amendment is to extend the term of the original agreement for a period of two years to ensure the City continues to maintain compliance with debt covenants and files all disclosure reports timely. The cost of the service is estimated to be \$15,000.00 per year for the two-year extension. Funding is included in the FY2018-19 budget of the General Fund, utility enterprise funds, and community facilities district funds. Spending for the second fiscal year is contingent upon Council approval of the budget.

CC #: 9699

File #: 0200

CONTACT: Nick Rosas 916-774-5314 nrosas@roseville.ca.us

6.19. Special Tax and Assessment District Administration - Professional Services Agreement

Memo from Administrative Analyst Jeannine Thrash and Finance Director Dennis Kauffman recommending Council adopt RESOLUTION NO. 18-524 APPROVING A PROFESSIONAL SERVICES AGREEMENT, BY AND BETWEEN THE CITY OF ROSEVILLE AND WILL DAN FINANCIAL SERVICES, AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE. The Finance Department engages a consulting firm to administer the City's 35 Community Facilities Districts (CFDs) and 8 Lighting and Landscaping Districts (LLDs). The administrative services provided include the development of the annual engineer's report for the LLDs, the annual disclosure reports, the annual levy budgets, and all the day-to-day administration for each CFD and LLD. There will be no fiscal impact to the General Fund from this agreement. Annually, the City places a levy on taxable parcels within each CFD and LLD to pay for debt service on bonds, services provided within each district, and the cost of district administration. The annual compensation is not to exceed \$310,000.00. There is no impact to the General Fund.

CC #: 9713

File #: 0206

CONTACT: Jeannine Thrash 916-774-5473 jthrash@roseville.ca.us
Dennis Kauffman 916-774-5313 dkauffman@roseville.ca.us

6.20. Master Confirmation - Western Systems Power Pool Agreement

Memo from Electric Resource Analyst Petra Wallace and Electric Utility Director

Michelle Bertolino recommending Council adopt RESOLUTION NO. 18-518 APPROVING A MASTER CONFIRMATION UNDER THE WSPP AGREEMENT BETWEEN THE STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES - STATE WATER RESOURCES DEVELOPMENT SYSTEM AND CITY OF ROSEVILLE, AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE. The Western Systems Power Pool Agreement with the Department of Water Resources will allow the City to purchase physical electricity to meet Roseville's electricity demand at competitive prices. There is no fiscal impact associated with the execution of the agreement as it is only an enabling agreement.

CC #: 9709

File #: 0800-03

CONTACT: Petra Wallace 916-774-5510 pwallace@roseville.ca.us

6.21. Community Solar Land Lease Amendment and Assignment Agreements

Memo from Assistant Electric Utility Director Todd White and Electric Utility Director Michelle Bertolino recommending Council adopt RESOLUTION NO. 18-529 APPROVING A FIRST AMENDMENT TO THE COMMUNITY SOLAR LAND LEASE AGREEMENT, BY AND BETWEEN CLEAN FOCUS RENEWALS, INC. AND THE CITY OF ROSEVILLE, AND APPROVING THE COMMUNITY SOLAR ASSIGNMENT AND ASSUMPTION AGREEMENT, BY AND BETWEEN CLEAN FOCUS RENEWABLES, INC., CF ROSEVILLE OWNER, LLC, AND THE CITY OF ROSEVILLE, AND AUTHORIZING THE CITY MANAGER TO EXECUTE BOTH AGREEMENTS ON BEHALF OF THE CITY OF ROSEVILLE. These agreements assign the Community Solar Master Power Purchase and Sale Agreement and Land Lease Agreement from Clean Focus Renewables, Inc. to its wholly-owned subsidiary, CF Roseville Owner, LLC, and make changes to some of the terms of those agreements in order to allow a third party investor to finance a portion of the project. These changes include a five (5) day extension of the right to cure periods in the original contracts. There is no fiscal impact to the City from these changes.

CC #: 9719

File #: 0800-03

CONTACT: Todd White 916-746-1668 twhite@roseville.ca.us

6.22. International Swaps and Derivatives Association's 2018 U.S. Resolution Stay Protocol

Memo from Electric Resource Analyst Petra Wallace and Electric Utility Director Michelle Bertolino recommending Council adopt RESOLUTION NO. 18-517 APPROVING THE INTERNATIONAL SWAPS AND DERIVATIVES ASSOCIATION 2018 U.S. RESOLUTION STAY PROTOCOL AGREEMENT AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT, OR A SUBSTANTIALLY SIMILAR AGREEMENT, ON BEHALF OF THE CITY OF ROSEVILLE. The International Swaps and Derivatives Association's ("ISDA") 2018 U.S. Resolution Stay Protocol ("Stay Protocol"), is an industry standard agreement that allows the City to continue to purchase and/or sell electricity and natural gas from Global Systemically Important

Banks starting January 1, 2019, to meet Roseville's energy needs at competitive prices. The fiscal impact associated with execution of the Stay Protocol is a one-time \$500.00 fee available in the Electric Operations budget for FY2018-19.

CC #: 9708

File #: 0800-03

CONTACT: Petra Wallace 916-774-5510 pwallace@roseville.ca.us

6.23. Plan Checking and Inspection Services - Agreement Amendment

Memo from Administrative Analyst Brandy LeBeau and Development Services Director Mike Isom recommending Council adopt RESOLUTION NO. 18-504 APPROVING A FIRST AMENDMENT TO AGREEMENT FOR PLAN CHECKING AND INSPECTION SERVICES, BY AND BETWEEN BUREAU VERITAS NORTH AMERICA, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE. This item requests approval of a \$50,000.00 increase to the Development Services Department's existing agreement for plan checking and inspection services for FY2018-19 with Bureau Veritas. The City's Housing Division requires use of the contract for inspections of health & safety, accessibility and other repairs associated with the City's Owner-Occupied Rehabilitation Program administered by the Housing Division and funded through the federal HOME and CDBG programs, among other sources. If approved, the new maximum contract amount would be \$400,000.00. The \$50,000.00 increase is funded from federal sources and involves no General Fund resources.

CC #: 9691

File #: 0800-06

CONTACT: Brandy LeBeau 916-774-5278 blebeau@roseville.ca.us

6.24. On-Call Materials Testing and Special Inspection Services - Professional Services Agreement Amendment

Memo from Park Development Analyst Rjahja Canlas and Parks, Recreation & Libraries Director Dion Louthan recommending Council adopt RESOLUTION NO. 18-515 APPROVING A FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT, BY AND BETWEEN THE CITY OF ROSEVILLE AND ENGEO, INCORPORATED, AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE. This item requests Council to approve an amendment to extend by one year a professional services agreement for on-call materials testing and special inspection services with ENGEO, Inc. Funding for services will be provided through capital improvement projects as approved during the fiscal year budgets, an approved professional design services budget, or developer reimbursements. The total contract amount is not-to-exceed \$400,000.00 over a four-year period.

CC #: 9702

File #: 0704

CONTACT: Rjahja Canlas 916-774-5342 rcanlas@roseville.ca.us

6.25. Street Closure Request - Commitment Day 5K Run - January 1, 2019

Memo from Recreation Superintendent Jeff Nereson and Parks, Recreation & Libraries Director Dion Louthan recommending Council adopt RESOLUTION NO. 18-508 APPROVING AN AGREEMENT BETWEEN THE CITY OF ROSEVILLE AND LIFETIME FITNESS, AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE. Staff requests approval for street and lane closures that include Stone Canyon Drive between the residential gate of the Stone Ridge subdivision and East Roseville Parkway and westbound lanes two and three from Alexandra Drive to the Lifetime Fitness business entrance on East Roseville Parkway on Tuesday, January 1, 2019 from 8:30 - 12:00 p.m. for the Commitment Day 5K Run organized by Lifetime Fitness. All costs associated with this event for City services will be reimbursed by Lifetime Fitness.

CC #: 9695

File #: 0109-02

CONTACT: Jeff Nereson 916-774-5974 jnereson@roseville.ca.us

Ordinances (for introduction and adoption - appropriation/urgency measures)

6.26. Community Facilities Districts/Lighting and Landscaping Districts True-Up Levies - Budget Adjustment

Memo from Financial Analyst Teri Quinlan and Finance Director Dennis Kauffman recommending Council adopt ORDINANCE NO. 6041 OF THE COUNCIL OF THE CITY OF ROSEVILLE AUTHORIZING CERTAIN AMENDMENTS TO THE 2018-19 BUDGET AND DECLARING THIS ORDINANCE TO BE IMMEDIATELY EFFECTIVE AS AN APPROPRIATION MEASURE. This item requests carryforward of the City's Community Facility District's (CFD) and Landscaping and Lighting District's (LLD) unspent budget encumbrances as well as to fund four improvement projects. In addition, after a review of all the CFD and LLD FY2018-19 budgets, multiple items were identified as needing adjustments to true-up to the FY2018-19 levies that were submitted to Placer County. The impact of the budget adjustments to the General Fund is a net increase of \$643,638.00.

CC #: 9707

File #: 0201-01 & 0206-03 & 0206-08

CONTACT: Teri Quinlan 916-774-5479 tquinlan@roseville.ca.us

6.27. Information Technology - Budget Adjustment

Memo from Information Technology Program Manager Roger Root and Chief Information Officer Hong Sae recommending Council adopt ORDINANCE NO. 6044 OF THE COUNCIL OF THE CITY OF ROSEVILLE AUTHORIZING CERTAIN AMENDMENTS TO THE 2018-19 BUDGET AND DECLARING THIS ORDINANCE TO BE IMMEDIATELY EFFECTIVE AS AN APPROPRIATION MEASURE. This item requests approval to transfer the \$728,800.00 from the FY2017-18 Information Technology (IT) Rehab budget into the FY2018-19 IT Rehab budget. In December of 2017, Council approved a funding allocation to the IT Rehab Fund for the following projects in IT: Single Sign

On/Multi-factor authentication, MDC Replacement, and Document Management Software Replacement. Due to lack of IT staffing availability, these projects could not begin until late in FY2017-18. As such, the majority of the work and purchasing for these projects will take place in FY2018-19.

CC #: 9718

File #: 0201-01 7 & 0800-05

CONTACT: Roger Root 916-774-5120 rroot@roseville.ca.us

6.28. Interfund Loan Budget Adjustment

Memo from Financial Analyst Teri Quinlan and Finance Director Dennis Kauffman recommending Council adopt ORDINANCE NO. 6039 OF THE COUNCIL OF THE CITY OF ROSEVILLE AUTHORIZING CERTAIN AMENDMENTS TO THE 2018-19 BUDGET AND DECLARING THIS ORDINANCE TO BE IMMEDIATELY EFFECTIVE AS AN APPROPRIATION MEASURE. The budget adjustment increases the interfund loan payment from the Child Care Fund to the Automotive Replacement Fund in the amount of \$13,956.00 for the purchase of a modular facility to operate Adventure Club programs at the Orchard Ranch Elementary School campus that was approved after the FY2018-19 budget process.

CC #: 9700

File #: 0201-01 & 0704

CONTACT: Teri Quinlan 916-774-5479 tquinlan@roseville.ca.us

6.29. Johnson Pool Capital Improvement Project - Budget Adjustment

Memo from Administrative Analyst Melissa Hagan and Economic Development Director Laura Matteoli recommending Council adopt ORDINANCE NO. 6036 OF THE COUNCIL OF THE CITY OF ROSEVILLE AUTHORIZING CERTAIN AMENDMENTS TO THE 2018-19 BUDGET AND DECLARING THIS ORDINANCE TO BE IMMEDIATELY EFFECTIVE AS AN APPROPRIATION MEASURE. In November 2017, the City Council approved the Community Development Block Grant budget which allocated \$141,565.00 to the Johnson Pool project. These funds are within the Capital Improvement Project and are being carried forward. Prior year commitments to the Johnson Pool project were not carried forward in this year's budget. The proposed budget adjustment of \$23,435.00 is needed to bring the current year's budget amount to the Council approved amount of \$165,000.00.

CC #: 9675

File #: 0707 & 0201-01

CONTACT: Melissa Hagan 916-774-5476 mhagan@roseville.ca.us

6.30. Business License and Transient Occupancy Tax Management and Collection - Professional Consultant Services Agreement Amendment and Budget Adjustment

Memo from Financial Technician Tricia Cheshire and Finance Director Dennis Kauffman recommending Council adopt RESOLUTION NO. 18-516

APPROVING FIRST AMENDMENT TO AGREEMENT FOR PROFESSIONAL CONSULTANT SERVICES, BY AND BETWEEN HDL SOFTWARE, LLC AND THE CITY OF ROSEVILLE, AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE; and adopt ORDINANCE NO. 6040 OF THE COUNCIL OF THE CITY OF ROSEVILLE AUTHORIZING CERTAIN AMENDMENTS TO THE 2018-19 BUDGET AND DECLARING THIS ORDINANCE TO BE IMMEDIATELY EFFECTIVE AS AN APPROPRIATION MEASURE. This amendment will add Short Term Rentals to the existing professional consultant services agreement for Business License and Transient Occupancy Tax Management and Collection. The budget adjustment will account for the new expenses and new revenue that will be collected. The total cost of the service will not exceed \$4,500.00. No additional General Fund resources are required to fund these additional services as the Short Term Rental permit revenues are expected to fully offset the cost.

CC #: 9703

File #: 0200 & 0201-01

CONTACT: Tricia Cheshire 916-774-5328 tcheshire@roseville.ca.us

6.31. Temporary Classification Salary Schedule Changes

Memo from Human Resources Manager Linda Hampton and Human Resources Director Stacey Peterson recommending Council adopt ORDINANCE NO. 6043 OF THE COUNCIL OF THE CITY OF ROSEVILLE AMENDING ORDINANCE NO. 6007, THE SALARY ORDINANCE FOR SEASONAL/TEMPORARY EMPLOYEES, AS AMENDED BY APPENDIX "H" TO BE EFFECTIVE DECEMBER 22, 2018, AS AN URGENCY MEASURE. California Senate Bill 3 Chapter 4 increases the minimum wage from \$11.00 per hour to \$12.00 per hour on January 1, 2019. A total of 32 temporary classifications are recommended to receive a salary increase. Staff took into consideration compaction issues and consistency amongst all temporary classifications. The General Fund fiscal impact of \$82,000.00 is accounted for in the FY2018-19 budget. Staff is also recommending deleting 42 temporary salary schedules with approximately 5% between steps in an ongoing effort to slow down wage cost increases. Staff recommends City Council approve the Temporary Classification salary schedule to reflect these changes.

CC #: 9714

File #: 0600-01

CONTACT: Linda Hampton 916-774-5215 lhamp@roseville.ca.us

6.32. Weber Park Classroom - Grant Agreement and Budget Adjustment

Memo from Park Planning and Development Superintendent Tara Gee and Parks, Recreation & Libraries Director Dion Louthan recommending Council adopt RESOLUTION NO. 18-522 APPROVING THE KAISER GRANT AGREEMENT FOR WEBER PARK CLASSROOM BY AND BETWEEN THE CITY OF ROSEVILLE AND HEALTH EDUCATION COUNCIL AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE; and adopt ORDINANCE NO. 6042 OF THE

COUNCIL OF THE CITY OF ROSEVILLE AUTHORIZING CERTAIN AMENDMENTS TO THE 2018-19 BUDGET AND DECLARING THIS ORDINANCE TO BE IMMEDIATELY EFFECTIVE AS AN APPROPRIATION MEASURE. In October 2018, the Health Education Council informed the City of a \$75,000.00 grant award from Kaiser through their Community Benefits Program to the Health Education Council to aesthetically improve the classroom (\$50,000.00) and provide programming/events (\$10,000.00) at Weber Park. The balance of the grant amount will be retained by the Health Education Council to administer the grant and to provide public outreach. A budget adjustment, if approved, allocates \$60,000.00 of the Kaiser grant to fully fund the project and includes an in-kind contribution through volunteers to paint the interior. There will be no General Fund impact.

CC #: 9711

File #: 0201-01 & 0704-01

CONTACT: Tara Gee 916-774-5253 tgee@roseville.ca.us

Mayor Bonnie Gore recused herself from participating on approval of item 6.32.

Ordinances (for second reading and adoption)

6.33. Second Reading - Hewlett-Packard Campus Oaks Parcel CO-21, 31, 41, 42 - Campus Oaks Commercial

ORDINANCE NO. 6037 OF THE COUNCIL OF THE CITY OF ROSEVILLE REZONING CERTAIN REAL PROPERTY LOCATED WITHIN THE CITY OF ROSEVILLE; and ORDINANCE NO. 6038 OF THE COUNCIL OF THE CITY OF ROSEVILLE ADOPTING A SEVENTH AMENDMENT TO THE DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF ROSEVILLE AND BBC ROSEVILLE OAKS, LLC RELATIVE TO THE CAMPUS OAKS PROPERTY WITHIN THE HEWLETT-PACKARD CAMPUS OAKS MASTER PLAN AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE, for second reading and adoption.

CC #: 9687

File #: 0400-04-18-1

CONTACT: Lauren Hocker 916-774-5272 lhocker@roseville.ca.us

Reports / Requests

6.34. World Health Organization Network of Age-Friendly Cities 2018 Update Report

Memo from Recreation Manager Kathy Barsotti requesting Council accept the World Health Organization (WHO) Network of Age-Friendly Cities 2018 Update Report and approve its submittal to the American Association of Retire Persons (AARP) and the WHO Network of Age-Friendly Cities local agency. This is an update of staff's 2012 report, that awarded the City the distinction of being named an age-friendly city. There is no financial impact associated with submitting the report nor joining AARP.

CC #: 9678

File #: 0103-12-02

CONTACT: Kathy M. Barsotti 916-774-5955 kbarsotti@roseville.ca.us

6.35.Appointment of Youth Board Member and Youth Commissioners

Memo from Deputy Clerk Kelly Aye and City Clerk Sonia Orozco recommending Council:

Appoint Jacia Pangilinan as the Library Board Youth Member with term ending December 31, 2019.

Appoint Riley Moore as the Parks and Recreation Commission Youth Commissioner with term ending December 31, 2019.

CC #: 9680

File #: 0103 & 0103-04-02 & 0103-05-02

CONTACT: Kelly Aye 916-774-5264 kaye@roseville.ca.us

Ceremonial Documents

6.36.Resolution of Commendation to Raul Cervantes

Raul Cervantes be commended for 30 years of outstanding service and dedication to the City of Roseville and wished a long, healthy, and enjoyable retirement.

CC #: 9684

File #: 0102-10

CONTACT: Jason Shykowski 916-774-5319 jshykowski@roseville.ca.us

6.37.Resolution of Commendation to Holly Heffernan Krelle

Holly Heffernan Krelle be commended for 18 years of outstanding service and dedication to the City of Roseville and wished a long, health, and enjoyable retirement.

CC #: 9704

File #: 0102-10

CONTACT: Art Vogtlin 916-774-5111 avogtlin@roseville.ca.us

6.38.Resolution of Commendation to John Hernandez

John Angelo Hernandez be commended for 31 years of outstanding service and dedication to the City of Roseville and wished a long, healthy, and enjoyable retirement.

CC #: 9683

File #: 0102-10

CONTACT: Jose Lopez 916-5444 jlopez@roseville.ca.us

6.39.Resolution of Commendation to Steven McGeorge

Steven McGeorge be commended for 34 years of outstanding service and dedication to the City of Roseville and wished a long, healthy, and enjoyable retirement.

CC #: 9682

File #: 0102-10

CONTACT: Jose Lopez 916-774-5444 jlopez@roseville.ca.us

6.40.Resolution of Commendation to Mark Morse

Mark Morse be commended for 24 years of outstanding service and dedication to the City of Roseville and wished a long, healthy, and enjoyable retirement.

CC #: 9681

File #: 0102-10

CONTACT: Kevin Payne 916-774-5256 kpayne@roseville.ca.us

6.41.Resolution of Commendation to Guy Howes

Guy Howes be commended for 27 years of outstanding service and dedication to the City of Roseville and wished a long, healthy, and enjoyable retirement.

CC #: 9706

File #: 0102-10

CONTACT: Jose Lopez 916-746-1304 jlopez@roseville.ca.us

END OF CONSENT CALENDAR

7. RESOLUTIONS

7.1. Establishment of a Charter Review Commission and Recruitment of Members for 2020 Charter Amendments

Memo from City Clerk Sonia Orozco recommending Council adopt RESOLUTION NO. 18-501 ESTABLISHING A CHARTER REVIEW COMMISSION FOR THE CITY OF ROSEVILLE TO REVIEW THE CHARTER FOR THE PURPOSE OF MAKING RECOMMENDATIONS TO THE CITY COUNCIL ON THE NEED TO AMEND THE CHARTER; DIRECTING RECRUITMENT OF MEMBERS FOR THE CHARTER REVIEW COMMISSION; ESTABLISHING A CHARGE FOR THE COMMISSION AND ESTABLISHING A TIMETABLE FOR THE REVIEW AND REPORT FOR POSSIBLE PLACEMENT OF PROPOSED AMENDMENTS ON THE NOVEMBER 2020 GENERAL ELECTION BALLOT. Cost estimates for the Charter Review Commission will be approximately \$5,000 for copying, supplies and materials. Funds are included in the City Clerk and City Attorney FY2018-19 budgets. Indirect expenses associated with the Charter Review process include the cost of staff time to assist the Commission in conducting research and preparation of requested documents. Indirect costs associated for staffing will be absorbed in each respective

department's budgets. Cost estimates are based on the assumption the Commission will meet once a month for a twelve-month period.

CC #: 9686

File #: 0103-28

CONTACT: Sonia Orozco 916-774-5269 sorozco@roseville.ca.us

City Clerk Sonia Orozco made the presentation to Council.

No public comment received.

Motion by Allard, seconded by Alvord, to adopt RESOLUTION NO. 18-501 ESTABLISHING A CHARTER REVIEW COMMISSION FOR THE CITY OF ROSEVILLE TO REVIEW THE CHARTER FOR THE PURPOSE OF MAKING RECOMMENDATIONS TO THE CITY COUNCIL ON THE NEED TO AMEND THE CHARTER; DIRECTING RECRUITMENT OF NINE MEMBERS FOR THE CHARTER REVIEW COMMISSION; ESTABLISHING A CHARGE FOR THE COMMISSION AND ESTABLISHING A TIMETABLE FOR THE REVIEW AND REPORT FOR POSSIBLE PLACEMENT OF PROPOSED AMENDMENTS ON THE NOVEMBER 2020 GENERAL ELECTION BALLOT.

Roll call vote: Ayes: Bernasconi, Alvord, Roccucci, Allard, Gore

8. SPECIAL REQUESTS/REPORTS/PRESENTATION

8.1. Council Vacancy for Term Ending November 2020

Memo from City Clerk Sonia Orozco requesting City Council direction on filling a Council vacancy due to the resignation of Bonnie Gore. Bonnie Gore will be sworn in as a member of the Placer County Board of Supervisors representing District 1 in January of 2019, thus vacating her seat as mayor of the City of Roseville.

CC #: 9685

File #: 0102-09

CONTACT: Sonia Orozco 916-774-5269 sorozco@roseville.ca.us

City Clerk Sonia Orozco made the presentation to Council.

No public comment received.

Motion by Roccucci, seconded by Allard, to direct City Clerk Sonia Orozco to accept applications for the City Council vacancy from the period of January 7 to January 18, 2019 in order to fill the vacancy due to the resignation of Mayor Bonnie Gore, as Bonnie Gore will be sworn in as a member of the Placer County Board of Supervisors representing District 1 on January 8, 2019. Appointment of one councilmember to be sworn in and assume office will be February 6, 2019. Term of office will be until the next General Election scheduled for November 3, 2020.

Roll call vote: Ayes: Bernasconi, Alvord, Roccucci, Allard, Gore

8.2. Local Sales Tax Citizens' Oversight Committee Charter Adoption and Recruitment

Memo from City Clerk Sonia Orozco recommending City Council adopt RESOLUTION NO. 18-523 ADOPTING A LOCAL SALES TAX CITIZENS' OVERSIGHT COMMITTEE CHARTER. The proposed Local Sales Tax Citizens' Oversight Committee Charter ("Committee Charter") which establishes a five-member Citizens' Oversight Committee (hereinafter, "Local Sales Tax Oversight Committee") to review the revenue and expenditures of funds from the general Transactions and Use Tax known as Measure B, Protecting Roseville's Public Safety, Roads, and Essential Services, as directed by Chapter 4.22 of the Roseville Municipal Code, and which authorizes the City Clerk to advertise and recruit members for appointment at the February 20, 2019 City Council meeting. Indirect expenses associated with the Local Sales Tax Oversight Committee include the cost of staff time to assist the Committee and to prepare necessary documents. Indirect costs associated for staffing will be absorbed in the Finance Director and City Manager's department budgets.

CC #: 9712

File #: 0103-22

CONTACT: Sonia Orozco 916-774-5269 sorozco@roseville.ca.us

Finance Director and Chief Financial Officer Dennis Kauffman made the presentation to Council.

No public comment received.

Motion by Allard, seconded by Bernasconi to adopt RESOLUTION NO. 18-523 ADOPTING A LOCAL SALES TAX CITIZENS' OVERSIGHT COMMITTEE CHARTER and authorizing City Clerk Sonia Orozco to recruit five members from January 7 to January 25, 2019.

Roll call vote: Ayes: Bernasconi, Alvord, Roccucci, Allard, Gore

9. PUBLIC HEARING

9.1. Sierra Vista Community Facilities District No. 2 (Public Facilities) Resolution of Formation and Future Annexation Area; and Community Facilities District No. 3 (Municipal Services) Annexation 20 (Villages at Sierra Vista)

Memo from Administrative Analyst Jeannine Thrash and Finance Director Dennis Kauffman recommending Council adopt RESOLUTION NO. 18-519 A RESOLUTION OF FORMATION OF COMMUNITY FACILITIES DISTRICT AND FUTURE ANNEXATION AREA, CITY OF ROSEVILLE, Sierra Vista Community Facilities District No. 2 (Public Services); and adopt RESOLUTION NO. 18-520 A RESOLUTION CALLING SPECIAL LANDOWNER ELECTION FOR COMMUNITY FACILITIES DISTRICT, CITY OF ROSEVILLE, Sierra

Vista Community Facilities District No. 2 (Public Services); and adopt RESOLUTION NO. 18-521 A RESOLUTION DECLARING RESULTS OF SPECIAL LANDOWNER ELECTION AND DIRECTING RECORDING OF NOTICE OF SPECIAL TAX LIEN, CITY OF ROSEVILLE, Sierra Vista Community Facilities District No. 2 (Public Services); and introduce for first reading ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ROSEVILLE LEVYING SPECIAL TAX WITHIN SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 2 (PUBLIC SERVICES); and adopt RESOLUTION NO. 15-527 A RESOLUTION OF ANNEXATION OF TERRITORY TO COMMUNITY FACILITIES DISTRICT, AUTHORIZING THE LEVY OF A SPECIAL TAX AND SUBMITTING LEVY OF TAX TO QUALIFIED ELECTORS CITY OF ROSEVILLE, Community Facilities District No. 3 (Municipal Services) Annexation No. 20 (Villages at Sierra Vista); and adopt RESOLUTION NO. 18-528 A RESOLUTION DECLARING RESULTS OF SPECIAL ANNEXATION ELECTION, DETERMINING VALIDITY OF PRIOR PROCEEDINGS, AND DIRECTING RECORDING OF AMENDED NOTICE OF SPECIAL TAX LIEN, CITY OF ROSEVILLE, Community Facilities District No. 3 (Municipal Services) Annexation No. 20 (Villages at Sierra Vista). The landowners are obligated under a Development Agreement to participate in a Public Services CFD (CFD No. 2) to fund the ongoing maintenance obligations of authorized services within the district and to annex into the existing Municipal Services CFD (CFD No. 3). Neither the formation or administration of CFD No. 2 or the annexation into CFD No. 3 will impact the City's General Fund. Each CFD will generate special taxes, levied on the landowner's annual property tax bill, that will pay for the authorized services within each respective district.

CC #: 9710

File #: 0206-03-01

CONTACT: Jeannine Thrash 916-774-5473 jthrash@roseville.ca.us

Dennis Kauffman 916-774-5313 dkauffman@roseville.ca.us

Mayor Bonnie Gore opened the public hearing.

Finance Director and Chief Financial Officer Dennis Kauffman made the presentation to Council.

City Clerk Sonia Orozco announced the ballot results for formation of Sierra Vista Community Facilities District No. 2 as follows:

Number of votes Yes: 252

Number of votes No: 0

Number of votes Eligible: 252

Percent of Votes in Favor: 100%

And declared the ballot measure passed by a majority of vote.

City Clerk Sonia Orozco announced the ballot results for Community Facilities District No. 3 Annexation No. 20 (Villages at Sierra Vista) as follows:

Number of votes Yes: 252

Number of votes No: 0

Number of votes Eligible: 252

Percent of Votes in Favor: 100%

And declared the ballot measure passed by a majority of vote.

No public comment received.

Mayor Bonnie Gore closed the public hearing.

Motion by Allard, seconded by Alvord, to adopt RESOLUTION NO. 18-519 A RESOLUTION OF FORMATION OF COMMUNITY FACILITIES DISTRICT AND FUTURE ANNEXATION AREA, CITY OF ROSEVILLE, Sierra Vista Community Facilities District No. 2 (Public Services); and adopt RESOLUTION NO. 18-520 A RESOLUTION CALLING SPECIAL LANDOWNER ELECTION FOR COMMUNITY FACILITIES DISTRICT, CITY OF ROSEVILLE, Sierra Vista Community Facilities District No. 2 (Public Services); and adopt RESOLUTION NO. 18-521 A RESOLUTION DECLARING RESULTS OF SPECIAL LANDOWNER ELECTION AND DIRECTING RECORDING OF NOTICE OF SPECIAL TAX LIEN, CITY OF ROSEVILLE, Sierra Community Facilities District No. 2 (Public Services); and introduce for first reading ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ROSEVILLE LEVYING SPECIAL TAX WITHIN SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 2 (PUBLIC SERVICES); and adopt RESOLUTION NO. 18-527 A RESOLUTION OF ANNEXATION OF TERRITORY TO COMMUNITY FACILITIES DISTRICT, AUTHORIZING THE LEVY OF A SPECIAL TAX AND SUBMITTING LEVY OF TAX TO QUALIFIED ELECTORS CITY OF ROSEVILLE, Community Facilities District No. 3 (Municipal services) Annexation No. 20 (Villages at Sierra Vista); and adopt RESOLUTION NO. 18-528 A RESOLUTION DECLARING RESULTS OF SPECIAL ANNEXATION ELECTION, DETERMINING VALIDITY OF PRIOR PROCEEDINGS, AND DIRECTING RECORDING OF AMENDED NOTICE OF SPECIAL TAX LIEN, CITY OF ROSEVILLE, Community Facilities District No. 3 (Municipal Services) Annexation No. 20 (Villages at Sierra Vista).

Roll call vote: Ayes: Bernasconi, Alvord, Roccucci, Allard, Gore

10. COUNCIL / STAFF / REPORTS/ COMMENTS

Acknowledged Retirements - Councilmember Scott Alvord acknowledged retirements listed on agenda, expressed appreciation to Mayor Bonnie Gore for service on the Council and recognized the retirement of Chief Financial Officer Jay Panzica.

Onboarding Support and Acknowledgement of Retirements - Vice Mayor Krista Bernasconi appreciates onboarding support, acknowledged retirements listed on agenda, and read into record leasehold interest in property at 224 Vernon Street downtown Roseville.

Acknowledged Retirements - Councilmember Pauline Roccucci congratulated employees on retirements.

Ice House Bridge - Councilmember Pauline Roccucci spoke on Ice House Bridge being moved on December 20, 2018 and wished everyone a Merry Christmas and

Happy New Year.

Merry Christmas and Happy New Year - Councilmember John Allard acknowledged retirements listed on agenda, and congratulated Bonnie Gore on her position as Placer County Supervisor and wished everyone a Merry Christmas and Happy New Year.

Expressed Appreciation - Mayor Bonnie Gore expressed appreciation to retiring Chief Financial Officer Jay Panzica and welcomed new Chief Financial Officer Dennis Kauffman and also expressed appreciation for being a councilmember for over six years.

11. ADJOURNMENT

Motion by Roccucci, seconded by Bernasconi, to adjourn the meeting at 7:45 p.m.

Roll call vote: Ayes: Bernasconi, Alvord, Roccucci, Allard, Gore

Bonnie Gore, Mayor

Sonia Orozco, City Clerk



COUNCIL COMMUNICATION

CC #: 9738
File #: 0203-04

Title: Parking Lot Sweeping and Pressure Washing Services - Service Agreement
Contact: Blaine Wiegel 916-746-1774 bwiegel@roseville.ca.us

Meeting Date: 1/16/2019
Item #: 6.2.

RECOMMENDATION TO COUNCIL

Recommend Council adopt a resolution authorizing the City Manager to sign a service agreement with Valley Sweeping & Maintenance, Inc. to perform parking lot sweeping and pressure washing services. The Request for Proposals (RFP) included four optional one-year renewals. Staff requests authorization to continue utilizing each contract without further Council approvals until the contract expires or until City staff determines that continuing with the same vendor is not in the City's best interest, including authorization for the City Manager to sign optional renewal agreements pending Council approval of budgets for each year.

BACKGROUND

Staff solicited a RFP for parking lot sweeping and pressure washing services in November 2018. Two qualified proposals were received. After careful review and rating of each proposal, staff is recommending the award of a service agreement to Valley Sweeping & Maintenance, Inc. for parking lot sweeping and pressure washing services at City facilities. The total value of the agreement for FY2018-19 with Valley Sweeping & Maintenance, Inc. is \$80,000.00.

FISCAL IMPACT

The value of the service agreement is \$80,000.00. Funding is included in the Building Maintenance FY2018-19 budget. The funds will be encumbered one year at a time pending Council approval of budget for each year. Projected spending for the optional renewal years is as follows: FY2019-20, \$85,000.00; FY2020-21, \$90,000.00; FY 2021-22, \$95,000.00; FY2022-23, \$100,000.00.

ECONOMIC DEVELOPMENT / JOBS CREATED

Based on the Federal guideline of one job created for every 92,000 in government spending, this will generate .87 jobs.

ENVIRONMENTAL REVIEW

The proposed project involves the repair and maintenance of an existing facility. This activity is categorically exempt from CEQA as a Class 1 Exemption (State CEQA Guidelines Section 15301). The Exemption has been prepared and no further CEQA action is required.

Respectfully Submitted,

Blaine Wiegel, Facilities Supervisor

Jason Shykowski, Acting Public Works Director



Dominick Casey, City Manager

ATTACHMENTS:

Description

Resolution No. 19-13

Sweeping Service Agreement

RESOLUTION NO. 19-13

APPROVING A SERVICE AGREEMENT BETWEEN THE CITY OF ROSEVILLE AND
VALLEY SWEEPING & MAINTENANCE, INC., AND AUTHORIZING THE CITY
MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE

WHEREAS, a service agreement (S1908059) for parking lot sweeping and pressure washing services, between the City of Roseville and Valley Sweeping & Maintenance, Inc., has been reviewed by the Council; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Roseville that said service agreement is approved and the City Manager or his designee is authorized to execute it on behalf of the City of Roseville.

BE IT FURTHER RESOLVED that the City Manager or his or her designee is authorized to execute four (4) additional one (1) year renewals without further City Council approval, provided that the applicable budget is approved by the City Council each year, or until City staff determines that continuing with the same vendor is not in the City's best interest.

PASSED AND ADOPTED by the Council of the City of Roseville this ____ day of _____, 2019, by the following vote on roll call:

AYES COUNCILMEMBERS:

NOES COUNCILMEMBERS:

ABSENT COUNCILMEMBERS:

MAYOR

ATTEST:

City Clerk



PURCHASING
CITY OF ROSEVILLE

2005 HILLTOP CIRCLE, ROSEVILLE, CA 95747
(916) 774-5720 • TDD (916) 774-5220 • FAX (916) 774-5736

SERVICE AGREEMENT

SERVICE AGREEMENT

No: **S1908059**

SERVICE LOCATION: AS DIRECTED

REQ. NO.: R1902438 DATE: 12/7/18

SUBMIT ALL INVOICES TO:

CITY OF ROSEVILLE
Finance Department
311 Vernon Street
Roseville, CA 95678

Contractor No.: V41920
Telephone No.: 916-216-3291 Fax:
Email address: valleysweeping@hotmail.com
Contractor: GEORGE ESTEL
VALLEY SWEEPING & MAINTENANCE INC
987 DUSTY STONE LOOP
ROCKLIN, CA 95765

Department: PUBLIC WORKS-BLDG. MAINT

Acct. Code: 03340-5100

Buyer: TIFFANY VALDEZ
Phone: 916-774-5708

Start Date	Terms	Completion Date	Insurance Limits	Contact
EXECUTED AGREEMENT	NET 30	1/14/20	Approved by Risk Mgt.	DAN ALLEN TISHA CHINN

The contractor shall furnish all labor, equipment and materials necessary to accomplish the following:

The services called for under City of Roseville Request for Proposal #01-025 and contractor's proposal thereto titled RFP 01-025 Pressure Washing & Sweeping Services (hereinafter "Proposal"). The terms and scope of work of City of Roseville Request for Proposal #01-025 and contractor's Proposal are herein made part of this Service Agreement and fully incorporated by reference.

Please call Dan Allen at 916-774-5741 or Tisha Chinn at 916-774-5702 for questions regarding this agreement.

The total cost of service listed is an approximate value only. The City does not guarantee whatsoever the actual value of this contract.

Total Cost of Service: \$ **80,000.00**

ATTENTION: Total cost of service not to exceed the agreement amount without prior approval of the Purchasing Office.

The Contractor named hereon by the acceptance of this order agrees to the provisions of this document titled "Service Agreement" and Attachment "A".

Roseville Business License No.: 00812252 Contractor License No.: _____ DIR Registration No.: _____

☐ SOLE PROPRIETOR

☐ PARTNERSHIP

☒ CORPORATION

CONTRACTOR:
SIGNATURE

George Estel
PRINT NAME

President
TITLE

CONTRACTOR:
SIGNATURE

George Estel
PRINT NAME

CFO
TITLE

By: _____
Dominick Casey, City Manager
CITY OF ROSEVILLE, A MUNICIPAL CORPORATION

1. To the fullest extent allowed by law, Contractor shall defend, indemnify, and save and hold harmless City, its officers, agents, employees and volunteers from any claims, suits or actions of every name, kind and description brought forth, or on account of, injuries to or death of any person (including but not limited to workers and the public), or damage to property, resulting from or arising out of Contractor's willful misconduct or negligent act or omission while engaged in the performance of obligations or exercise of rights created by this Agreement, except those matters arising from City's sole negligence or willful misconduct. The parties intend that this provision shall be broadly construed. Contractor's responsibility for such defense and indemnity obligations shall survive the termination or completion of this Agreement for the full period of time allowed by law. The defense and indemnity obligations of this Agreement are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this Agreement.
2. Contractor is an independent contractor, and shall not be considered an officer, agent or employee of the City.
3. Without the written consent of the City, this Agreement is not assignable by Contractor either in whole or in part.
4. Time is of the essence of this Agreement.
5. At any time during the term of this Agreement, the City has the right to terminate this Agreement, provided Contractor is given thirty (30) days' written notice. City's termination shall be without further liability to City, however Contractor shall be entitled to all costs reasonably incurred prior to the date of termination. Contractor acknowledges that City may terminate this Agreement should funds not be appropriated by its governing body to continue services under this Agreement.
6. This Agreement may only be amended or modified in writing. It is integrated and contains the complete understanding of the parties.
7. All equipment, supplies and services sold to the City of Roseville shall conform to the general safety orders of the State of California.
8. Unless notified to the contrary, in writing, the City assumes that the Contractor has accepted the work in accordance with the plans and specifications (if any) and agrees to do the work in compliance with this Agreement.
9. All fair employment practices must be adhered to. In addition, if the project referenced on this service agreement is a Public Works project, all prevailing wage laws must be complied with. For prevailing wage contracts over \$25,000, copies of certified payroll must be submitted with invoices. Prevailing wage rates may be obtained from the State Department of Industrial Relations and/or the following website address: <http://www.dir.ca.gov/dlsr/DPreWageDetermination.htm>.
- 10a. Unless otherwise specified, the Contractor shall maintain the policies of insurance outlined in Attachment A, incorporated herein by this reference, in full force and effect during the term of this Agreement. The City of Roseville retains sole discretion in determining the types and proper levels of insurance coverage.
- 10b. Form. Contractor shall submit a certificate evidencing such coverage for the period covered by this Agreement in a form satisfactory to Risk Management and the City Attorney, prior to undertaking any work hereunder. Any insurance written on a claims made basis is subject to the approval of Risk Management and the City Attorney.
- 10c. Additional Insureds. Contractor shall also provide a separate endorsement or section of the policy showing City, its officers, agents, employees, and volunteers as additional insureds for each type of coverage, except for Workers' Compensation. Such insurance shall specifically cover the contractual liability of Contractor. The additional insured coverage under the Contractor's policy shall be primary and noncontributory, as evidenced by a separate endorsement or section of the policy, and shall not seek contribution from City's insurance or self-insurance. In addition, the additional insured coverage shall be at least as broad as the Insurance Services Office ("ISO") CG 20 01 Endorsement. Any available insurance proceeds in excess of the specified minimum insurance coverage requirements and limits shall be available to the additional insureds. Furthermore, the requirements for coverage and limits shall be: (1) the minimum coverage and limits specified in this Agreement; or (2) the full coverage and maximum limits of any insurance proceeds available to the named insureds, whichever is greater.
- 10d. Cancellation/Modification. Contractor shall provide ten (10) days written notice to City prior to cancellation or modification of any insurance required by this Agreement.
- 10e. Umbrella/Excess Insurance. The limits of insurance required in this Agreement may be satisfied by a combination of primary and excess insurance. Any excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and noncontributory basis for the benefit of City (if agreed to in a written contract) before City's own insurance shall be called upon to protect it as a named insured.
- 10f. Subcontractors. Contractor agrees to include in its contracts with all subcontractors the same requirements and provisions of this Agreement, including the indemnity and insurance requirements, to the extent they apply to the scope of the subcontractor's work. Furthermore, Contractor shall require its subcontractors to agree to be bound to Contractor and City in the same manner and to the same extent as Contractor is bound to City under this Agreement. Additionally, Contractor shall obligate its subcontractors to comply with these same provisions with respect to any tertiary subcontractor, regardless of tier. A copy of City's indemnity and insurance provisions will be furnished to the subcontractor or tertiary subcontractor upon request.
- 10g. Self-Insured Retentions. All self-insured retentions ("SIR") must be disclosed to Risk Management for approval and shall not reduce the limits of liability. Policies containing any SIR provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named insured or City. City reserves the right to obtain a full certified copy of any insurance policy and endorsements. The failure to exercise this right shall not constitute a waiver of such right.
- 10h. Waiver of Subrogation. Contractor hereby agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss under a Workers Compensation, Commercial General Liability or Automobile Liability policy. All Workers Compensation, Commercial General Liability and Automobile Liability policies shall be endorsed with a waiver of subrogation in favor of City, its officers, agents, employees and volunteers for all work performed by Contractor, its employees, agents and subcontractors.
- 10i. Liability/Remedies. Insurance coverage in the minimum amounts set forth herein shall not be construed to relieve Contractor of liability in excess of such coverage, nor shall it preclude City from taking such other actions as are available to it under any other provisions of this Agreement or law.

11. Contractor shall comply with all federal, state and local laws and ordinances, including but not limited to the City's storm water regulations, as may be applicable to the performance of services under this Agreement. Failure to comply with local ordinances may result in monetary fines and cancellation of this Agreement. Refer to www.roseville.ca.us/stormwater for links to more information on the City's storm water regulations.
12. In the event that the terms of any attachment or exhibit conflict with any terms of this Service Agreement, the terms of this Service Agreement shall control.
13. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.
14. If either party commences any legal action against the other party arising out of this Agreement or the performance thereof, the prevailing party in such action shall be entitled to recover its reasonable litigation expenses, including but not limited to, court costs, expert witness fees, discovery expenses, and attorneys' fees. Any action arising out of this Agreement shall be brought in Placer County, California, regardless of where else venue may lie. This Agreement shall be governed by and construed in accordance with the laws of the State of California.
15. This Agreement shall be binding upon the heirs, successors, executors, administrators and assigns of the respective parties hereto.
16. If any of the provisions contained in this Agreement are for any reason held invalid or unenforceable, such holding shall not affect the remaining provisions or the validity and enforceability of the Agreement as a whole.
17. If the project referenced on this service agreement is a Public Works project, then the following shall apply: No contractor or subcontractor may work on a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5. During the performance of this agreement, Contractor and its subcontractors shall have a continuing legal obligation to maintain current registration with the Department of Industrial Relations. Contractor is hereby notified that this project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.
18. If the project referenced on this service agreement is a Public Works project, then the following shall apply: Contractor must submit all claims as defined in and in accordance with the claim resolution process set forth in Section 9204 of the Public Contract Code. Each such claim must be sent to the City by registered mail or certified mail with return receipt requested and must contain reasonable documentation to support the claim. All claims must be received prior to acceptance of the work.

<i>City reserves the right to withhold any payments to Contractor in the event of noncompliance with insurance requirements or if required by law.</i>
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ATTACHMENT A
HUMAN RESOURCES/RISK MANAGEMENT DIVISION
INSURANCE REQUIREMENTS
SERVICE AGREEMENTS OVER \$22,790 OR INVOLVING HIGH RISK
ACTIVITIES

General - Required Coverage/Documentation

- General Liability: \$1 Million per occurrence
\$2 Million aggregate
- Automobile Liability: \$1 Million combined single limit
- Workers' Compensation: Statutory *Must provide a Waiver of subrogation
- Additional Insured Endorsement (AIE) - General Liability policy: CG 20 38 04 13 or an equivalent, blanket endorsement or section of the policy. Endorsement shall cover the City of Roseville, its officers, agents, employees and volunteers as additional insured.
- Policies must be primary and non-contributory
- A 30 day notice of cancellation must be provided
- List certificate holder as: The City of Roseville -Insurance Compliance
PO Box 100085-R1, Duluth, GA 30096

Additional Liability Requirements if required by Agreement (and marked below):

Construction	Design Professional	Chemical/Environmental
General Liability: \$2 Million/occurrence \$4 Million aggregate	General Liability: \$2 Million/occurrence \$4 Million aggregate Professional Liability \$2 Million/occurrence	General Liability: \$3 Million/occurrence \$6 Million aggregate, Pollution – \$2 Million/Occurrence Auto - \$2 Million/Occurrence
IT Services	Professional Consultant	Hazardous Materials
Professional Liability: \$1 Million/occurrence No auto required	Professional Liability: \$1 Million/occurrence	Pollution Liability: \$1 Million/occurrence
Special Events/Caterers-Vendors	Professional Counseling/Psychological	Pyrotechnics
No auto required No workers' comp required	Professional Liability: \$1 Million/occurrence No auto required	General Liability: \$5 Million/occurrence \$10 Million aggregate Auto - \$2 Million/Occurrence

Insurance Submission Process

The City of Roseville Human Resources/Risk Management Department uses a service called EBIX to manage our insurance certificate tracking.

How It Works

- The vendor's contact information is entered into EBIX. EBIX will contact the vendor to request proof of insurance.
- The Vendor can forward the request to their Insurance Agent(s) if necessary.
- Vendor/Insurance Agent submits insurance to EBIX by email to roseville@ebix.com or by fax to (770) 325-5727. After faxing or emailing the certificate, please **DO NOT** send the certificate by mail to EBIX. Please do not mail, email or fax any certificates to the City of Roseville.
- Once submitted, EBIX reviews the insurance documentation. If there are deficiencies, EBIX will send a follow up letter or email requesting additional information.

Questions Regarding Insurance Submission: Contact EBIX at (951) 652-4239
Questions Regarding Insurance Requirements Contact Risk Management at (916) 774-5202



COUNCIL COMMUNICATION

CC #: 9745
File #: 0203-04

Title: General Construction and Repair Services - Service Agreement Renewal
Contact: Dan Allen 916-774-5741 dallen@roseville.ca.us

Meeting Date: 1/16/2019
Item #: 6.3.

RECOMMENDATION TO COUNCIL

Recommend Council adopt a resolution authorizing the City Manager to sign a service agreement renewal with Bullard Construction in the amount of \$350,000.00 to provide miscellaneous construction services and repairs on an as needed basis. The Request for Proposals included four optional one year renewals and staff requests authorization to continue utilizing each contract without further Council approvals until the contract expires, or until City staff determines that continuing with the same vendor is not in the City's best interest. This request includes authorizing the City Manager to sign optional renewal service agreements pending Council approval of budgets for that year, as well as approval of the bonds by the City Attorney's office each year.

BACKGROUND

In January of 2017, City Council authorized service agreement with Bullard Construction to provide miscellaneous construction services and repairs on an as needed basis throughout the City. This was a five (5) year agreement with four (4) one (1) year renewals. This is the second year of the renewals.

FISCAL IMPACT

The value of this service agreement is \$350,000.00 for FY2018-19, not to exceed annual budgeted amounts. Funding for this year is included in the Building Maintenance and Facility Rehabilitation Division FY2018-19. The funds will be encumbered one year at a time pending Council approval of the budget for each year. Projected spending for the optional renewal years is as follows: FY2019-20, \$375,000.00; FY2020-21, \$400,000.00.

ECONOMIC DEVELOPMENT / JOBS CREATED

Based on the Federal guideline of one job created for every \$92,000 in government spending, this will generate 3.8 jobs.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical changes in the environment (CEQA Guidelines §15061(B)(3)). A service agreement renewal for general construction and repair services does not include the potential for a significant environmental effect, and therefore is not subject to CEQA.

Respectfully Submitted,

Dan Allen, Facility Manager

Jason Shykowski, Acting Public Works Director



Dominick Casey, City Manager

ATTACHMENTS:

Description

Resolution No. 19-18

Bullard SA

RESOLUTION NO. 19-18

APPROVING A SERVICE AGREEMENT RENEWAL BETWEEN THE CITY OF
ROSEVILLE AND BULLARD, INC., AND AUTHORIZING THE CITY MANAGER TO
EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE

WHEREAS, a service agreement renewal (S1908037) for general construction and repair services, between the City of Roseville and Bullard, Inc., has been reviewed by the Council;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Roseville that said service agreement renewal is approved and that the City Manager is authorized to execute it on behalf of the City of Roseville, upon receipt and approval of bonds for each renewal by the City Attorney's office.

BE IT FURTHER RESOLVED that the City Manager is authorized to execute two (2) additional one (1) year renewals without further City Council approval, provided that the applicable budget is approved by the City Council, or until City staff determines that continuing with the same vendor is not in the City's best interest.

PASSED AND ADOPTED by the Council of the City of Roseville this ____ day of _____, 20__, by the following vote on roll call:

AYES COUNCILMEMBERS:

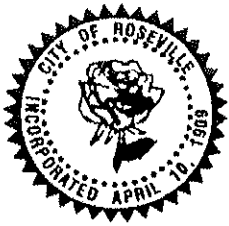
NOES COUNCILMEMBERS:

ABSENT COUNCILMEMBERS:

MAYOR

ATTEST:

City Clerk



PURCHASING
CITY OF ROSEVILLE

2005 HILLTOP CIRCLE, ROSEVILLE, CA 95747
(916) 774-5720 • TDD (916) 774-5220 • FAX (916) 774-5736

SERVICE AGREEMENT

SERVICE AGREEMENT

No: **S1908037**

SERVICE LOCATION: AS DIRECTED

REQ. NO.: RENEWAL DATE: 11/26/18

SUBMIT ALL INVOICES TO:

CITY OF ROSEVILLE
Finance Department
311 Vernon Street
Roseville, CA 95678

Contractor No.: V30539
Telephone No.: 916-485-4370 Fax: 916-485-4388
Email address: PAUL@BULLARDINC.NET
Contractor: BULLARD, INC.
ATTN: PAUL LINSTEADT
3132 AUBURN BLVD.
SACRAMENTO, CA 95821

Department: PUBLIC WORKS-BLDG. MAINT.

Acct. Code: 03340-5100

Buyer: TIFFANY VALDEZ
Phone: 916-774-5708

Start Date	Terms	Completion Date	Insurance Limits	Contact
1/18/19	NET 30	1/17/20	Approved by Risk Mgt.	DAN ALLEN TISHA CHINN

The contractor shall furnish all labor, equipment and materials necessary to accomplish the following:

The services called for under City of Roseville Request for Proposal #01-011 and contractor's proposal thereto titled Response to RFP: General Construction Services #01-011 dated 11/7/16 (hereinafter "Proposal"). The terms and scope of work of City of Roseville Request for Proposal #01-011 and contractor's Proposal are herein made part of this Service Agreement and fully incorporated by reference. All work must be quoted and approved in advance by an authorized member of the City's Building Maintenance Division.

Please contact Dan Allen at 916-774-5741 or Tisha Chinn at 916-774-5702 for questions regarding this agreement.
Note:

The total cost of service below is an approximate value only. The City does not guarantee whatsoever the actual amount to be spent.

Total Cost of Service: \$ **350,000.00**

ATTENTION: Total cost of service not to exceed the agreement amount without prior approval of the Purchasing Office.

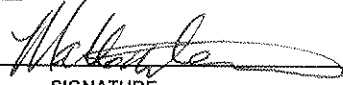
The Contractor named hereon by the acceptance of this order agrees to the provisions of this document titled "Service Agreement" and Attachment "A".

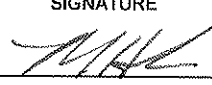
Roseville Business License No.: 00807479 Contractor License No.: 1002120 DIR Registration No.: 1000001447

☐ SOLE PROPRIETOR

☐ PARTNERSHIP

☒ CORPORATION

CONTRACTOR:  MATTHEW D KARTZCHAUER VP
SIGNATURE PRINT NAME TITLE

CONTRACTOR:  MARSHALL HENDON SECRETARY
SIGNATURE PRINT NAME TITLE

By: _____
Dominick Casey, City Manager
CITY OF ROSEVILLE, A MUNICIPAL CORPORATION

1. To the fullest extent allowed by law, Contractor shall defend, indemnify, and save and hold harmless the City, its officers, agents, employees and volunteers from any claims, suits or actions of every name, kind and description brought forth, or on account of, injuries to or death of any person (including but not limited to workers and the public), or damage to property, resulting from or arising out of Contractor's willful misconduct or negligent act or omission while engaged in the performance of obligations or exercise of rights created by this Agreement, except those matters arising from City's sole or active negligence or willful misconduct. The parties intend that this provision shall be broadly construed. Contractor's responsibility for such defense and indemnity obligations shall survive the termination or completion of this Agreement for the full period of time allowed by law. The defense and indemnity obligations of this Agreement are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this Agreement.
2. Contractor is an independent contractor, and shall not be considered an officer, agent or employee of the City.
3. Without the written consent of the City, this Agreement is not assignable by Contractor either in whole or in part.
4. Time is of the essence of this Agreement.
5. At any time during the term of this Agreement, the City has the right to terminate this Agreement, provided Contractor is given thirty (30) days' written notice. City's termination shall be without further liability to City, however Contractor shall be entitled to all costs reasonably incurred prior to the date of termination. Contractor acknowledges that City may terminate this Agreement should funds not be appropriated by its governing body to continue services under this Agreement.
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7. All equipment, supplies and services sold to the City of Roseville shall conform to the general safety orders of the State of California.
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9. All prevailing wages and fair employment practices must be adhered to. For prevailing wage contracts over \$25,000, copies of certified payroll must be submitted with invoices. Prevailing wage rates may be obtained from the State Department of Industrial Relations and/or the following website address: <http://www.dir.ca.gov/dlsr/DPreWageDetermination.htm>.
- 10a. Unless otherwise specified, the Contractor shall maintain the policies of insurance outlined in Attachment A, incorporated herein by this reference, in full force and effect during the term of this Agreement. The City of Roseville retains sole discretion in determining the types and proper levels of insurance coverage.
- 10b. Form. Contractor shall submit a certificate evidencing such coverage for the period covered by this Agreement in a form satisfactory to Risk Management and the City Attorney, prior to undertaking any work hereunder. Any insurance written on a claims made basis is subject to the approval of Risk Management and the City Attorney.
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- 10d. Cancellation/Modification. Contractor shall provide ten (10) days written notice to City prior to cancellation or modification of any insurance required by this Agreement.
- 10e. Umbrella/Excess Insurance. The limits of insurance required in this Agreement may be satisfied by a combination of primary and excess insurance. Any excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and noncontributory basis for the benefit of City (if agreed to in a written contract) before City's own insurance shall be called upon to protect it as a named insured.
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HUMAN RESOURCES/RISK MANAGEMENT DIVISION
INSURANCE REQUIREMENTS
SERVICE AGREEMENTS OVER \$22,790 OR INVOLVING HIGH RISK
ACTIVITIES

General - Required Coverage/Documentation

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- Workers' Compensation: Statutory *Must provide a Waiver of subrogation
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☐ IT Services	☐ Professional Consultant	☐ Hazardous Materials
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Questions Regarding Insurance Submission: Contact EBIX at (951) 652-4239
Questions Regarding Insurance Requirements Contact Risk Management at (916) 774-5202

Asbestos-Containing Materials in City-Owned Buildings

California Health and Safety Code Section 25915 requires that all City of Roseville employees, contractors and lessees be notified annually of the presence of asbestos in City-owned buildings constructed prior to 1979. Please post this notice in an area(s) accessible to all employees, contractors and lessees. Contact Facility Maintenance & Operations at (916) 774-5740 for more information about Asbestos Containing Materials (ACMs) in specific City-owned buildings. For more information about asbestos refer to the OSHA website.

The City of Roseville is committed to maintaining a safe and healthy work environment. The City's Facility Maintenance & Operations staff conducts ongoing inspections to identify and safely manage previously installed asbestos-containing products. Renovation of City-owned buildings **MUST** be reviewed in advance by Facility Maintenance & Operations to ensure the City is in compliance with building codes, Americans with Disabilities Act and that no ACMs are disturbed without proper safeguards. Work that requires removal or repair of ACMs is restricted to trained and qualified persons only. **Facility Maintenance & Operations will need to approve the qualified contractors.**

Use the following measures to protect you and others from exposure to airborne asbestos:

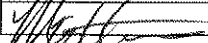
- Presume all building materials contain asbestos until determined otherwise by Facility Maintenance & Operations.
- Do not install walls, closets, cabinets, ceilings.
- Do not remove, cut, drill, sand, grind or otherwise disturb any material in the buildings, including carpet and tile.
- Do not paint (this includes any walls, ceilings, floors and electrostatic painting of office furniture).
- Do not remove any items nailed or screwed to the walls (this includes pictures, cabinets, electrical, etc.).
- Do not go above ceilings, behind walls or into building spaces such as attics and crawlspaces unless these areas have been inspected and cleared by Facility Maintenance & Operations.
- Do not pull cable or wiring through above-ceiling spaces with asbestos.
- Do not install screws, pins, nails or hangers into asbestos ceiling or wall plaster.
- Be careful not to damage walls, ceilings or floors when moving furniture or equipment. It is recommended that Facility Maintenance & Operations be contacted prior to moving furniture or equipment.
- Do not brush, sweep or vacuum textured asbestos ceiling plaster or plaster debris.
- Immediately report any damage or deterioration of suspect building materials to Facility Maintenance & Operations or Risk Management.

It is important to note that the presence of asbestos does not mean you have been exposed. Exposure results when friable asbestos particles are inhaled or ingested. Asbestos becomes friable when material containing asbestos is drilled, sanded or disturbed by remodeling or demolition work or when the ACM has deteriorated. Intact, bonded, sealed or undisturbed asbestos does not pose a hazard.

Employees may review the asbestos survey reports, results of bulk sampling or air monitoring conducted in City-owned buildings. All asbestos data will be available by appointment with Facility Maintenance & Operations.

Facilities Built Pre 1979 That May Contain Asbestos	Year Built
Downtown Library - 225 Taylor Street 95678	1974
Carnegie Museum - 557 Lincoln Street 95678	1912
Tower Theatre - 415 Vernon Street 95678	1940
*401 Oak Street 95678	1974
Fire Station #3 - 1300 Cirby Way 95661	1963
Old Corp Yard - 100 Old Corp Yard Road 95678	1940
Water Treatment Plant Operations Bldg.- 9595 Barton Road 95746	1965
Waste Water Treatment Plant Operations Bldg. - 1800 Booth Road 95747	1962
Royer Recreation Bldg. - 190 Park Drive 95678	1950
Fire Museum - 400 Lincoln Street 95678	1930
Diamond Oaks Golf - 349 Diamond Oaks Road 95678	1965
Johnson Pool, 4th & D Street	1950
330 Vernon Street	1940
107 Sutter Avenue	1962

* Indicates facility has known asbestos

Sign to acknowledge receipt of asbestos notification		
SIGNATURE	COMPANY NAME	DATE
	Bruce, Inc.	11/28/2018



COUNCIL COMMUNICATION

CC #: 9748
File #: 0203-02

Title: Light Duty Vehicle Collision Repair and Painting – Service Agreement
Contact: Brian Craighead 916-774-5731 bcraighead@roseville.ca.us

Meeting Date: 1/16/2019
Item #: 6.4.

RECOMMENDATION TO COUNCIL

Recommend City Council adopt a resolution approving a service agreement with Auerig Auto Body dba Fleet Collision Services to provide light duty vehicle collision repair and painting services to City vehicles as needed, and authorizing the City Manager to execute it. The Request for Proposals included four optional one year renewals, and staff requests authorization for the City Manager to sign each additional service agreement without further Council approval, contingent on Council approval of the budgets for each year until the contract expires, or until City staff determines that continuing with the same vendor is not in the City's best interest.

BACKGROUND

Staff solicited Request for Proposals (RFP) for Light Duty Vehicle Collision Repair and Painting services in October 2018. Three proposals were received. After careful review and rating of each proposal, staff is recommending award of a service agreement to Auernig Auto Body dba Fleet Collision Services to provide light duty vehicle collision repair and painting services to City vehicles as needed. Total value of the agreement with Fleet Collision Services is \$565,000.00. The RFP included four one year renewals, therefore staff requests authorization for the City Manager to sign each additional service agreement without further Council approval, contingent on Council approval of the budgets for each year until the contract expires, or until City staff determines that continuing with the same vendor is not in the City's best interest.

FISCAL IMPACT

The estimated total cost for light duty vehicle collision repair and painting services is \$565,000.00 over a four and a half year period. The total cost of service will not exceed \$65,000.00 for FY2018-19. Funds will be encumbered one year at a time pending Council approval of budgets for each year. Projected spending for the optional years is as follows: FY2019-20, \$125,000.00; FY2020-21, \$125,000.00; FY2021-22, \$125,000.00; FY2022-23, \$125,000.00.

ECONOMIC DEVELOPMENT / JOBS CREATED

Based on the Federal guidelines one job is created for every \$92,000.00 in government spending.

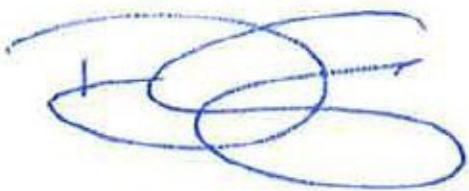
ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment (CEQA Guidelines §15061(b)(3)). Vehicle repair does not include the potential for a significant environmental effect, and therefore is not subject to CEQA.

Respectfully Submitted,

Brian Craighead, Fleet Manager

Jason Shykowski, Acting Public Works Director



Dominick Casey, City Manager

ATTACHMENTS:

Description

Resolution No. 19-22

Service Agreement S1908165

RESOLUTION NO. 19-22

APPROVING A SERVICE AGREEMENT BETWEEN THE CITY OF ROSEVILLE AND AUERNIG AUTO BODY DBA FLEET COLLISION SERVICES, AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE

WHEREAS, a service agreement (S1908165) for light duty vehicle collision repair and painting services, between the City of Roseville and Auernig Auto Body dba Fleet Collision Services, has been reviewed by the Council;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Roseville that said service agreement is approved and that the City Manager is authorized to execute it on behalf of the City of Roseville.

BE IT FURTHER RESOLVED that the City Manager is authorized to execute four (4) additional one (1) year renewals without further City Council approval, provided that the applicable budget is approved by the City Council, or until City staff determines that continuing with the same vendor is not in the City's best interest.

PASSED AND ADOPTED by the Council of the City of Roseville this ____ day of _____, 20__, by the following vote on roll call:

AYES COUNCILMEMBERS:

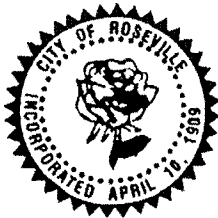
NOES COUNCILMEMBERS:

ABSENT COUNCILMEMBERS:

MAYOR

ATTEST:

City Clerk



PURCHASING
CITY OF ROSEVILLE

2005 HILLTOP CIRCLE, ROSEVILLE, CA 95747
(916) 774-5720 • TDD (916) 774-5220 • FAX (916) 774-5736

SERVICE AGREEMENT

SERVICE AGREEMENT

No: **S1908165**

SERVICE LOCATION: AS DIRECTED

REQ. NO.: R1902426 DATE: 12/7/18

SUBMIT ALL INVOICES TO:

CITY OF ROSEVILLE
Finance Department
311 Vernon Street
Roseville, CA 95678

Contractor No.: V21938
Telephone No.: 916-783-0280 Fax: 916-783-0696
Email address: rob@auernig.com
Contractor: AUERNIG AUTO BODY
dba FLEET COLLISION SERVICES
ATTN: ROB AUERNIG
1780 PFE ROAD
ROSEVILLE, CA 95747

Department: FLEET SERVICES

Acct. Code: 03321-5350

Buyer: TIFFANY VALDEZ
Phone: 916-774-5708

Start Date	Terms	Completion Date	Insurance Limits	Contact
EXECUTED AGREEMENT	NET 30	6/30/19	Approved by Risk Mgt.	RICH BAKANEC PETER BREVIK

The contractor shall furnish all labor, equipment and materials necessary to accomplish the following:

The services called for under City of Roseville Request for Proposal #15-67 and contractor's proposal thereto titled Auernig Auto Body City of Roseville Department of Public Works Request for Proposal #15-67 (hereinafter "Proposal"). The terms and scope of work of City of Roseville Request for Proposal #15-67 and contractor's Proposal are herein made part of this Service Agreement and fully incorporated by reference. All work must be quoted and approved in advance by an authorized member of the Fleet Services Division.

Please contact Rich Bakanec at 916-746-1720 or Peter Brevik at 916-746-1754 for questions regarding this agreement.

The total cost of service below is an approximate value only. The City does not guarantee whatsoever the actual amount to be spent.

Total Cost of Service: \$ **65,000.00**

ATTENTION: Total cost of service not to exceed the agreement amount without prior approval of the Purchasing Office.

The Contractor named hereon by the acceptance of this order agrees to the provisions of this document titled "Service Agreement" and Attachment "A".

Roseville Business License No.: 839324 Contractor License No.: _____ DIR Registration No.: _____

☐ SOLE PROPRIETOR

☐ PARTNERSHIP

☒ CORPORATION

CONTRACTOR:

SIGNATURE

ROBERT D. AUERNIG

PRINT NAME

PRESIDENT

TITLE

CONTRACTOR:

SIGNATURE

Colleen Auernig

PRINT NAME

CFO

TITLE

By: _____

Dominick Casey, City Manager
CITY OF ROSEVILLE, A MUNICIPAL CORPORATION



COUNCIL COMMUNICATION

CC #: 9740
File #: 0203-01

Title: Vehicle Purchases
Contact: Brian Craighead 916-774-5731 bcraighead@roseville.ca.us

Meeting Date: 1/16/2019
Item #: 6.5.

RECOMMENDATION TO COUNCIL

RFQ 10-3195

Staff recommends Council approve a purchase order to Towne Motor Company dba Town Ford Sales for one Ford Transit van with Ranger shelving utilizing RFQ 10-3195 to replace 03-270 approved in the FY2018-19 Auto Replacement Budget. The total cost including options and sales tax is \$48,400.00.

RFQ 10-3196

Staff recommends Council approve a purchase order to Dobbs Heavy Duty Holdings LLC dba Western Truck Center for one Autocar with a roll-off refuse body utilizing RFQ 10-3196 to replace 09-457 approved in the FY2018-19 Auto Replacement Budget. The total cost including options and sales tax is \$209,345.57.

Sourcewell

Staff recommends Council approve two purchase orders to 72 Hour LLC dba National Auto Fleet Group for one Dodge Caravan and one Ford Escape utilizing Sourcewell contract #120716-NAF to replace 03-102 and 05-224 approved in the FY2018-19 Auto Replacement Budget. The total cost of one Dodge Caravan including options and sales tax is \$30,648.98. The total cost of one Ford Escape including options and sales tax is \$23,362.01.

BACKGROUND

RFQ 10-3195

The Environmental Utilities Wastewater Maintenance Division is purchasing one Ford Transit van with Ranger shelving as a replacement for 03-270. This vehicle is assigned to an electronic technician and is used to transport tools, equipment, and materials throughout the water and wastewater treatment plants as well as to remote water distribution and wastewater collections sites.

A formal bid was issued with the following vendor responses:

<u>Vendor</u>	<u>Unit Price (with Ranger shelving)</u>
---------------	--

Towne Ford Sales **\$48,400.00**
Redwood City, CA

Oroville Ford \$48,941.60
Oroville, CA

Harrold Ford \$55,436.95
Sacramento, CA

RFQ 10-3196

The Environmental Utilities Solid Waste Division is purchasing one roll-off refuse truck with a roll-off body as a replacement for 09-457. This roll-off refuse collection vehicle is necessary to haul sludge from the WWTP to the landfill up to five days per week. The Solid Waste Division has been able to utilize this vehicle an additional two years beyond the life expectancy without the cost of repairs overriding the need for replacement.

A formal bid was issued with the following vendor responses:

<u>Vendor</u>	<u>Unit Price (without options)</u>
Western Truck Center	\$206,664.32
West Sacramento, CA	

Western Truck Center	\$202,407.56
West Sacramento, CA	

The low bid by Western Truck Center was deemed non responsive for bidding a Mack cab and chassis including a different engine, transmission and suspension. The City has standardized on Autocar for parts, training, tooling and software.

Sourcewell

The Information Technology Operations Division is purchasing one Dodge Caravan as a replacement for 03-102. This vehicle is used daily by the network communications team to install new services or repair existing services at City building sites. The vehicle is also used to transport tools, parts, and accessories to the work sites.

The Environmental Utilities Storm Water Division is purchasing one Ford Escape as a replacement for 05-224. The vehicle will be used for incident response and outreach.

Vehicle replacements are based on the Fleet Scoring System which considers factors such as age, mileage, reliability, prior maintenance and repair costs, and current condition. Below are the vehicle replacement scores. A score of 23 or more indicates the vehicle is eligible for replacement.

Vehicle ID	Replacement Score	Vehicle Condition
03-270	29	Meets City replacement criteria
09-457	31	Meets City replacement criteria
03-102	28	Meets City replacement criteria
05-224	24	Meets City replacement criteria

FISCAL IMPACT

RFQ 10-3195

The total cost of one Ford Transit Van with Ranger shelving including options and sales tax is \$48,400.00. Funding is included in the FY2018-19 Auto Replacement Budget.

RFQ 10-3196

The total cost of one Autocar with a roll-off refuse body including options and sales tax is \$209,345.57. Funding is included in the FY2018-19 Auto Replacement Budget.

Sourcewell

The total cost of one Dodge Caravan and one Ford Escape including options and sales tax is \$30,648.98 and \$23,362.01. Funding is included in the FY2018-19 Auto Replacement Budget.

ECONOMIC DEVELOPMENT / JOBS CREATED

Not applicable.

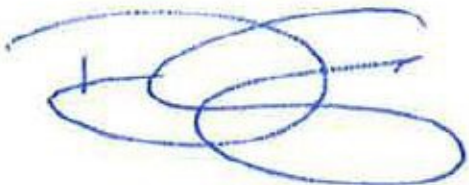
ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment (CEQA Guidelines §15061(b)(3)). The purchase of vehicles does not include the potential for a significant environmental effect, and therefore is not subject to CEQA.

Respectfully Submitted,

Brian Craighead, Fleet Manager

Jason Shykowski, Acting Public Works Director

A handwritten signature in blue ink, appearing to read 'Dominick Casey', with a stylized, overlapping loop structure.

Dominick Casey, City Manager

ATTACHMENTS:

Description



COUNCIL COMMUNICATION

CC #: 9746
File #: 0800-02

Title: Historical Data Repository - Professional Design Services Agreement Amendment
Contact: Charles Aycock 916-746-1887 caycock@roseville.ca.us

Meeting Date: 1/16/2019
Item #: 6.6.

RECOMMENDATION TO COUNCIL

Staff recommends City Council adopt a resolution to approve the First Amendment to Professional Design Services Agreement with CH2M Hill Engineers, Inc., and authorize the City Manager to execute it.

BACKGROUND

The Historical Data Repository (HDR) System is a centralized Oracle data repository which collects data from the water and both wastewater treatment plant Supervisory Control and Data Acquisition (SCADA) systems that are operated and maintained by the Environmental Utilities Department (EUD). In addition to the hundreds of thousands of data records sent to the HDR System by each of the SCADA systems daily, the HDR also receives data from EUD's Laboratory and Water Information Management Systems and is designated as the 'system of record' for all EUD regulatory compliance monitoring data. Using Oracle Forms and Reports and Logi Analytics software applications, authorized individuals will be able to more easily create reports for internal use, as well as publish required compliance reports for Regional, State and Federal regulating agencies.

On January 18th, 2018, Council approved the Professional Design Services Agreement with CH2M Hill Engineers, Inc. to provide engineering assistance to the EUD during design, through system integration, and throughout all of the testing phases. The list below includes the current status for tasks and descriptions for items impacted by the requested agreement Amendment:

- Coordinate with EUD staff to develop an RFP of sufficient clarity to allow successful proposals by potential Oracle system integrators.
 - o This task was completed, and an integrator was selected via the RFP process.
 - o Additional effort was required to develop the plans and specifications, since multiple alternatives were assessed during the RFP development.
- Verify successful upgrade of the HDR's Oracle database and Oracle Forms and Reports software;
 - o Draft execution of this upgrade has been completed.
 - o Many additional days of effort have been required to duplicate the functionality of the existing

system.

- Coordinate with the EUD and integrator staff to implement the Logi Analytics business intelligence software solution, allowing easier access to the data stored in the HDR;
 - o Initial execution of this activity has been completed
 - o No additional work is anticipated for this activity
- Provide oversight and participate in the Factory Acceptance, Site Acceptance and Operational Availability Demonstration testing phases.
 - o Factory Acceptance Testing phase completed
 - o Based on the additional level of effort required to perform Factory Acceptance Testing, a commensurate increase in level of effort is anticipated for the Site Acceptance Testing and Operational Availability Demonstration phases.

Approval of the First Amendment to Professional Design Services Agreement, will allow CH2M Hill Engineers, Inc. to continue to provide engineering support for the project until final completion of the project.

FISCAL IMPACT

The original cost for the Historical Data Repository System Upgrade professional design services agreement was \$324,216.00. If this Amendment is approved, then the additional \$133,116.00 will raise the total agreement cost to CH2M Hill Engineers, Inc. to \$457,332.00. The existing Historical Data Repository System Upgrade project has funds available for this Amendment in the existing budget (173506).

ECONOMIC DEVELOPMENT / JOBS CREATED

Approximately 3 temporary jobs will be created by this Amendment.

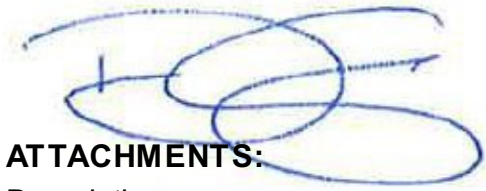
ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment (CEQA Guidelines §15061(b)(3)). The Historical Data Repository System Upgrade project does not include the potential for a significant environmental effect, and therefore is not subject to CEQA.

Respectfully Submitted,

Charles Aycock, EIM Systems Coordinator

Richard Plecker, Environmental Utilities Director



ATTACHMENTS:

Description

Resolution No. 19-19

Dominick Casey, City Manager

Professional Design Services Agreement Amendment

RESOLUTION NO. 19-19

APPROVING A FIRST AMENDMENT TO PROFESSIONAL DESIGN SERVICES
AGREEMENT BETWEEN THE CITY OF ROSEVILLE AND CH2M HILL ENGINEERS,
INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF
OF THE CITY OF ROSEVILLE

WHEREAS, a first amendment to professional design services agreement for the Environmental Utilities Department HDR System Upgrade project, by and between the City of Roseville and CH2M Hill Engineers, Inc., has been reviewed by the City Council; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Roseville that said first amendment is hereby approved and that the City Manager is authorized to execute it on behalf of the City of Roseville.

PASSED AND ADOPTED by the Council of the City of Roseville this ____ day of _____, 20__, by the following vote on roll call:

AYES COUNCILMEMBERS:

NOES COUNCILMEMBERS:

ABSENT COUNCILMEMBERS:

MAYOR

ATTEST:

City Clerk

**FIRST AMENDMENT TO
PROFESSIONAL DESIGN SERVICES AGREEMENT**

Environmental Utilities Department HDR System Upgrade Project

THIS FIRST AMENDMENT TO AGREEMENT is made and entered into this ____ day of _____, 20__, by and between the City of Roseville, a municipal corporation ("CITY"), and CH2M Hill Engineers, Inc., a Delaware corporation ("CONSULTANT"); and

WITNESSETH:

WHEREAS, CITY and CONSULTANT previously entered into a Professional Design Services Agreement dated January 18, 2017 ("Agreement") regarding Environmental Utilities Department HDR System Upgrade Project ("Project"); and

WHEREAS, CITY desires to amend the Agreement to include additional services as described in CONSULTANT's letter/proposal dated October 29, 2018, which is attached hereto as Exhibit "A" and incorporated herein by reference; and

WHEREAS, CONSULTANT is willing and able to provide such additional services.

NOW, THEREFORE, the parties agree as follows:

1. CONSULTANT shall provide additional services as described in Exhibit "A" of this First Amendment to Agreement.
2. Paragraph 2 of the Agreement is amended by adding an additional paragraph to read as follows:

"CITY shall pay one hundred thirty three thousand, one hundred sixteen dollars (\$133,116.00), in consideration of the additional services as set forth in Exhibit "A" to the First Amendment to Agreement. This brings the total not to exceed contract amount to four hundred fifty seven thousand, three hundred thirty two dollars (\$457,332.00)."

3. All other provisions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the City of Roseville, a municipal corporation, has authorized the execution of this First Amendment to Agreement in duplicate by its City Manager and attested to by its City Clerk under the authority of Resolution No. _____, adopted by the Council of the City of Roseville on the ____ day of _____, 20__, and CONSULTANT has caused this First Amendment to Agreement to be executed.

CITY OF ROSEVILLE, a
municipal corporation

BY: _____
DOMINICK CASEY
City Manager

ATTEST:

BY: _____
SONIA OROZCO
City Clerk

CH2M HILL ENGINEERS, INC., a
Delaware corporation

BY: _____
its: _____

and

BY: _____
its: _____



[SIGNATURES CONTINUED ON FOLLOWING PAGE]

APPROVED AS TO FORM:

BY: ROBERT R. SCHMITT
City Attorney

APPROVED AS TO SUBSTANCE:

BY: 
RICHARD D. PLECKER
Environmental Utilities Director

EXHIBIT "A"

City of Roseville - HDR System Upgrade Project Amendment No. 1 Exhibit A - Scope of Work, October 29, 2018

General

This is an amendment to the PROFESSIONAL DESIGN SERVICES AGREEMENT for the Environmental Utilities HDR System Upgrade Project (Project) dated January 18, 2017, between the City of Roseville (CITY) and CH2M HILL Engineers (CONSULTANT). The Project services specifically engineering services to support the City in the upgrade of the Historical Data Repository (HDR) by an independent Consultant (Integrator). The Project initially authorized CONSULTANT services for project management, request for proposal (RFP) preparation, project planning and execution technical assistance, system testing assistance, and project close-out services for upgrading to new versions of hardware and software for the HDR for the CITY Environmental Utilities Department (EUD). This amendment modifies the current services for RFP preparation (Task 2), technical execution assistance (Task 4), Factory Testing assistance (Task 5), On-Site Testing assistance (Task 6), and OAD Testing assistance (Task 8). The additional level of effort for each of these tasks is shown on Attachment A.

Task 2 – RFP Preparation and Proposal Processing

The level of effort of the RFP Preparation Proposal Processing task increased for Subtask 2.01 RFP Preparation. Subtask 2.01 required additional effort to investigate, determine and develop the network architecture and software system compatible with the Logi Analytics tool. Specifically, the compatibility of Linux systems, virtual machines and network devices were evaluated with server systems from Dell and Oracle. The additional effort allowed for a concise proposal response to the potential proposers during the RFP phase of the project.

Task 4 – Project Execution

Interaction with the Integrator during project execution of the work was significantly higher than the budgeted level of effort. In addition to reviewing the various documents prepared by the Integrator, daily technical conference calls with the Integrator, CONSULTANT, and the CITY occurred over a five-month period. The CONSULTANT provided technical assistance to the Integrator during the daily calls, so they could prepare the various documents and reviewed the Integrator's methods for compliance with best practices for data system creation, conversion, and configuration.

Task 5 – Factory Testing

The CONSULTANT's level of effort increased due to a factory test that exceeded the budgeted five-day test at the Integrator's site, and due to additional effort needed to coordinate and monitor resolution of issues discovered during the factory testing. The CONSULTANT provided technical assistance to the City and the Integrator regarding testing scenarios and use cases that went beyond review of the Integrators test plans, and were not defined in the original scope.

Task 6 – On-Site Testing

The testing activities at the Factory Test are repeated during On-Site Testing with the addition of setup and configuration of equipment to the actual network and City workstations by the Integrator. Therefore CONSULTANT's level of effort for the On-Site Testing effort is expected to increase and will

include testing activities, and assistance with diagnosis and troubleshooting during these activities. The CONSULTANT will also provide technical assistance to the City and the Integrator to identify unique testing scenarios and resolve discrepancies and defects found during the On-Site Testing.

Task 8 – OAD Testing

Due to the critical real-life and real-time scenario of the Operational Availability Demonstration (OAD) testing, the budget has been increased to allow CONSULTANT to provide prompt and extended response to the CITY and Integrator. As demonstrated during previous phases of the project, there will be post-installation submittal reviews, which exceed what was originally anticipated in the original budget.

Schedule, Terms, and Compensation

The tasks modified by this amendment, are anticipated to be completed in conjunction with the Integrator's activities. CONSULTANT anticipates all services will be complete a month after the Integrator has achieved final completion. This amendment is to be executed in accordance with the existing terms and conditions provided under the HDR System Upgrade Project agreement dated January 18, 2017. An amount of \$133,116.00 on a Time and Material basis is estimated for the services described in this amendment, and shown in the fee estimate below.

2018 Per Diem Rates \$ 316 \$ 301 \$ 275 \$ 225 \$ 107														
Attachment A City of Roseville Historical Data Repository System Upgrade Project - Amendment No. 1 Fee Estimate - Labor and Expense Breakdown October 29, 2018														
Scope Task	WBS	Description	Program Manager	Senior Project Manager	Senior Technologist	Project Engineer	Office / Clerical / Accounting	Total Hours	Subtotal Labor Price	Subcontractors	ODCs & Travel	Communications / Computer Charge \$/hour	Subtotal Expenses (Subs, ODCs, Travel, Comm, & Computer)	Total Price
Top Task			Labor Hours											
			Steve	Bill	Ed	Lisa	Miranda							
Task 2														
RFP Preparation and Proposal Processing														
02.01		RFP preparation			140			140	\$ 38,500			\$ 840	\$ 39,340	
Task 4														
Project Execution														
04.01		Technical review of the various submittal documents from the Contractor during project execution.			100			100	\$ 27,500			\$ 600	\$ 28,100	
Task 5														
Factory Testing														
05.04		Presence at the Factory test at the CONTRACTOR site (2 travel days, 3-5 onsite days)			32			32	\$ 8,800			\$ 192	\$ 8,992	
05.05		Document technical issues and communicate them with the CONTRACTOR. Monitor issue resolution.			16			16	\$ 4,400			\$ 96	\$ 4,496	
Task 6														
On-site Testing														
06.04		Presence at the on-site test at the consultant site (2 travel days, 3-5 onsite days)			64			64	\$ 17,600			\$ 384	\$ 17,984	
06.05		Document technical issues and communicate them with the CONTRACTOR. Monitor issue resolution.			32			32	\$ 8,800			\$ 192	\$ 8,992	
Task 8														
O&D Testing														
08.01		Assist with operational tests (2 travel days, 3-5 onsite days)			80			80	\$ 22,400			\$ 480	\$ 22,880	
08.02		Document technical issues and communicate them with the CONTRACTOR. Monitor issue resolution.			8			8	\$ 2,244			\$ 48	\$ 2,292	
TOTAL Tasks 2, 4, 5, 6, and 8					472	0	0	472	\$ 130,284	\$ -	\$ -	\$ 2,882	\$ 2,882	\$ 133,166

|

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|

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COUNCIL COMMUNICATION

CC #: 9739
File #: 0800-02

Title: Supervisory Control and Data Acquisition Systems Replacement Project - Notice of Completion
Contact: Charles Aycock 916-746-1887 caycock@roseville.ca.us

Meeting Date: 1/16/2019
Item #: 6.7.

RECOMMENDATION TO COUNCIL

Staff recommends City Council accept the SCADA Systems Replacement Project as complete and adopt a resolution to authorize the Director of Environmental Utilities to execute the Notice of Completion.

BACKGROUND

The Environmental Utilities Department (EUD) utilizes three SCADA systems that permit real-time monitoring and control of all EUD water treatment, wastewater treatment, recycled water, wastewater collections, water distribution and storm water facilities. In September 2013, the design-assist contract was awarded to WT Roseville Joint venture; a joint venture between Westin Engineering and TESCO Controls, Inc.

Since the project commenced, City, CH2M Hill, and WT Roseville Joint Venture staff members (Team) held dozens of virtual and face-to-face meetings to review and refine each element of the RFP's 60% design. Utilizing published International Society of Automation, American Water Works Association, and National Institute of Standards and Technology's relevant cyber security standards for the water and wastewater industry, the Team updated the SCADA system's final design. These enhancements were implemented via eight Change Orders to WT Roseville JV, totaling \$3,429,670.11; which were executed from January 2015 through April 2018. The final contract value is \$7,754,239.11; including all contract changes.

Initially, the joint venture WT Roseville was formed by Westin Engineering and TESCO Controls, Inc. As a result of the sale of Westin Engineering, a Consent to Assignment was executed on September 27, 2017; transferring the project from WT Roseville Joint Venture to TESCO Controls, Inc., who completed the contract work.

FISCAL IMPACT

The Contract is funded by the SCADA Systems Replacement Capital Improvement Project (103501), with a final contract value of \$7,754,239.11. The Project funding is split between the Water and Wastewater Utility Rehabilitation funds. The Water Rehabilitation fund contributed 1/3 of the funding and the Wastewater Rehabilitation fund contributed 2/3 of the funding.

ECONOMIC DEVELOPMENT / JOBS CREATED

No additional jobs will be created by approving the Notice of Completion.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment (CEQA Guidelines §15061(b)(3)). Accepting the SCADA Systems Replacement project as complete does not include the potential for a significant environmental effect, and therefore is not subject to CEQA.

Respectfully Submitted,

Charles Aycock, EIM Systems Coordinator

Richard Plecker, Environmental Utilities Director



Dominick Casey, City Manager

ATTACHMENTS:

Description

Resolution No. 19-14

NOC

NOC_Exhibit A

RESOLUTION NO. 19-14

ACCEPTING THE PUBLIC WORK KNOWN AS THE SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA) SYSTEMS REPLACEMENT PROJECT, APPROVING THE “NOTICE OF COMPLETION”, AND AUTHORIZING THE DIRECTOR OF ENVIRONMENTAL UTILITIES TO EXECUTE SAID NOTICE ON BEHALF OF THE CITY OF ROSEVILLE

BE IT RESOLVED by the City Council of the City of Roseville as follows:

1. The “Notice of Completion” on file in the City Clerk’s Department relative to that public work known as the Supervisory Control and Data Acquisition (SCADA) Systems Replacement Project, has been approved and the public work accepted.
2. The Director of Environmental Utilities is hereby authorized and directed to execute said Notice on behalf of the City of Roseville.

PASSED AND ADOPTED by the Council of the City of Roseville this ____ day of _____, 2019, by the following vote on roll call:

AYES COUNCILMEMBERS:

NOES COUNCILMEMBERS:

ABSENT COUNCILMEMBERS:

MAYOR

ATTEST:

City Clerk

AFTER RECORDING RETURN TO:
CITY CLERK
311 VERNON STREET
ROSEVILLE, CA 95678

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN that the public work known as _____
_____ Project was completed and accepted by the
City of Roseville on _____. The location is indicated on the attached map,
marked as Exhibit "A" and incorporated herein by this reference.

The general contractor on said project was _____.
The surety on said project was _____.

City of Roseville

ATTEST:

Sonia Orozco, City Clerk

State of California)
County of Placer)

I, _____, being first duly sworn, depose and say: I am the
_____ of the City of Roseville, a municipal corporation in
the State of California, owner of the property described in the above Notice. I am duly
authorized to make this verification for and on behalf of the City of Roseville. I have read the
Certificate of Completion and know its contents and the facts stated therein are true.

City of Roseville

A notary public or other officer completing this certificate
verifies only the identity of the individual who signed the
document to which this certificate is attached, and not
the truthfulness, accuracy, or validity of that document.

State of California)
County of Placer)

Subscribed and sworn to (or affirmed) before me on this _____ day of _____,
20____, by _____ proved to me on the basis of satisfactory evidence to be
the person(s) who appeared before me.

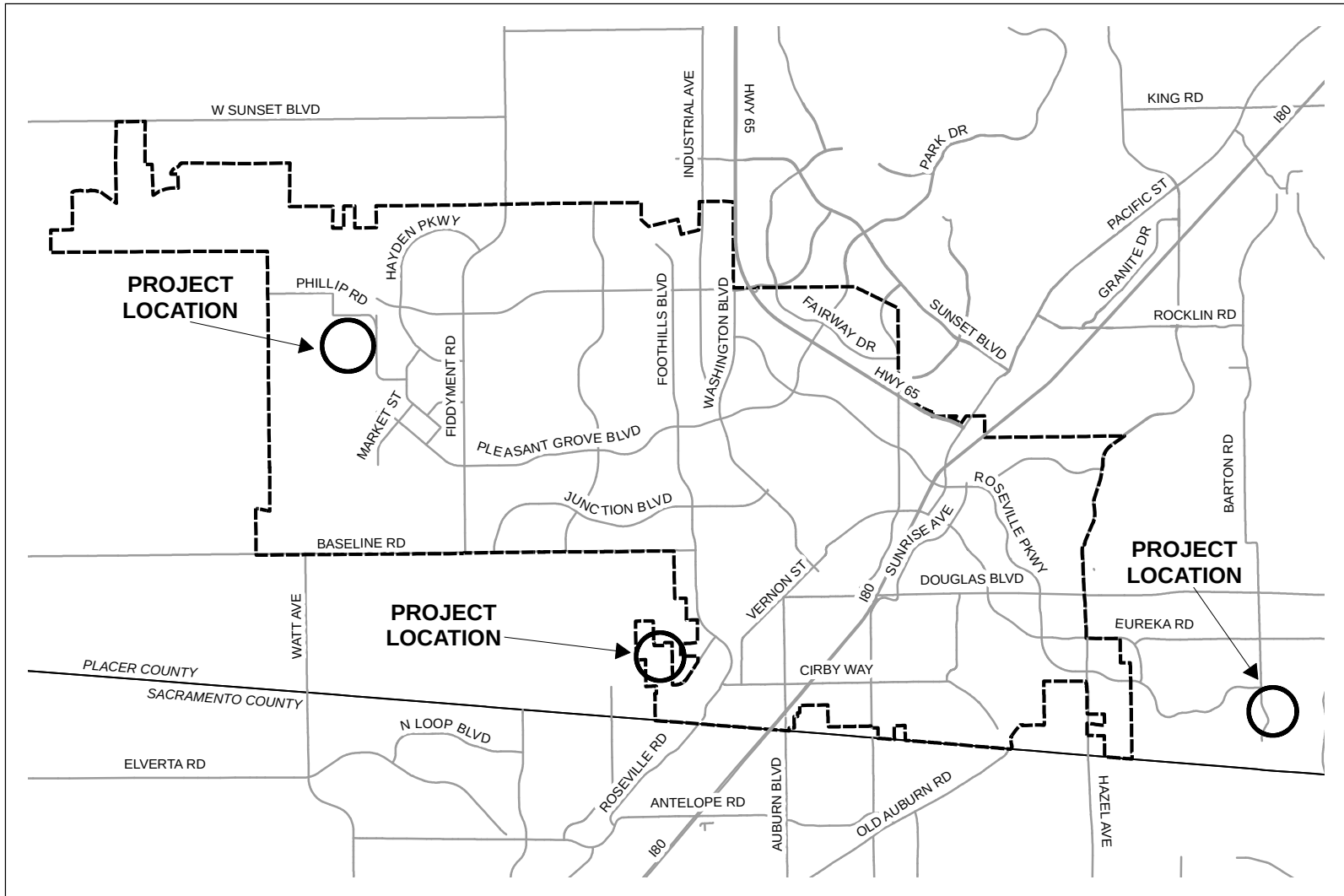
Notary Public in and for said County and State

EXHIBIT A - SCADA SYSTEMS REPLACEMENT PROJECT

DRY CREEK WWTP - 1800 BOOTH RD

BARTON WTP - 9595 BARTON RD

PLEASANT GROVE WWTP - 5051 WESTPARK DR





COUNCIL COMMUNICATION

CC #: 9744
File #: 0800-02

Title: Folsom Reservoir Water Supply - Interim Renewal Contract
Contact: Sean Bigley 916-774-5513 sbigley@roseville.ca.us

Meeting Date: 1/16/2019
Item #: 6.8.

RECOMMENDATION TO COUNCIL

Staff recommends that the City Council adopt a resolution to authorize the City Manager to execute Interim Renewal Contract Number 5 (Contract No. 14-06-200-3474A-IR5) between the City of Roseville and the United States Bureau of Reclamation (Reclamation) to secure Roseville's Central Valley Project (CVP) water supply from Folsom Reservoir from March 1, 2019, through February 28, 2021.

BACKGROUND

The City of Roseville, working with Placer County Water Agency (PCWA), Sacramento Municipal Utilities District (SMUD) and the Sacramento County Water Agency (SCWA), have been working with the U.S. Bureau of Reclamation to renew each agencies 40 year Long-Term Water Service Contracts (LTWSC) for approximately 18 months.

LTWSC's are the long-term contracts between the U.S. Bureau of Reclamation and water service contractors that set the quantity of water that a contractor may receive from Reclamation facilities, but also the relevant terms under which the contract water is provided. The City of Roseville's primary source of surface water is from Folsom Reservoir, a federal facility that is part of the Central Valley Project (CVP) system in California. Roseville is entitled to 32,000 acre-feet of water annually from Folsom Reservoir, subject to certain conditions.

The City of Roseville's last 40 year LTWSC was executed on September 9, 1967 and was in effect from January 1971 through a December 2010 expiration date. Since the 2010 expiration, the City of Roseville has since renewed our Reclamation contract water supplies on a short-term basis with 2-year Interim Renewal Contracts (IRC's).

The City of Roseville continues to work with SMUD, PCWA and SCWA on obtaining a new 40 year long-term water service contract for each agency.

Concurrently, through authority granted by Congress under the Water Infrastructure Improvements for the Nation (WIIN) Act, Section 4011, there is a limited time frame for CVP contractors, like Roseville, to pursue an alternative contract pathway - a conversion to a Repayment Contract.

Repayment Contracts are generally similar to traditional CVP Long-Term Water Service Contracts, but differ primarily in the term, which is indefinite for a Repayment Contract, instead of a typical 40 year term for a Long-Term Water Service Contract. Additionally the level of environmental analysis will likely be considerably less for a Repayment Contract than a traditional Long-Term Water Service Contract as the action of conversion is seen as non-discretionary – effectively a mandate from Congress. To convert to a Repayment Contract, interested CVP contractors must repay their outstanding construction obligation related to the federal facility they receive water from.

To keep Roseville's options open, staff sent a letter of interest as required by the WIIN Act Section 4011 to the Bureau of Reclamation on May 21, 2018. Roseville is actively exploring the Repayment Contract conversion concurrently and expects negotiations to begin in 2019, with potential contract execution in 2020.

In the meantime, the City of Roseville's Interim Renewal Contract Number 4 (Contract No. 14-06-200-3474A-IR4) for Roseville's CVP water supply expires February 28, 2019. With the completion of the required environmental analysis by Reclamation following public review, the attached Interim Renewal Contract Number 5 (Contract No. 14-06-200-3474A-IR5) will be provided to the Regional Director of Reclamation's Mid-Pacific Region for signature sometime in January/February 2019.

Once executed, Interim Renewal Contract Number 5 would extend Roseville's access to its 32,000 acre-foot per year water supply for another two years (from March 1, 2019 through February 28, 2021). To fully execute Interim Renewal Contract Number 5, once it's ready, the City Manager needs authority to sign Interim Renewal Contract Number 5 (Contract No. 14-06-200-3474A-IR5).

Obtaining advance authority for the City Manager to sign Interim Renewal Contract Number 5 (Contract No. 14-06-200-3474A-IR5), once ready, will help to ensure that the interim contract renewal process is completed on time and does not create a gap in access to Roseville's CVP water supply.

FISCAL IMPACT

There is no fiscal impact related to this item.

ECONOMIC DEVELOPMENT / JOBS CREATED

Not applicable.

ENVIRONMENTAL REVIEW

The City of Roseville is the CEQA Lead Agency. To comply with CEQA the City's Environmental Coordinator and Attorney's office issued a CEQA Notice of Statutory Exemption for the interim contract renewed in 2017 and have concluded the same exemption applies to this renewal. Section 15261 of the CEQA Guidelines state "If a project being carried out by a public agency

was approved prior to November 23, 1970, the project shall be exempt from CEQA...” Because the original contract is dated September 9, 1967, this interim contract renewal is exempt from CEQA and no further CEQA action is required.

Reclamation is the National Environmental Policy Act (NEPA) Lead Agency. To comply with NEPA, Reclamation prepared a Draft Environmental Assessment (EA-18-04) to evaluate environmental impacts associated with this interim renewal contract. The Draft EA was circulated for public comment and no public comments were received. Reclamation finalized the EA and issued a Finding of No Significant Impact (FONSI) on December 3, 2018 to complete the NEPA process and allow for interim contract execution.

Respectfully Submitted,

Sean Bigley, Acting Water Utility Manager

Richard Plecker, Environmental Utilities Director



Dominick Casey, City Manager

ATTACHMENTS:

Description

Resolution No. 19-16

Interim Renewal Contract (IRC) #5

FONSI

IRC #1

IRC #4

CEQA Notice of Statutory Exemption

RESOLUTION NO. 19-16

APPROVING AN INTERIM RENEWAL CONTRACT BETWEEN THE CITY OF ROSEVILLE AND THE UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU OF RECLAMATION, AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE

WHEREAS, an interim renewal contract (No. 14-06-200-3474A-IR5) providing for Project Water Service between the City of Roseville and United States Department of the Interior, Bureau of Reclamation, has been reviewed by the City Council;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Roseville that said interim renewal contract is approved and that the City Manager is authorized to execute it on behalf of the City of Roseville upon receipt and approval of all signed documents by the City Attorney.

PASSED AND ADOPTED by the Council of the City of Roseville this ____ day of _____, 20__, by the following vote on roll call:

AYES COUNCILMEMBERS:

NOES COUNCILMEMBERS:

ABSENT COUNCILMEMBERS:

MAYOR

ATTEST:

City Clerk

1 UNITED STATES
2 DEPARTMENT OF THE INTERIOR
3 BUREAU OF RECLAMATION
4 Central Valley Project, California

5 INTERIM RENEWAL CONTRACT BETWEEN THE UNITED STATES
6 AND
7 THE CITY OF ROSEVILLE
8 PROVIDING FOR PROJECT WATER SERVICE

9 THIS CONTRACT, made this _____ day of _____, 20____,
10 in pursuance generally of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory or
11 supplementary thereto, including, but not limited to, the acts of August 26, 1937 (50 Stat. 844),
12 as amended and supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented,
13 June 21, 1963 (77 Stat. 68), October 12, 1982 (96 Stat. 1263), October 27, 1986 (100 Stat. 3050),
14 as amended, and Title XXXIV of the Act of October 30, 1992 (106 Stat. 4706), all collectively
15 hereinafter referred to as Federal Reclamation law, between the UNITED STATES OF
16 AMERICA, hereinafter referred to as the United States, and the CITY OF ROSEVILLE,
17 hereinafter referred to as the Contractor, a public agency of the State of California, duly
18 organized, existing, and acting pursuant to the laws thereof;

19 WITNESSETH, That:

20 EXPLANATORY RECITALS

21 WHEREAS, the United States and the Contractor entered into the interim
22 renewal contract identified as Contract No. 14-06-200-3474A-IR1, hereinafter referred to as
23 IR1, which provided for the continued water service to the Contractor effective from
24 January 1, 2011, through February 28, 2013; and

WHEREAS, the United States and the Contractor have entered into a successive renewal of IR1, which is Contract No. 14-06-200-3474A-IR4, hereinafter referred to as IR4, effective from March 1, 2017, through February 28, 2019; and

WHEREAS, the United States and the Contractor have made significant progress in their negotiations of a long-term renewal contract, believe that further negotiations on the long-term renewal contract would be beneficial, and mutually commit to continue to negotiate to seek to reach agreement, but anticipate that the environmental documentation necessary for execution of any long-term renewal contract may be delayed for reasons beyond the control of the parties; and

WHEREAS, the Contractor has requested a subsequent interim renewal contract pursuant to Article 2 of IR1; and

WHEREAS, the United States has determined that the Contractor has to date fulfilled all of its obligations under IR4; and

WHEREAS, the United States is willing to renew IR4 pursuant to the terms and conditions set forth below;

NOW, THEREFORE, in consideration of the mutual and dependent covenants herein contained, it is hereby mutually agreed by the parties hereto as follows:

RENEWAL AND REVISION OF
CONTRACT NO. 14-06-200-3474A-IR4

1. Except as specifically modified by this contract, all provisions of IR4 are renewed with the same force and effect as if they were included in full text with the exception of Article 1 of IR4 thereof, which is revised as follows:

(a) The first sentence in subdivision (a) of Article 1 of IR4 is modified as follows: "This Contract shall be effective from March 1, 2019, and shall remain in effect through

February 28, 2021, and thereafter will be renewed as described in Article 2 of IR1 if a long-term renewal contract has not been executed with an effective commencement date of March 1, 2021.”

(b) Subdivision (b) of Article 1 of IR4 is amended by deleting the date “February 28, 2019,” and replacing same with the date “February 28, 2021.”

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the day and year first above written.

UNITED STATES OF AMERICA

By: _____
Regional Director, Mid-Pacific Region
Bureau of Reclamation

(SEAL)

CITY OF ROSEVILLE

By: _____
City Manager

Approved as to form:

By: _____
City Attorney

Attest:

By: _____
City Clerk

RECLAMATION

Managing Water in the West

FINDING OF NO SIGNIFICANT IMPACT

Central Valley Project Interim Renewal Contracts for City of Roseville, Sacramento Municipal Utility District, and Sacramento County Water Agency 2019-2021

Central California Area Office, Folsom California
FONSI CCAO 18-04

Recommended by:



Sarah Perrin
Natural Resource Specialist
Central California Area Office

Date: 12/1/18

Concurred by:



Bradley Hubbard
Chief, Resources Management Division
Central California Area Office

Date: 12/1/2018

Approved by:



Drew F. Lessard
Area Manager
Central California Area Office

Date: 12/3/18



U.S. Department of the Interior
Bureau of Reclamation

December 2018

Background

The Environmental Assessment prepared in October 2018 examined the potential direct, indirect, and cumulative impacts to the affected environment associated with the Central Valley Project Interim Renewal Contracts for City of Roseville (Roseville), Sacramento Municipal Utility District (SMUD), and Sacramento County Water Agency (SCWA) 2019-2021. The Bureau of Reclamation (Reclamation) proposes to implement 24-month interim renewal CVP water service contracts with Roseville, SMUD and SCWA.

CVP water service contracts are between the United States of America and individual water users or districts and provide for an allocated supply of CVP water to be applied for beneficial use. Water service contracts are required for the receipt of CVP water under federal Reclamation law and among other things stipulates provisions under which a water supply is provided, to produce revenues sufficient to recover an appropriate share of the federal government's capital investment, and to pay the annual operations and maintenance (O&M) costs of the CVP.

In 2018, four contractors (Roseville, SMUD, SCWA, and PCWA) partnered to pursue a LTWSC. Currently, the contractors have initiated the development of the project and environmental analysis with a consultant. The project is anticipated for completion in 2020 and would subsequently be submitted to Reclamation for approval and contract execution.

Alternatives Including Proposed Action

No Action Alternative

City of Roseville

Under the No Action Alternative, the 2017 IRC between Roseville and Reclamation would expire on February 28, 2019. There would be no contractual mechanism for Reclamation to deliver CVP water to Roseville, and the existing needs of Roseville's customers would not be met through CVP contract supplies; however, Roseville would likely meet service area demands with other sources of non-CVP water, as described in Chapter 1.

Under the No Action Alternative, Reclamation would still divert water under its CVP water rights permits and operate the CVP consistent with its Operating Criteria and Plan. Accordingly, CVP water not delivered to Roseville would still be diverted by Reclamation under its water rights permits, and that amount of CVP yield would be used to meet CVP purposes.

Reclamation would continue to operate the CVP consistent with all requirements as described in the 2008/2009 Biological Opinions (2008/2009 BOs) from the U.S. Fish and Wildlife Service (FWS) and National Marine Fisheries Service (NMFS), respectively on the Continued Long-Term Operations (LTO) of the CVP and State Water Project (SWP). This includes the Reasonable and Prudent Alternatives (RPAs) contained in the 2008/2009 BOs from the FWS and NMFS on the Effects of the Coordinated Operations of the CVP and SWP to species listed as threatened or endangered under the Endangered Species Act (ESA).

Sacramento Municipal Utility District

Under the No Action Alternative, the 2017 IRC between SMUD and Reclamation would expire on February 28, 2019. There would be no contractual mechanism for Reclamation to deliver up to 30,000 AFY of CVP water to SMUD, and the existing needs of SMUD's power customers would not be met through these CVP contract supplies. It is reasonably assumed that water use in the Contractor's service area for the two year IRC period of March 1, 2019 through February 28, 2021 would not substantially change because this deficit could be covered from surface water supplies made available to the Contractor from non-CVP sources or other CVP supplies. Interim contracts, such as the IRC for this Proposed Action, are intended to serve as a bridge between the expiration of a previous LTWSC and a new LTWSC as the contractor reaches build-out in their service area.

Under the No Action Alternative, Reclamation would still divert water under its CVP water rights permits and operate the Project consistent with its Operating Criteria and Plan. Accordingly, CVP water not delivered to SMUD would still be diverted by Reclamation under its water rights permits, and that amount of CVP yield would be used to meet Project purposes.

Under the No Action Alternative, Reclamation would continue to operate the CVP consistent with all requirements as described in the 2008/2009 BOs from the FWS and NMFS, respectively on the Continued LTO of the CVP and SWP. This includes the RPAs contained in the 2008/2009 BOs from the FWS and NMFS, respectively on the Effects of the Coordinated Operations of the CVP and SWP to federally listed species.

Sacramento County Water Agency

Under the No Action Alternative, the 2017 IRC between SCWA and Reclamation would expire on February 28, 2019. There would be no contractual mechanism for Reclamation to deliver up to 30,000 AFY of CVP water to SCWA, and the existing needs of SCWA's customers would not be met through these CVP contract supplies. It is reasonably assumed that water use in the Contractor's service area for the two year IRC period of March 1, 2019 through February 28, 2021 would not substantially change because this deficit could be covered from the Fazio contract and non-CVP supplies made available to the Contractor. However, Reclamation recognizes that demands in SCWA's Zone 40 service area are projected to be 72,921 AFY by the year 2040, and thus, SCWA has a projected need for this water as they reach build-out. Interim contracts, such as the IRC for this Proposed Action, are intended to serve as a bridge between the expiration of a previous LTWSC and a new LTWSC.

Under the No Action Alternative, Reclamation would still divert water under its CVP water rights permits and operate the CVP consistent with its Operating Criteria and Plan. Accordingly, water not delivered to SCWA would still be diverted by Reclamation under its water rights permits, and that amount of CVP yield would be used to meet CVP purposes.

Under the No Action Alternative, Reclamation would continue to operate the CVP consistent with all requirements as described in the 2008/2009 BOs from the FWS and NMFS, respectively on the Continued LTO of the CVP and SWP. This includes the RPAs contained in the 2008/2009 BOs from the FWS and NMFS, respectively on the Effects of the Coordinated Operations of the CVP and SWP to federally listed species.

Proposed Action

Under the Proposed Action, Reclamation would execute IRCs for the Roseville, SMUD, and SCWA contracts for a two year period (March 1, 2019 through February 28, 2021).

Roseville would continue to receive up to 32,000 AFY; SMUD would continue to receive up to 30,000 AFY; and SCWA would continue to receive up to 30,000 AFY of CVP water pursuant to the new two-year IRCs.

For purposes of this EA, the following assumptions are included in the Proposed Action:

- A 24-month interim renewal period, March 1, 2019 to February 28, 2021, is considered in the analysis;
- Execution of each IRC is considered to be a separate contract;
- The contracts would be renewed with the existing maximum contract quantities shown in Table 1 of the EA; and
- Reclamation would continue to comply with commitments made or requirements imposed by applicable environmental documents, such as existing BOs including any obligations imposed on Reclamation resulting from re-consultations.
- In the event a new LTWSC is executed under the proposed IRC, the IRC, then-in-effect, would be superseded by LTWSC and analyzed under a separate process.

Findings

The EA was posted for public review and comment from November 1, 2018 to November 30, 2018 on Reclamation's NEPA document website <https://www.usbr.gov/mp/nepa/>. Reclamation received no comments. In accordance with NEPA, the Central California Area Office of Reclamation has found that approval of the Proposed Action is not a major federal action that will significantly affect the quality of the human environment. Consequently, an environmental impact statement is not required.

The following list describes why impacts from the Proposed Action are not significant:

1. Indian Trust Assets (ITA) - There are no known ITA's or treaty rights exercised by tribes, nor are there any reservations or trust lands located within or adjacent to the Proposed Action that will be affected. The Proposed Action does not have a potential to affect ITAs. (512 DM 2 Policy Memorandum dated December 15, 1993)

2. Indian Sacred Sites - There are no identified Indian Sacred Sites within the action area and therefore this project will not inhibit use or access to any Indian Sacred Sites. (EO 13007 and 512 DM 3)
3. Environmental Justice - The Proposed Action will not have any disproportionately negative impact on low-income or minority individuals within the project area. Conditions under the Proposed Action will be identical to conditions under the No Action Alternative. (EO 12898)
4. Cultural Resources - The Proposed Action will not affect historic properties or cultural resources pursuant to the regulations at 36 CFR Part 800.3(a) (1). A cultural resources compliance memorandum was completed on September 28, 2018.
5. Biological Resources - The Proposed Action will not have any adverse effect on species either currently federally listed or proposed for listing as candidate, endangered, or threatened species, and will have no adverse effect on designated critical habitat (40 CFR 1508.27(b) (9)).
6. Public health and safety -The Proposed Action will not significantly affect public health and safety. (40 CFR 1508.27(b)(3))
7. Important natural resources - The Proposed Action will not significantly impact natural resources and unique geographic characteristics such as historic or cultural resources; parks, recreation and refuge lands; wilderness areas; wild or scenic rivers; national natural landmarks; sole or principal drinking water aquifers; prime farmlands; wetlands (EO 11990); floodplains (EO 11988); national monuments; migratory birds; and other ecologically significant areas. (40 CFR 1508.27(b)(3) and 43 CFR 46.215(b))
8. Uncertain or unknown risks - The Proposed Action will not have effects on the human environment that are highly uncertain or involve unique or unknown risks. (40 CFR 1508.27(b)(5))
9. Precedence - The Proposed Action will neither establish a precedent for future actions with significant effects nor represent a decision in principle about a future consideration. (40 CFR 1508.27(b)(6))
10. Highly controversial effects -There is no potential for the effects to be considered highly controversial. (40 CFR 1508.27(b)(6))
11. Cumulative effects -The Proposed Action will not have significant cumulative impacts. (40 CFR 1508.27(b)(7))

12. Facility operations - The Proposed Action would not result in changes to Folsom Reservoir operations or Folsom Reservoir's cold water pool volume and therefore, would not have any additional effect on Reclamation's ability to meet downstream fisheries requirements.

Implementation of the Proposed Action does not change hydrology for the water sources included in the Proposed Action. Reclamation is currently operating the overall CVP system to meet all regulatory requirements, downstream water needs, and environmental requirements.

The Proposed Action will not alter Folsom Reservoir water storage or release patterns, or the maximum volume of water to be delivered to the American River Division. The interim contract will provide for the continued delivery of the same quantities of CVP water to the same lands for the same M&I uses that are provided for under existing contracts. Facility operations will not be affected by the implementation of the Proposed Action.

RECLAMATION

Managing Water in the West

Environmental Assessment

Central Valley Project Interim Renewal Contracts for City of Roseville, Sacramento Municipal Utility District, and Sacramento County Water Agency 2019-2021

EA-18-04



U.S. Department of the Interior
Bureau of Reclamation
South-Central California Area Office

December 2018

Mission Statements

The Department of the Interior protects and manages the Nation's natural resources and cultural heritage; provides scientific and other information about those resources; and honors its trust responsibilities or special commitments to American Indians, Alaska Natives, and affiliated island communities.

The mission of the Bureau of Reclamation is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public.

Contents

Page

Central Valley Project Interim Renewal Contracts for City of Roseville, Sacramento Municipal Utility District, and Sacramento County Water Agency 2019-2021	1
Contents	iii
Section 1 Introduction	1
1.1 Background	1
1.1.1 City of Roseville (Roseville)	2
1.1.2 Sacramento Municipal Utility District (SMUD)	3
1.1.3 Sacramento County Water Agency (SCWA)	4
1.1.4 Long-Term Renewal Contracts	6
1.2 Need for the Proposed Action	6
1.3 Scope	6
Section 2 Alternatives Including the Proposed Action	13
2.1 No Action Alternative	13
2.2 Proposed Action	14
Section 3 Affected Environment and Environmental Consequences	17
3.1 Resources Eliminated from Further Analysis	17
3.2 Biological Resources	18
3.2.1 No Action	18
3.2.2 Proposed Action	19
3.3 Water Supply and Hydrology	20
3.3.1 No Action	20
3.3.2 Proposed Action	21
3.4 Facility Operations	21
3.4.1 No Action	21
3.4.2 Proposed Action	22
3.5 Cumulative Impacts	23
Section 4 Consultation and Coordination	24
4.1 Public Review Period	24
4.2 Endangered Species Act (16 U.S.C. § 1531 et seq.)	24
4.3 National Historic Preservation Act (16 U.S.C. § 470 et seq.)	25
Section 5 References	26
 Table 1 Contractors, Existing Contract Amounts, and Expiration Dates	 2
Figure 1 City of Roseville Service Area	8
Figure 2 Sacramento Municipal Utility District's Rancho Seco Service Area	10

EA-18-04

Figure 3 Sacramento County Water Agency's Service Area 12

Appendix A Cultural Resources Compliance Memo

Section 1 Introduction

1.1 Background

On October 30, 1992, the President signed into law the Reclamation Projects Authorization and Adjustment Act of 1992 (Public Law 102-575) that included Title 34, the Central Valley Project Improvement Act (CVPIA). Section 3409 of the CVPIA required that Reclamation prepare a programmatic environmental impact statement (PEIS) before renewing long-term Central Valley Project (CVP) water service contracts (LTWSC). The PEIS, completed in October 1999 and hereby incorporated by reference, analyzed the implementation of all aspects of the CVPIA, contract renewal being one of many programs addressed by this Act. CVPIA Section 3404(c) mandated that upon request all existing CVP contracts be renewed. Implementation of other sections of the CVPIA mandated actions and programs that require modification of previous contract articles or new contract articles be inserted into renewed contracts. These programs include water measurement requirements (Section 3405(b)), water pricing actions (Section 3405(d)), and water conservation (Section 3405(e)). The PEIS evaluated CVP-wide impacts of long-term contract renewal at a programmatic level. Upon completion of LTWSC negotiations, the local effects of renewals at the division level were evaluated in environmental documents that tiered from the PEIS.

Environmental documentation covering LTWSC renewal of American River Division water service contractors was completed in June 2005 (Reclamation 2005) and is hereby incorporated by reference. This documentation evaluated the effects of renewing long-term contracts for the City of Roseville (Roseville), Placer County Water Agency (PCWA), Sacramento County Water Agency (SCWA), San Juan Water District (SJWD), Sacramento Municipal Utility District (SMUD), El Dorado Irrigation District, and East Bay Municipal Utility District. The Record of Decision (ROD) for the American River Division LTWSC renewals was signed on February 28, 2006 (one day prior to the beginning of a new contract year). Three of the seven American River Division contractors, SJWD, El Dorado Irrigation District, and East Bay Municipal Utility District were able to execute the LTWSC prior to the beginning of the new contract year. The remaining Division contractors all had existing contracts in place that allowed for the continued delivery of water in the 2006 water year.

In accordance with Section 3404(c) of the CVPIA, Reclamation proposes to execute three interim renewal contracts beginning March 1, 2019 (Table 1). These three interim renewal contracts would be renewed for a 24-month period from March 1, 2019 through February 28, 2021. Interim renewal contracts (IRC) are issued under the authority of the CVPIA to provide a bridge between the expiration of the initial LTWSC and the execution of the next LTWSC. In the event a new LTWSC is executed, the IRC then-in-effect would be superseded by LTWSC.

Table 1 Contractors, Existing Contract Amounts, and Expiration Dates

Contractor	Contract Number	Contract Quantity (acre-feet per year)	Expiration of Existing Interim Renewal Contract
City of Roseville	14-06-200-3474A-IR4	32,000	2/28/2019
Sacramento Municipal Utility District	14-06-200-5198A-IR3	30,000	2/28/2019
Sacramento County Water Agency	14-06-200-5198B-IR3	30,000	2/28/2019

In conformance with the National Environmental Policy Act of 1969 (NEPA), as amended, Reclamation has prepared this Draft Environmental Assessment (EA) to evaluate and disclose any potential environmental impacts associated with the implementation of 24-month interim renewal CVP water service contracts with the Roseville, SMUD, and SCWA.

1.1.1 City of Roseville (Roseville)

Roseville has proposed a water service contract for interim renewal. Roseville has four IRCs previously executed following the expiration of the previous LTWSC. Roseville is one of seven contractors within the American River Division of the CVP and has an existing IRC with Reclamation for the delivery of CVP water from Folsom Reservoir. The existing IRC provides for up to 32,000 acre feet per year (AFY) for municipal and industrial (M&I) uses only. The Roseville service area includes the incorporated city, although two small areas within the city are served by two other water purveyors.

In addition to the IRC, a long-term Warren Act (WA) contract was executed with Roseville in November 2006, (expiring in February 2031) to convey up to 30,000 AFY of PCWA Middle Fork Project (MFP) water for diversion at Folsom Reservoir and conveyed through the Folsom Pumping Plant. This WA contract enables Roseville to provide adequate water supplies during peak demand.

In a separate agreement, Roseville conveys up to 4,000 AFY of American River surface water rights held by the SJWD. This water is diverted from Folsom Reservoir through the Folsom Pumping Plant and associated pipelines; Reclamation is not a party to any water purchase agreement between Roseville and SJWD. All water delivered to Roseville is diverted from Folsom Reservoir through the Folsom Pumping Plant and associated pipelines. The water is treated by the Roseville Water Treatment Plant.

Roseville currently operates six groundwater wells and plans to construct ten more. The existing wells are capable of delivering approximately 17,500 AFY of water supply if run in full-time. With the construction of the additional wells, Roseville's groundwater facilities would allow for the delivery of up to 43,800 AFY if run on a continuous basis. Roseville's groundwater wells are currently maintained for backup water supply and to improve water supply reliability during drought and emergency conditions (Roseville, 2016).

Roseville's surface water contract entitlements for American River water total 66,000 AFY for direct diversion at Folsom Dam. Additionally, Roseville, as a member of the Sacramento Water

Forum, is a signatory to the Water Forum Agreement¹ (WFA) and has agreed to limit its surface water diversions from the American River (Folsom Dam) to 58,900 AFY during normal/wet years² and 39,800 AFY during drier and driest years³. Per Roseville's contribution to the WFA, Roseville will increase its average and wet year American River diversions from a baseline level of 19,800 AFY to 54,900 AFY. In drier years, Roseville will decrease their surface water use from 54,900 AFY to 39,800 AFY and substitute groundwater for surface water along with using reclaimed water for irrigation purposes. Additionally, Roseville will enter into an agreement with PCWA for replacing up to 20,000 AFY of water to the American River in drier and driest years, from reoperation of PCWAs MFP reservoirs (Water Forum, 2000).

Roseville has considered numerous methods to reduce the water demand, including conservation and recycling. In 1991, Roseville adopted the Roseville Water Conservation and Drought Management Plan to respond to demand and future drought. Roseville also uses groundwater during dry periods to meet daily peak demands, especially during drought periods. Roseville's participation in the WFA, and access to non-CVP supplies will enable Roseville to meet customer demands in years when CVP allocations are reduced or constrained.

1.1.2 Sacramento Municipal Utility District (SMUD)

SMUD has proposed a water service contract for interim renewal. SMUD had three IRCs previously executed following the expiration of the previous LTWSC. SMUD is one of eight contractors within the American River Division of the CVP.

SMUD entered into a contract with Reclamation on November 20, 1970, which expired on December 31, 2012, for the delivery of up to 60,000 AFY of CVP water for M&I uses. This LTWSC also contained the authorization for delivery of up to 15,000 AFY of water rights water made available to SMUD by the City of Sacramento. This water was made available as a result of a previous assignment of water to SMUD from the City of Sacramento. The 60,000 AFY of CVP water under the contract was to be used by SMUD in its power generation operations, and was used for more than 15 years for the Rancho Seco nuclear power plant operations. In the 1980s, the nuclear power plant operations ceased.

In 2006 SMUD began operating two gas-powered generators at the Rancho Seco site known as the Cosumnes Power Plant (CPP). The CPP consists of a nominal 1000-megawatt combined-cycle natural gas fired plant. The plant was constructed in two phases, each consisting of 500 megawatts. SMUD has a need of 2,650 AFY of water for the exclusive use of the CPP.

¹ The WFA is a purveyor-specific agreement comprised of business and agricultural leaders, citizens groups, environmentalists, water managers, and local governments in Sacramento, Placer and El Dorado counties, to provide a reliable and safe water supply for the region's economic health and planned development to the year 2030; and preserve the fishery, wildlife, recreational, and aesthetic values of the Lower American River. This Agreement allows the region to meet its needs in a balanced way through implementation of integrated water management strategies ranging from increased surface water diversion, improving environmental conditions, managing groundwater supplies and meeting customer demands in dry years.

² Years when the projected March through November Unimpaired Inflow into Folsom Reservoir is greater than 1,600,000 AFY.

³ Years when the projected March through November Unimpaired Inflow into Folsom Reservoir is less than 1,600,000 AFY.

On July 12, 2006, SMUD assigned to SCWA the right, title, and interest in a portion of their CVP contract consisting of 30,000 AFY of CVP water. The assignment afforded SCWA any rights to renew the contract, thus reducing SMUD's CVP water to 30,000 AFY.

The delivery of the water rights water made available to SMUD by the City of Sacramento was separated from the 1970 LTWSC, and is now recognized under a WA contract between Reclamation and SMUD executed March 5, 2015. SMUD's surface water entitlements from the American River now total 44,481 AFY for diversion at Nimbus Dam. SMUD diverts their CVP and WA contract water from the American River at Nimbus Dam for delivery to their Rancho Seco service area through the Folsom South Canal (FSC).

1.1.3 Sacramento County Water Agency (SCWA)

SCWA has proposed a water service contract interim renewal. SCWA had three previously executed IRCs. SCWA is one of eight contractors within the American River Division of the CVP. SCWA was created by a special act of the California State Legislature in 1952. In 1985, the Agency formed "Zone 40" in order to provide funding for construction of water treatment and transmission facilities through the collection of fees for new development. Historically, Zone 40 relied solely on ground water for its water supply, with an average extraction of 19,000 AFY of ground water. Pumping in Zone 40 resulted in lowered ground water levels. In order to sustain the ground water resources in the Zone 40 service area, SCWA implemented a conjunctive use program to seek surface water supplies in order to allow for adequate recharge of the aquifer.

SCWA has two surface water contracts with the United States: a CVP water service contract with Reclamation (No. 6-07-20-W1372) for delivery of up to 15,000 AFY⁴ of water made available pursuant to PL 101-514 (colloquially referred to as Fazio contract), which provides a permanent water supply to Zone 40; and this Proposed Action for renewal of SCWA's IRC (No. 14-06-200-5198B-IR3) for up to 30,000 AFY of SMUD's assigned CVP water.

As previously discussed, SMUD assigned to SCWA the right, title, and interest in that portion of the LTWSC consisting of up to 30,000 AFY of CVP water including any rights to renew the contract in July 2006. SCWA then entered into a contract (Contract No. 14-06-200-5198B) with Reclamation for the up to 30,000 AFY of assigned CVP water from SMUD which expired December 31, 2012; at which point, SCWA entered into IRC No. 14-06-200-5198B-IR1 on December 31, 2012, maintaining continuity regarding SCWA's contractual right to up to 30,000 AFY of SMUD's assigned CVP water.

SCWA supplies the Zone 40 service area through an integration of surface water, ground water, recycled water and appropriative water resources that will be used to meet SCWA's projected Zone 40 demands of 72,921 AFY by the year 2040 (SCWA, 2016). SCWA's use of ground water is limited as a result of their conjunctive use program. As a condition of the second assignment of SMUD's CVP water, SCWA is obligated to provide groundwater to SMUD in dry and critically dry years. According to SCWA's Zone 40 Water Supply Master Plan, the maximum, minimum and average amount of groundwater needed to meet projected long-term

⁴ SCWA's Fazio CVP contract (No. 6-07-20-W1372) is for 22,000 AFY. SCWA's has since signed over a portion of that Contract to the City of Folsom for 7,000 AFY, bringing SCWA's contract total to 15,000 AFY.

demands is 69,900 AFY, 27,300 AFY and 40,900 AFY, respectively. Groundwater is considered to be the last priority in meeting water demands after surface water entitlements are used.

SCWA is also a member of the Sacramento Water Forum, and a signatory to the WFA⁵. SCWA's participation in the WFA includes a purveyor-specific agreement, designed to help meet the objectives of the WFA. SCWA will meet these objectives by additional surface water diversions, increased conjunctive use of surface water and groundwater, expanded water demand management programs, and recycled water. SCWA has also committed to meet these objectives through modifications to American River flow patterns, in order to improve in-stream fish habitat (Water Forum, 2000).

SCWA's 2005 Zone 40 Water Supply Master Plan identifies that SCWA purchases recycled water from the Sacramento Regional County Sanitation District, which is used primarily for landscape irrigation at parks, schools and rights-of-way. SCWA anticipates that 4,400 AFY of recycled water will be used in Zone 40 to meet non-potable demands by 2030.

SCWA submitted an application to the State Water Resources Control Board (SWRCB) for the appropriation of water from the American and Sacramento Rivers, which would later be authorized by the SWRCB on May 30, 1995. This water is considered 'intermittent water' that typically would be available during the winter months of normal or wet years and could be used for groundwater recharge. The maximum, minimum, and average annual use of appropriative water is 71,000 AFY, 0 AFY and 21,700 AFY, respectively (SCWA, 2005).

The Freeport Regional Water Project (FRWP) Final Environmental Impact Statement/Environmental Impact Report (FEIS/FEIR) was completed in March 2004 (Reclamation, 2004), and hereby incorporated by reference, evaluated the assignment of up to 30,000 AFY of CVP water from SMUD to SCWA for use within SCWA's Zone 40 Contract Use Area⁶ (Figure 3). CVP water assigned to SCWA would be delivered at two points of diversion for SCWA's CVP water (up to 30,000 AFY); (a) the intake for the Sacramento River Water Treatment Plant owned by the City of Sacramento (b) the intake for the FRWP on the Sacramento River (Figure 3). The terms of the proposed IRC will make available for delivery to SCWA up to 30,000 AFY of municipal and industrial (M&I) water.

⁵ The WFA is a purveyor-specific agreement comprised of business and agricultural leaders, citizens groups, environmentalists, water managers, and local governments in Sacramento, Placer and El Dorado counties, to provide a reliable and safe water supply for the region's economic health and planned development to the year 2030; and preserve the fishery, wildlife, recreational, and aesthetic values of the Lower American River. This Agreement allows the region to meet its needs in a balanced way through implementation of integrated water management strategies ranging from increased surface water diversion, improving environmental conditions, managing groundwater supplies and meeting customer demands in dry years.

⁶ Contract Use Area refers to the area to which the Contractor (SCWA) is permitted, subject to Article 5(c), to provide Project Water obtained under this Contract. The Contract Use Area is the area identified as "Zone 40." The Contractor's Service Area refers to all areas or locations within the Contract Use Area that receive surface water service or commingled ground water and surface water service from the Contractor.

1.1.4 Long-Term Renewal Contracts

CVP water service contracts are between the United States of America and individual water users or districts and provide for an allocated supply of CVP water to be applied for beneficial use. Water service contracts are required for the receipt of CVP water under federal Reclamation law and among other things stipulates provisions under which a water supply is provided, to produce revenues sufficient to recover an appropriate share of the federal government's capital investment, and to pay the annual operations and maintenance (O&M) costs of the CVP.

In 2018, four contractors (Roseville, SMUD, SCWA, and PCWA) partnered to pursue a LTWSC. Currently, the contractors have initiated the development of the project and environmental analysis with a consultant. The project is anticipated for completion in 2020 and would subsequently be submitted to Reclamation for approval and contract execution.

1.2 Need for the Proposed Action

The purpose of the Proposed Action is executing three IRCs to provide continued delivery of CVP water to Roseville, SMUD, and SCWA. The IRCs would continue to provide a bridge between the expiration of all three CVP LTWSCs and the new LTWSCs, for use by Roseville, SMUD, and SCWA. The contracts also continue reimbursement to the federal government for costs related to the construction and operation of the CVP.

As described in Section 1.1.4, execution of LTWSCs for the contracts listed in Table 1 is still pending. The Proposed Action is to execute three IRCs in order to extend the term of the contractors' existing IRCs for two years, beginning March 1, 2019 and ending February 28, 2021. Execution of these three IRCs is needed to continue delivery of CVP water to these contractors, and to further implement CVPIA Section 3404(c), until their new LTWSC can be executed. These LTWSCs have generally been negotiated but cannot be finalized until environmental compliance is completed.

1.3 Scope

Reclamation has prepared this environmental assessment (EA), which tiers from the PEIS, to determine the site specific environmental effects of executing the three IRCs listed in Table 1 for the period March 1, 2019 through February 28, 2021. Under the Proposed Action, CVP water would be delivered for existing M&I purposes within Roseville, SMUD, and SCWA's existing CVP service area boundaries using existing facilities within Reclamation's water right place of use. See Figures 1 through 3 for contractor-specific service area maps.

City of Roseville

Reclamation proposes to enter into a 24-month IRC with Roseville, an American River contractor, to provide Roseville with an interim CVP contract for up to 32,000 AFY of CVP water for M&I use in Roseville's CVP service area (Figure 1). Roseville has four IRCs previously executed following the expiration of the previous LTWSC. The Proposed Action is the fifth IRC for Roseville.

The term of the Roseville IRC would be from March 1, 2019 through February 28, 2021. In the event a new LTWSC is executed, the IRC, then-in-effect, would be superseded by the LTWSC. Effects of executing the LTWSC would be analyzed under a separate environmental document.

There would be no changes to Roseville's CVP service area and no construction is required as part of the Proposed Action. Changes to the CVP service area would be a separate federal action and would be analyzed under a separate environmental document.

The use of CVP water for M&I use under the proposed IRC would not change from the M&I purpose of use specified in Roseville's existing IRC.

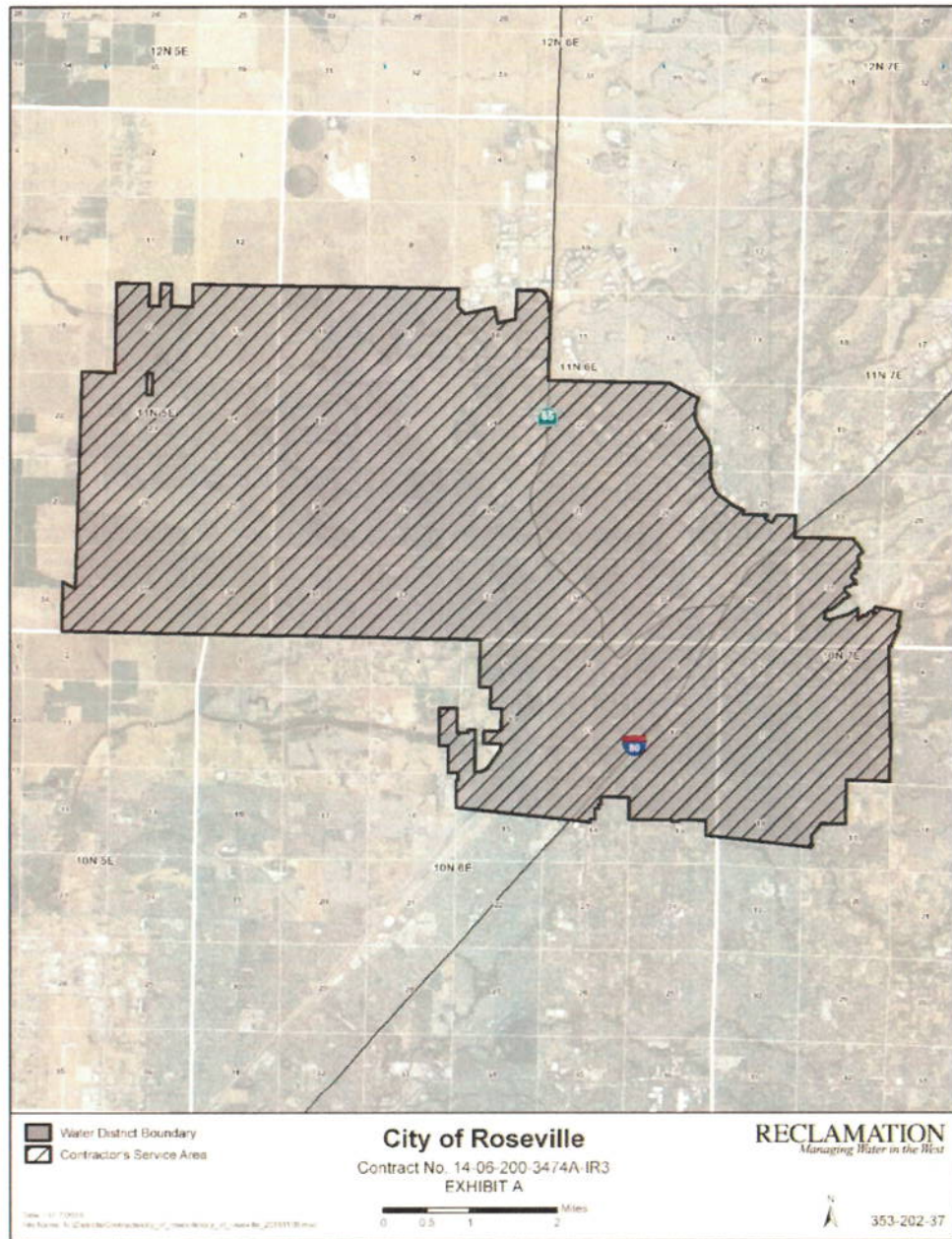


Figure 1. City of Roseville Service Area.

Sacramento Municipal Utility District

Reclamation proposes to enter into a 24-month IRC with SMUD, an American River contractor, to provide SMUD with an IRC for up to 30,000 AFY of CVP water for M&I uses in SMUD's Rancho Seco service area (Figure 2). SMUD had three IRCs previously executed following the expiration of the previous LTWSC.

The term of the SMUD IRC would be from March 1, 2019 through February 28, 2021. In the event a new LTWSC is executed, the IRC, then-in-effect, would be superseded by the LTWSC. Effects of executing the LTWSC would be analyzed under a separate environmental document.

There would be no changes to SMUD's CVP service area and no construction is required as part of the Proposed Action. Changes to the CVP service area would be a separate federal action and would be analyzed under a separate environmental document.

The use of CVP water for M&I use under the proposed IRC would not change from the M&I purpose of use specified in SMUD's existing IRC.

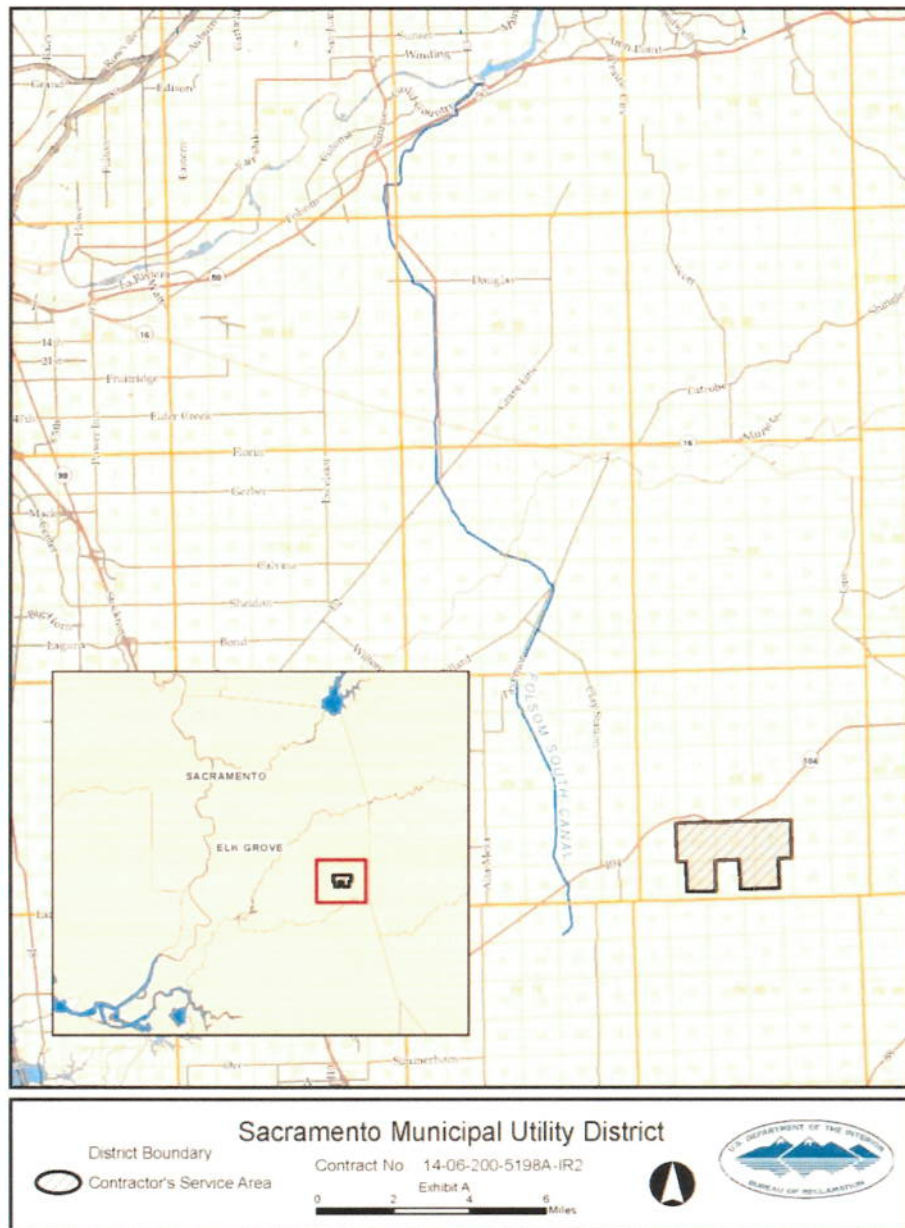


Figure 2. Sacramento Municipal Utility District's Rancho Seco Service Area.

Sacramento County Water Agency

Reclamation proposes to enter into a 24-month (fourth) IRC with SCWA to provide SCWA with an interim CVP contract for up to 30,000 AFY of CVP water for M&I use in SCWA's CVP service area (Figure 3).

The term of the SCWA IRC would be from March 1, 2019 through February 28, 2021. In the event a new LTWSC is executed, the IRC, then-in-effect, would be superseded by the LTWSC and analyzed under a separate environmental review process.

No changes to SCWA's CVP service area and no construction are required as part of the Proposed Action. Changes to the CVP service area would be a separate federal action and require separate environmental documentation.

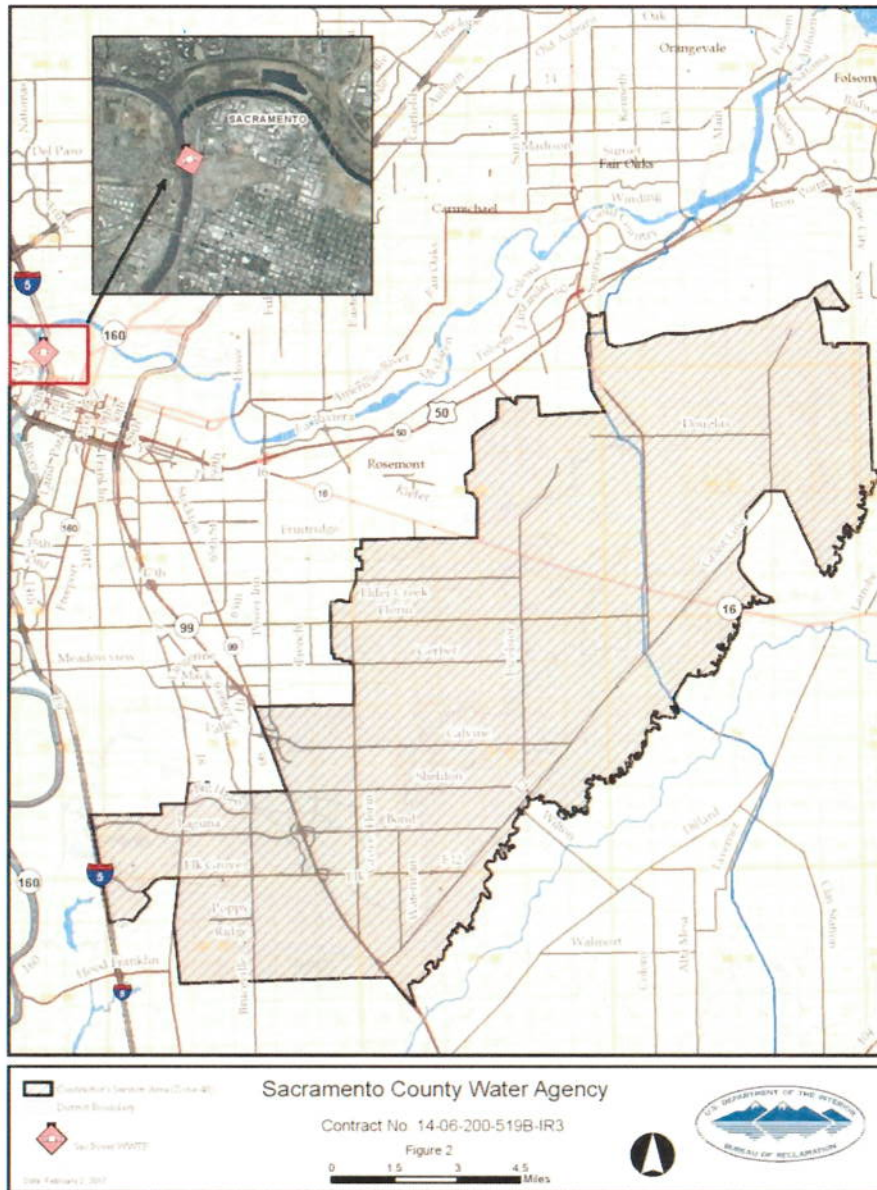


Figure 3. Sacramento County Water Agency's Service Area.

Section 2 Alternatives Including the Proposed Action

This EA considers two alternatives in detail: the No Action Alternative and the Proposed Action. The No Action Alternative reflects future conditions without the Proposed Action and serves as a basis of comparison for determining potential effects to the human environment.

2.1 No Action Alternative

City of Roseville

Under the No Action Alternative, the 2017 IRC between Roseville and Reclamation would expire on February 28, 2019. There would be no contractual mechanism for Reclamation to deliver CVP water to Roseville, and the existing needs of Roseville's customers would not be met through CVP contract supplies; however, Roseville would likely meet service area demands with other sources of non-CVP water, as described in Chapter 1.

Under the No Action Alternative, Reclamation would still divert water under its CVP water rights permits and operate the CVP consistent with its Operating Criteria and Plan. Accordingly, CVP water not delivered to Roseville would still be diverted by Reclamation under its water rights permits, and that amount of CVP yield would be used to meet CVP purposes.

Reclamation would continue to operate the CVP consistent with all requirements as described in the 2008/2009 Biological Opinions (2008/2009 BOs) from the U.S. Fish and Wildlife Service (FWS) and National Marine Fisheries Service (NMFS), respectively on the Continued Long-Term Operations (LTO) of the CVP and State Water Project (SWP). This includes the Reasonable and Prudent Alternatives (RPAs) contained in the 2008/2009 BOs from the FWS and NMFS on the Effects of the Coordinated Operations of the CVP and SWP to species listed as threatened or endangered under the Endangered Species Act (ESA).

Sacramento Municipal Utility District

Under the No Action Alternative, the 2017 IRC between SMUD and Reclamation would expire on February 28, 2019. There would be no contractual mechanism for Reclamation to deliver up to 30,000 AFY of CVP water to SMUD, and the existing needs of SMUD's power customers would not be met through these CVP contract supplies. It is reasonably assumed that water use in the Contractor's service area for the two year IRC period of March 1, 2019 through February 28, 2021 would not substantially change because this deficit could be covered from surface water supplies made available to the Contractor from non-CVP sources or other CVP supplies. Interim contracts, such as the IRC for this Proposed Action, are intended to serve as a bridge between the expiration of a previous LTWSC and a new LTWSC as the contractor reaches build-out in their service area.

Under the No Action Alternative, Reclamation would still divert water under its CVP water rights permits and operate the Project consistent with its Operating Criteria and Plan.

Accordingly, CVP water not delivered to SMUD would still be diverted by Reclamation under its water rights permits, and that amount of CVP yield would be used to meet Project purposes.

Under the No Action Alternative, Reclamation would continue to operate the CVP consistent with all requirements as described in the 2008/2009 BOs from the FWS and NMFS, respectively on the Continued LTO of the CVP and SWP. This includes the RPAs contained in the 2008/2009 BOs from the FWS and NMFS, respectively on the Effects of the Coordinated Operations of the CVP and SWP to federally listed species.

Sacramento County Water Agency

Under the No Action Alternative, the 2017 IRC between SCWA and Reclamation would expire on February 28, 2019. There would be no contractual mechanism for Reclamation to deliver up to 30,000 AFY of CVP water to SCWA, and the existing needs of SCWA's customers would not be met through these CVP contract supplies. It is reasonably assumed that water use in the Contractor's service area for the two year IRC period of March 1, 2019 through February 28, 2021 would not substantially change because this deficit could be covered from the Fazio contract and non-CVP supplies made available to the Contractor. However, Reclamation recognizes that demands in SCWA's Zone 40 service area are projected to be 72,921 AFY by the year 2040, and thus, SCWA has a projected need for this water as they reach build-out. Interim contracts, such as the IRC for this Proposed Action, are intended to serve as a bridge between the expiration of a previous LTWSC and a new LTWSC.

Under the No Action Alternative, Reclamation would still divert water under its CVP water rights permits and operate the CVP consistent with its Operating Criteria and Plan. Accordingly, water not delivered to SCWA would still be diverted by Reclamation under its water rights permits, and that amount of CVP yield would be used to meet CVP purposes.

Under the No Action Alternative, Reclamation would continue to operate the CVP consistent with all requirements as described in the 2008/2009 BOs from the FWS and NMFS, respectively on the Continued LTO of the CVP and SWP. This includes the RPAs contained in the 2008/2009 BOs from the FWS and NMFS, respectively on the Effects of the Coordinated Operations of the CVP and SWP to federally listed species.

2.2 Proposed Action

Under the Proposed Action, Reclamation would execute IRCs for the contracts listed in Table 1 for a two year period (March 1, 2019 through February 28, 2021). Roseville would continue to receive up to 32,000 AFY; SMUD would continue to receive up to 30,000 AFY; and SCWA would continue to receive up to 30,000 AFY of CVP water pursuant to the new two-year IRCs.

For purposes of this EA, the following assumptions are included in the Proposed Action:

- A 24-month interim renewal period, March 1, 2019 to February 28, 2021, is considered in the analysis;

- Execution of each IRC is considered to be a separate contract;
- The contracts would be renewed with the existing maximum contract quantities shown in Table 1; and
- Reclamation would continue to comply with commitments made or requirements imposed by applicable environmental documents, such as existing BOs including any obligations imposed on Reclamation resulting from re-consultations.
- In the event a new LTWSC is executed under the proposed IRC, the IRC, then-in-effect, would be superseded by LTWSC and analyzed under a separate process.

City of Roseville

The Proposed Action is to enter into an IRC with Roseville to facilitate the continued delivery of up to 32,000 AFY of CVP water from Folsom Reservoir. Water associated with this action would be delivered at Folsom Reservoir, which is the point of delivery for Roseville's CVP water (32,000 AFY).

The proposed contract quantity would remain the same as the existing IRC. Water can be delivered under the IRCs in quantities up to the contract total, although reduced quantities may be made available consistent with contract water shortage provisions in years when water supplies are limited. The terms and conditions of Roseville's IRC are incorporated by reference into the Proposed Action.

The Action Area consists of Folsom Reservoir and the American River from Folsom Reservoir to its confluence with the Sacramento River, and Roseville's service area that uses CVP water as shown in Figure 1.

Sacramento Municipal Utility District

The Proposed Action is to enter into an IRC with SMUD to provide the contract mechanism to facilitate the delivery of up to 30,000 AFY of CVP water from Folsom Reservoir.

Water associated with this action would be delivered at the point of delivery for SMUD's CVP water; milepost 24.681 (left side) on the FSC located at a point 700 feet upstream from the inlet transition of the Laguna Creek siphon. This point of diversion is an approved CVP point of diversion.

The contract service area for the proposed IRC has not changed from the current use or from that considered in the evaluation of LTWSCs conducted in 2005 (Reclamation, 2005). The proposed contract quantity will remain the same as SMUD's existing IRC. The Action Area consists of Folsom Reservoir downstream to the lower American River at the confluence of the Sacramento River, the FSC, and the SMUD Rancho Seco service area (Figure 2).

Sacramento County Water Agency

The Proposed Action is to enter into an IRC with SCWA to provide the contract mechanism to facilitate the delivery of up to 30,000 AFY of CVP water from Folsom Reservoir. Water

associated with this action would be delivered at the two points of diversion for SCWA's CVP water (up to 30,000 AFY); (a) the intake for the Sacramento River Water Treatment Plant owned by the City of Sacramento; and (b) the intake for the FRWP on the Sacramento River, as shown in Figure 3. These points of diversion are approved CVP points of diversion.

The contract service area for the proposed IRC has not changed from the current use or from that considered in the evaluation of LTWSCs conducted in 2005 (Reclamation 2005). The proposed contract quantity would remain the same as SCWA's existing IRC. Water can be delivered under the IRC in quantities up to the contract total, although reduced quantities may be made available consistent with contract water shortage provisions in years when water supplies are limited. The terms and conditions of the 2019 IRC are incorporated by reference into the Proposed Action.

The Action Area consists of the SCWA Zone 40 service area, Folsom Reservoir downstream on the American River to the confluence of the Sacramento River and the lower Sacramento River from its confluence with the American River to the Freeport Regional Water Project Intake Facility (Figure 3).

Section 3 Affected Environment and Environmental Consequences

Roseville's CVP contract service area is contained within the American River Division of the CVP along with seven other water purveyors. The service area boundary within Placer County where CVP water is served is identified in Figure 1. SMUD's CVP contract service area is contained within the American River Division of the CVP along with seven other water purveyors. The service area boundary within Sacramento County where CVP water is served is identified in Figure 2. SCWA's CVP contract service area is contained within the American River Division of the CVP along with seven other water purveyors. The service area boundary within Sacramento County where CVP water is served is identified in Figure 3.

This EA considers the potential effects of the IRC on the resources listed below. The analysis contained in the December 15, 2008 and June 4, 2009 BOs, including their RPAs, from the FWS and the NMFS respectively, on the *Continued Long-term Operations (LTO) of the CVP and State Water Project (SWP)* (USFWS 2008, NMFS 2009), and the ensuing 2016 LTO EIS and Record of Decision (ROD) is incorporated by reference into this document.

3.1 Resources Eliminated from Further Analysis

Reclamation formed an interdisciplinary team to identify any physical, biological, social, cultural or economic issues that might be affected by the alternatives. The analysis of these resources compares effects of the Proposed Action to the No Action Alternative. Reclamation considered and determined that the Proposed Action would not impact the following resources:

- **Indian Trust Assets:** Indian Trust Assets (ITAs) are legal interests in property or rights held in trust by the United States for Indian Tribes or individual Indians. Indian reservations, Rancherias, and Public Domain Allotments are common ITAs in California. There are no known ITAs present within the Action Areas; therefore, the Proposed Action does not have a potential to affect ITA's.
- **Indian Sacred Sites:** Executive Order 13007 (May 24, 1996) requires that federal agencies accommodate access to and ceremonial use of Indian sacred sites by Indian religious practitioners, and avoids adversely affecting the physical integrity of such sacred sites on federal lands.

Indian sacred sites do not occur at the points of delivery for Roseville and SMUD on Folsom Reservoir and FSC; respectively. The service areas for Roseville and SMUD are not located on federal lands. In addition, the Sacramento River Water Treatment Plant, FRWP, and SCWA's service area are not located on federal lands. Therefore, the Proposed Action would not affect access to or use of Indian sacred sites on federal lands.

- **Environmental Justice:** Roseville and the area near the point of delivery do not constitute low-income or minority communities. Communities in SMUD's Rancho Seco service

area and areas near the points of delivery do not constitute low-income or minority communities. Communities in Zone 40 and areas near the points of delivery do not constitute low-income or minority communities. The IRC is a continuation of existing conditions and would not adversely change conditions at or near community gathering places, institutions, workplaces, or housing within the place of use or near the point of delivery. Therefore the action would have no disproportionate effect on low-income or minority communities.

- **Cultural Resources:** By implementing the Proposed Action Alternative, all water will be delivered within existing water service area boundaries utilizing existing water conveyance. The Proposed Action has no potential to cause effects on historic properties pursuant to 36 CFR §800.3(a)(1).

This EA provides analysis of the affected environment of the Proposed Action and No Action Alternative in order to determine the potential impacts and cumulative effects to the following environmental resources.

3.2 Biological Resources

3.2.1 No Action

The No Action Alternative also includes the operations of the CVP consistent with all requirements as described in the 2008/2009 BOs from the FWS and NMFS, respectively on the Continued LTO of the CVP and SWP. This includes the RPAs contained in the 2008/2009 BOs from the FWS and NMFS, respectively on the Effects of the Coordinated Operations of the CVP and SWP to federally listed threatened and endangered species under the Endangered Species Act.

Actions would continue to be taken to protect sensitive species in the American River including formulation of an annual water temperature management plan for steelhead, the Flow Management Standard for the lower American River, use of CVPIA Section 3406 (b)(2) water supplies to supplement flows in the Lower American River, flow and temperature requirements, and examinations of potential improvements to fish passage and structural temperature control options. There would be no adverse effects to biological resources under the No Action Alternative.

City of Roseville

Implementation of the No Action Alternative would mean that the existing IRC with Roseville would expire in February 2019. Roseville would not have a contract mechanism for the delivery of their CVP water.

The No Action Alternative assumes that water demands in Roseville's CVP service area would be met with non-CVP supplies or other CVP supplies.

Sacramento Municipal Utility District

Implementation of the No Action Alternative would mean that the existing IRC with SMUD would expire in February 2019, and SMUD would not have a contract mechanism for the delivery of their CVP water. The existing IRC provides CVP water to SMUD for M&I purposes.

The No Action Alternative assumes that water demands in SMUD's CVP service area would be met with non-CVP supplies or other CVP supplies. This is supported by other sources of water available to SMUD for use in their Rancho Seco service area.

Sacramento County Water Agency

Implementation of the No Action Alternative would mean that the existing IRC with SCWA would expire in February 2019, and SCWA would not have a contract mechanism for delivery of their CVP water.

The No Action Alternative assumes that water demands in SCWA's CVP service area would be met with non-CVP supplies or other CVP supplies. This is supported by other sources of water available to SCWA for use in their Zone 40 service area, including their Fazio contract, groundwater supplies and recycled water supplies. As discussed elsewhere, SCWA would rely on other CVP supplies, appropriative water rights, and other surface and ground water sources in order to meet demands of up to 30,000 AFY if not available under the proposed interim contract. With the same quantity of water needed for the same lands for the same M&I uses, use of the water from the proposed IRC, or from alternative sources, would result in the same consumptive use and impacts would remain the same in this regard.

3.2.2 Proposed Action

Impacts to biological resources under the Proposed Action would be identical to conditions under the No Action Alternative. The IRC would provide for the delivery of CVP water in the same quantity to the same lands for the same M&I uses as would be provided under the No Action Alternative. This would be no change from conditions under the existing IRC. Reclamation would continue to operate the CVP consistent with the 2008/09 BOs, and water deliveries would be made through existing CVP facilities.

The action does not require the construction of any new facilities, the installation of any new structures, or the modification of existing facilities. The water would be placed to beneficial use within the authorized place of use for CVP water from Folsom Reservoir. The potential effects to biological resources on the LTO of the CVP and SWP occurring within the action area of this Proposed Action have been analyzed in Chapter 9 of the 2016 LTO EIS. The impact analysis considered changes in the ecological attributes that affect fish and aquatic resources related to changes in CVP and SWP operations, including: changes in reservoir storage volumes, elevations, and water temperatures in primary storage reservoirs. Potential changes in reservoir storage, elevation and temperature could affect downstream fisheries by changing flow and temperature regimes.

The 2016 LTO EIS used modeling data to compare future average monthly hydrologic conditions between alternatives, such as reservoir elevation, storage and temperatures to understand the potential impacts to aquatic resources within the CVP and SWP. This

information was compared between each alternative to consider an environmentally preferable alternative to influence positive instream conditions for ESA-listed aquatic species, and to meet downstream water objectives. Reclamation concluded that the environmentally preferable alternative would be to operate the CVP consistent with the 2008/2009 BOs and their associated RPAs.

The analysis contained in Chapter 9 of the 2016 LTO EIS assumed delivery to all existing CVP contracts, including this Proposed Action, in respect to the potential effects on aquatic resources; these results are contained in Table 9.5 (pp. 9-424-9-426) of the LTO EIS (Reclamation, 2016). Implementation of the Proposed Action would not change biological resources within the Action Area; therefore, the biological resources analysis on the LTO of the CVP and SWP contained in Chapter 9 of the 2016 LTO EIS, which was conducted upon adoption of the 2008/2009 BOs, including their RPAs is incorporated by reference into this document. This action is also in accordance with Section 3404(c) of the CVPIA; in which the Final PEIS and Programmatic CVPIA BO were released in October 1999 and November 2000, respectively. The PEIS addressed the implementation of the CVPIA and the continued operation and maintenance of the CVP (incremental and cumulative effects).

In addition, as part of the essential fish habitat conservation consultation, NMFS analyzed the effects of the Proposed Action on fall-run Chinook salmon in the lower American River. NMFS identified the primary factors potentially limiting fall-run production within the Lower American River as high water temperatures, reduced flow magnitude, and flow fluctuations. NMFS identified RPAs to alleviate the effects of Folsom Reservoir operations on fall-run Chinook salmon in the Lower American River. The Proposed Action was addressed in the consultation and is subject to the NMFS 2009 BO.

Reclamation is currently operating the overall CVP system to meet all regulatory requirements, downstream water needs, and environmental requirements. Under the Proposed Action, Reclamation would continue to implement all current regulatory actions. The Proposed Action would not alter CVP operations, water storage or release patterns from CVP facilities, or the maximum volume of water to be delivered to the American River Division; therefore, conditions under the Proposed Action Alternative would be the same as those under the No Action Alternative.

3.3 Water Supply and Hydrology

3.3.1 No Action

Implementation of the No Action Alternative would mean that the existing IRCs would expire in February 2019. Reclamation would not enter into an IRC with Roseville. The up to 32,000 AFY of CVP water would not continue to be delivered to Roseville from the existing diversion points at Folsom Dam.

SMUD would not have a contract mechanism for the delivery of 30,000 AFY to their Rancho Seco service area. SMUD has access to additional surface water supplies, for use within their service area. It is reasonable to assume that SMUD would still have adequate supplies to meet their demands under the No Action Alternative.

SCWA would not have a contract mechanism for the delivery of up to 30,000 AFY to SCWA's Zone 40 site. SCWA has a variety of additional water supplies, including a separate CVP contract for use within their service area. It is reasonable to assume that SCWA would still have adequate supplies to meet their demands.

3.3.2 Proposed Action

Under the Proposed Action, Reclamation would execute IRCs for the contracts listed in Table 1 for a two year period (March 1, 2019 through February 28, 2021) to provide a contractual mechanism for the delivery of CVP supplies from Folsom Reservoir, for the quantities listed in Table 1.

The 2016 LTO EIS included analysis to evaluate potential impacts to Folsom Reservoir operations and Reclamation's management of the cold water pool with implementation of Roseville's CVP supply. This analysis indicates that the Proposed Action would not have any changes to cold water pool volume and therefore, would not have any additional effect on Reclamation's ability to meet downstream fisheries requirements. Because the implementation of these water service contracts was found not to affect Folsom Reservoir operations, it is reasonable to conclude that implementation of the Proposed Action would not result in any new effects to Reclamation's operation of Folsom Reservoir or management of the cold water pool, as this is a renewal for ongoing operations within the CVP.

The contract quantity was included in the impact analysis presented in the 2008/2009 BOs from the FWS and the NMFS, respectively, on the Continued LTO of the CVP and the SWP. In addition, this action is also in accordance with Section 3404(c) of the CVPIA; in which the Final PEIS and Programmatic CVPIA BO were released in October 1999 and November 2000, respectively. The PEIS addressed the implementation of the CVPIA and the continued operation and maintenance of the CVP (incremental and cumulative effects). The impact assessments for the CVPIA PEIS and the 2008/2009 BOs including the full deliveries, were able to adequately address the hydrologic, operational, and system-wide cumulative conditions expected under the future conditions.

The Proposed Action does not require the construction of any new facilities, the installation of any new structures, or the modification of existing facilities. With implementation of the Proposed Action, CVP reservoir storage and operations, surface water elevations, and release patterns would not change. The Proposed Action would not result in impacts to water resources.

3.4 Facility Operations

3.4.1 No Action

Under the No Action Alternative, Reclamation would continue to operate the CVP consistent with all requirements as described in the 2008/2009 BOs from the FWS and NMFS, respectively on the Continued LTO of the CVP and SWP. This includes the RPAs contained in the 2008/2009 BOs from the FWS and NMFS, respectively on the Effects of the Coordinated Operations of the CVP and SWP to federally listed species. Potential impacts to CVP facilities

and CVP operations resulting from the implementation of the 2008/09 BOs were analyzed in Chapter 5 of the 2016 LTO EIS, and these results are contained in Table 5.115 (pp 5-623-5-624) of the 2016 LTO EIS. The findings in this document are hereby incorporated by reference (Reclamation 2016).

City of Roseville

Implementation of the No Action Alternative would mean that the existing IRC with Roseville would expire in February 2019. Reclamation would not enter into an IRC with Roseville. The up to 32,000 AFY of CVP water would not continue to be delivered to Roseville from the existing diversion points at Folsom Dam. Roseville's surface water demand would remain the same as under current conditions and under the Proposed Action Alternative.

Sacramento Municipal Utility District

Implementation of the No Action Alternative would mean that the existing IRC would expire in February 2019 and SMUD would not have a contract mechanism for up to 30,000 AFY of CVP to be delivered through FSC to flow to SMUD facilities at Rancho Seco in the south eastern portion of Sacramento County. SMUD would not have a contract mechanism for delivery of their CVP water. SMUD would likely continue to meet demands within their Rancho Seco service area through the use of non-CVP surface water supplies, as described in Chapter 1.

Deliveries of non-CVP water through the FSC to SMUD have been analyzed under separate environmental documents.

Sacramento County Water Agency

Implementation of the No Action Alternative would mean that the existing IRC would expire in February 2019 and SCWA would not have a contract mechanism for delivery of up to 30,000 AFY of CVP water to SCWA's Zone 40 site. The No Action Alternative assumes that water demands in SCWA's CVP service area would be met with non-CVP supplies or other CVP supplies. This is supported by other sources of water available to SCWA for use in their Zone 40 service area, including their Fazio contract, groundwater supplies and recycled water supplies. SCWA's surface water demand would remain the same as under current conditions and under the Proposed Action Alternative.

3.4.2 Proposed Action

Under the Proposed Action, Reclamation would execute IRCs for the contracts listed in Table 1 for a two year period (March 1, 2019 through February 28, 2021) to provide a contractual mechanism for the delivery of CVP supplies from Folsom Reservoir, for the quantities listed in Table 1.

The 2016 LTO EIS included analysis to evaluate potential impacts to Folsom Reservoir operations and Reclamation's management of the cold water pool with implementation of Roseville's CVP supply. This analysis indicates that the Proposed Action would not have any changes to cold water pool volume and therefore, would not have any additional effect on Reclamation's ability to meet downstream fisheries requirements. Because the implementation of these water service contracts was found not to affect Folsom Reservoir operations, it is reasonable to conclude that implementation of the Proposed Action would not result in any new

effects to Reclamation's operation of Folsom Reservoir or management of the cold water pool, as this is a renewal for ongoing operations within the CVP.

The contract quantities were included in the impact analysis presented in the 2008/2009 BOs from the FWS and the NMFS, respectively, on the Continued LTO of the CVP and the SWP. In addition, this action is also in accordance with Section 3404(c) of the CVPIA; in which the Final PEIS and Programmatic CVPIA BO were released in October 1999 and November 2000, respectively. The PEIS addressed the implementation of the CVPIA and the continued operation and maintenance of the CVP (incremental and cumulative effects). The impact assessments for the CVPIA PEIS and the 2008/2009 BOs including the full deliveries, were able to adequately address the hydrologic, operational, and system-wide cumulative conditions expected under the future conditions.

The Proposed Action does not require the construction of any new facilities, the installation of any new structures, or the modification of existing facilities. With implementation of the Proposed Action, CVP reservoir storage and operations, surface water elevations, and release patterns would not change. The Proposed Action would not result in impacts to water resources.

3.5 Cumulative Impacts

According to the Council on Environmental Quality regulations for implementing the procedural provisions of NEPA, a cumulative impact is defined as *"the impact on the environment which results from the incremental impact of the action when added to other past, present, and reasonably foreseeable future actions regardless of what agency (federal or non-federal) or person undertakes such other actions"*. Cumulative impacts can result from individually minor but collectively significant actions taking place over a period of time.

The Proposed Action is a continuation of current CVP water conveyance and implementation of this action would be the continuation of existing conditions. The CVPIA PEIS includes the full contract deliveries in the assumptions regarding future use. By including full contract deliveries, these impact assessments were able to adequately address the hydrologic, operational, and system-wide cumulative conditions expected under future conditions. The analyses also indicated that future projects, including future water transfer projects, may improve CVP water supply reliability. These types of programs would modify water supply reliability, but not change LTWSC amounts or deliveries from within the historical ranges.

Additionally, full contract deliveries for this Proposed Action were included in the analysis of the 2016 LTO EIS, and is considered to be a continuation of current operations. Reclamation has determined that the Proposed Action has been adequately addressed in the Cumulative Effects analysis for the 2016 LTO EIS. A detailed description of the 2016 LTO EIS cumulative effects for water supply is described in Table 5.117 (pp. 5-276-78) of the 2016 LTO EIS (Reclamation, 2016).

The Proposed Action, when added to other past, present, and reasonably foreseeable future actions, would not result in additional cumulative effects to the surrounding environment, CVP operations, Folsom Reservoir operations, water supply or hydropower.

Section 4 Consultation and Coordination

This section presents the agencies and parties that were coordinated or consulted with during development of the document, the applicable federal, State and local requirements the project will comply with, and the distribution list.

It is reasonable to assume that the 2008 and 2009 BOs, and proceeding BOs have properly identified and analyzed biological impacts associated with the movement of this water through Folsom Reservoir. Furthermore, the 2008/2009 BOs provided additional analyses for the movement of this water and RPAs developed by NMFS and FWS allowed for continued and ongoing operation of the CVP. Therefore, renewal of this contract is seen as an administrative action and not a new action that will hinder current operations in managing Folsom Reservoir or the Lower American River.

The 2008 FWS BO and 2009 NMFS BO for the LTO of the CVP and SWP issued RPAs to ensure that project related effects on protected species and their habitats are ameliorated to the extent possible.

4.1 Public Review Period

Reclamation intends to provide the public with an opportunity to comment on the Finding of No Significant Impact (FONSI) and Draft EA during a 30-day public review period. The EA was posted for public review and comment from November 1, 2018 to November 30, 2018 on Reclamation's NEPA document website (<https://www.usbr.gov/mp/nepa/>). Reclamation received no comments.

4.2 Endangered Species Act (16 U.S.C. § 1531 et seq.)

Section 7 of the ESA requires Federal agencies, in consultation with the Secretary of the Interior and/or Commerce, to ensure that their actions do not jeopardize the continued existence of endangered or threatened species, or result in the destruction or adverse modification of the critical habitat of these species.

The Proposed Action is consistent with: (1) CALFED's 2000 Ecosystem Restoration Program Plan (ERPP) and Multi-Species Conservation Strategy (MSCS); (2) the programmatic determinations for the CALFED program, which include California Department of Fish and Wildlife's (CDFW) Natural Community Conservation Planning Act (NCCPA) approval and the 2009 NMFS, 2008 USFWS and 2004/2005 BOs; (3) USFWS's 1997 Draft Anadromous Fish Restoration Program (AFRP), which identifies specific actions to protect anadromous salmonids; (4) CDFW's 1996 Steelhead Restoration and Management Plan for California, which identifies specific actions to protect steelhead; and (5) CDFW's Restoring Central Valley Streams, A Plan for Action (1993), which identifies specific actions to protect salmonids.

4.3 National Historic Preservation Act (16 U.S.C. § 470 et seq.)

The NHPA of 1966, as amended (16 U.S.C. 470 et seq.), requires that federal agencies give the Advisory Council on Historic Preservation an opportunity to comment on the effects of an undertaking on historic properties, properties that are eligible for inclusion in the National Register. The 36 CFR Part 800 regulations implement Section 106 of the NHPA.

Section 106 of the NHPA requires federal agencies to consider the effects of federal undertakings on historic properties, properties determined eligible for inclusion in the National Register. Compliance with Section 106 follows a series of steps that are designed to identify interested parties, determine the APE, conduct cultural resource inventories, determine if historic properties are present within the APE, and assess effects on any identified historic properties.

Reclamation has considered the potential effects on cultural and historic resources resulting from the Proposed Action. The cultural resources compliance memorandum is contained in Appendix A.

Section 5 References

City of Roseville (Roseville). June 2016. General Plan 2035.

City of Roseville (Roseville). May 2016. Final 2015 City of Roseville Urban Water Management Plan.

National Marine Fisheries Service (NMFS). June 4, 2009. Biological Opinion on the Continued Long-term Operations of the Central Valley Project and the State Water Project.

Reclamation Projects Authorization and Adjustment Act of 1992 (Public Law 102-575), Title 34, the Central Valley Project Improvement Act, October 30, 1992

Sacramento County Water Agency (SCWA). May 2016. Draft 2015 Sacramento County Urban Water Management Plan.

Sacramento County Water Agency (SCWA). February 2005. Sacramento County Water Agency Zone 40 Water Supply Master Plan.

Sacramento Water Forum. January 2000. Sacramento Water Forum Agreement.
<http://waterforum.org/>

U.S. Bureau of Reclamation (Reclamation). June 2005. Long-term Renewal of the American River Division water service contract.

U.S. Bureau of Reclamation (Reclamation). 2016. Environmental Impact Statement (EIS) on the Coordinated Long-Term Operation of the CVP and SWP.

U.S. Department of the Interior. Bureau of Reclamation. U.S. Fish and Wildlife Service, Sacramento, California. Central Valley Project Improvement Act Programmatic Environmental Impact Statement, October 1999.

U.S. Fish and Wildlife Service (USFWS). December 15, 2008. Biological Opinion on the Continued Long-term Operations of the Central Valley Project and the State Water Project.

Appendix A: Cultural Resources

Compliance Memo

CULTURAL RESOURCES COMPLIANCE Division of Environmental Affairs Cultural Resources Branch (MP-153)

MP-153 Tracking Number: 18-CCAO-191

Project Name: Central Valley Project Interim Renewal Contracts for City of Roseville, Sacramento Municipal Utility District, and Sacramento County Water Agency 2019-2021

NEPA Document: CCAO-EA-18-04

NEPA Contact: Sarah Perrin, Natural Resource Specialist

MP 153 Cultural Resources Reviewer: Scott Williams, Archaeologist *SW*

Date: September 28, 2018

Reclamation proposes to enter into a 24-month IRC with the City of Roseville, an American River contractor, to provide Roseville with an interim CVP contract for up to 32,000 AFY of CVP water for M&I use in Roseville's CVP service area. Roseville has four IRCs previously executed following the expiration of the previous long-term water service contract. The Proposed Action is the fifth IRC for Roseville. This is the type of undertaking that does not have the potential to cause effects to historic properties, should such properties be present, pursuant to the NHPA Section 106 regulations codified at 36 CFR § 800.3(a)(1). Reclamation has no further obligations under NHPA Section 106, pursuant to 36 CFR § 800.3(a)(1).

City of Roseville

Reclamation proposes to enter into a 24-month IRC with the City of Roseville, an American River contractor, to provide Roseville with an interim CVP contract for up to 32,000 AFY of CVP water for M&I use in Roseville's CVP service area. Roseville has four IRCs previously executed following the expiration of the previous long-term water service contract. The Proposed Action is the fifth IRC for Roseville.

Sacramento Municipal Utility District

Reclamation proposes to enter into a 24-month IRC with SMUD, an American River contractor, to provide SMUD with an interim CVP contract for up to 30,000 AFY of CVP water for M&I uses in SMUD's Rancho Seco service area. SMUD has three IRCs previously executed following the expiration of the previous long-term water service contract.

Sacramento County Water Agency

Reclamation proposes to enter into a 24-month (fourth) IRC with SCWA to provide SCWA with an interim CVP contract for up to 30,000 AFY of CVP water for M&I use in SCWA's CVP service area.

The term of all three IRCs would be from March 1, 2019 through February 28, 2021. In the event new long-term water service contracts are executed, the IRCs, then-in-effect, would be superseded by the long-term water service contracts and analyzed under a separate environmental review process. There will be no changes to all three contractor's CVP service

areas and no construction is required as part of the Proposed Action. Changes to the CVP service areas would be separate federal actions and require separate environmental documentation.

This document is intended to convey the completion of the NHPA Section 106 process for this undertaking. I concur with item 8 that this action would not have significant impacts on properties listed, or eligible for listing, on the National Register of Historic Places as determined by Reclamation (LND 02-01) (43 CFR 46.215 (g)). Please retain a copy in the administrative record for this action. Should changes be made to this project, additional NHPA Section 106 review, possibly including consultation with the State Historic Preservation Officer, may be necessary. Thank you for providing the opportunity to comment.

M&I Only

Contract No.
14-06-200-3474A-IR1

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Central Valley Project, California

INTERIM RENEWAL CONTRACT BETWEEN THE UNITED STATES
AND
THE CITY OF ROSEVILLE
PROVIDING FOR PROJECT WATER SERVICE
FROM THE AMERICAN RIVER DIVISION

Table of Contents

<u>Article No.</u>	<u>Title</u>	<u>Page No.</u>
	Preamble	1
	Explanatory Recitals	1
1	Definitions.....	6
2	Term of Contract.....	10
3	Water to be Made Available and Delivered to the Contractor.....	12
4	Time for Delivery of Water	16
5	Point of Diversion and Responsibility for Distribution of Water	17
6	Measurement of Water Within the Service Area.....	18
7	Rates and Method of Payment for Water.....	20
8	Non-Interest Bearing Operation and Maintenance Deficits.....	24
9	Sales, Transfers, or Exchanges of Water	25
10	Application of Payments and Adjustments.....	26
11	Temporary Reductions--Return Flows	27
12	Constraints on the Availability of Water	28
13	Unavoidable Groundwater Percolation.....	29
14	Rules, Regulations and Determinations.....	29
15	Water and Air Pollution Control.....	29
16	Quality of Water	30
17	Water Acquired by the Contractor Other Than From the United States.....	30

Table of Contents - continued

<u>Article No.</u>	<u>Title</u>	<u>Page No.</u>
18	Opinions and Determinations	32
19	Coordination and Cooperation.....	33
20	Charges for Delinquent Payments	35
21	Equal Opportunity.....	35
22	General Obligation--Benefits Conditioned Upon Payment	36
23	Compliance With Civil Rights Laws and Regulations	37
24	Privacy Act Compliance	37
25	Contractor to Pay Certain Miscellaneous Costs.....	37
26	Water Conservation	38
27	Existing or Acquired Water or Water Rights.....	39
28	Operation and Maintenance by the Operating Non-Federal Entity	40
29	Contingent on Appropriation or Allotment of Funds	40
30	Books, Records, and Reports.....	40
31	Assignment Limited--Successors and Assigns Obligated	40
32	Severability	41
33	Resolution of Disputes.....	42
34	Officials Not to Benefit.....	42
35	Changes in Contractor's Service Area	42
36	Federal Laws	43
37	Notices	43
38	Confirmation of Contract.....	43
39	Contract Drafting Considerations	44
	Signature Page	44

Exhibit A – Map of Contractor's Service Area

Exhibit B – Rates and Charges

1 UNITED STATES
2 DEPARTMENT OF THE INTERIOR
3 BUREAU OF RECLAMATION
4 Central Valley Project, California

5 INTERIM RENEWAL CONTRACT BETWEEN THE UNITED STATES
6 AND
7 THE CITY OF ROSEVILLE
8 PROVIDING FOR PROJECT WATER SERVICE
9 FROM THE AMERICAN RIVER DIVISION

10 THIS CONTRACT, made this 30th day of December, 2010, in
11 pursuance generally of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory or
12 supplementary thereto, including, but not limited to, the Acts of August 26, 1937 (50 Stat. 844),
13 as amended and supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented,
14 June 21, 1963 (77 Stat. 68), October 12, 1982 (96 Stat. 1263), October 27, 1986 (100 Stat. 3050),
15 as amended, and Title XXXIV of the Act of October 30, 1992 (106 Stat. 4706), all collectively
16 hereinafter referred to as Federal Reclamation law, between the UNITED STATES OF
17 AMERICA, hereinafter referred to as the United States, and the CITY OF ROSEVILLE,
18 hereinafter referred to as the Contractor, a public agency of the State of California, duly
19 organized, existing, and acting pursuant to the laws thereof,

20 WITNESSETH, That:

21 EXPLANATORY RECITALS

22 [1st] WHEREAS, the United States has constructed and is operating the Central Valley
23 Project (Project), California, for diversion, storage, carriage, distribution and beneficial use, for
24 flood control, irrigation, municipal, domestic, industrial, fish and wildlife mitigation, protection
25 and restoration, generation and distribution of electric energy, salinity control, navigation and

other beneficial uses, of waters of the Sacramento River, the American River, the Trinity River, and the San Joaquin River and their tributaries; and

[2nd] WHEREAS, the United States constructed Folsom Dam and Reservoir, hereinafter collectively referred to as the American River Division, which will be used in part for the furnishing of water to the Contractor pursuant to the terms of this Contract; and

[3rd] WHEREAS, the rights to Project Water were acquired by the United States pursuant to California law for operation of the Project; and

[4th] WHEREAS, the Contractor and the United States entered into Contract No. 14-06-200-3474A, dated September 9, 1967, which contract was amended on November 30, 1976 and is hereinafter referred to as the Existing Contract, which established terms for the annual delivery of up to 32,000 af to the Contractor of Project Water from the American River Division from January 1, 1971, through December 31, 2010; and

[5th] WHEREAS, the United States and the Contractor have, subsequently entered into a binding agreement, identified as Binding Agreement No. 14-06-200-3474A-BA, which sets out the terms pursuant to which the Contractor agreed to renew the Existing Contract before its expiration date after completion of a Programmatic Environmental Impact Statement (PEIS) and other appropriate environmental documentation and negotiation of a renewal contract, and which also sets out the consequences of a subsequent decision not to renew; and

[6th] WHEREAS, Section 3404(c) of the Central Valley Project Improvement Act (CVPIA) provides for long-term renewal of the Existing Contract following completion of appropriate environmental documentation, including the PEIS, which was required by Section 3409 of the CVPIA, pursuant to the National Environmental Policy Act (NEPA)

48 analyzing the direct and indirect impacts and benefits of implementing the CVPIA and the
49 potential renewal of all existing contracts for Project Water; and

50 [6.1] Omitted; and

51 [7th] WHEREAS, the United States has determined that the Contractor has fulfilled all
52 of its obligations under the Existing Contract including the installation of facilities necessary to
53 provide water to the Contractor at a rate of 150 cubic feet per second under Article 5(d) of the
54 Existing Contract; and

55 [8th] WHEREAS, the Contractor has demonstrated to the satisfaction of the
56 Contracting Officer that the Contractor has utilized the Project Water supplies available to it for
57 reasonable and beneficial use and/or has demonstrated projected future demand for water use such
58 that the Contractor has the capability and expects to utilize fully for reasonable and beneficial use
59 the quantity of Project Water to be made available to it pursuant to this Contract; and

60 [9th] WHEREAS, water obtained from the Project has been relied upon by urban areas
61 within California for more than 50 years, and is considered by the Contractor as an essential
62 portion of its water supply; and

63 [10th] WHEREAS, the economies of regions within the Project, including the
64 Contractor's, depend upon the continued availability of water, including water service from the
65 Project; and

66 [10.1] WHEREAS, in the California Bay-Delta Authority (CALFED) Programmatic
67 Record of Decision, dated August 28, 2000, the United States and the State of California adopted
68 a general target of continuously improving Delta water quality for all uses. The CALFED
69 Agencies' target for providing safe, reliable, and affordable drinking water in a cost-effective
70 way, is to achieve either: "(a) average concentrations at Clifton Court Forebay and other

southern and central Delta drinking water intakes of 50 ug/L bromide and 3.0 mg/L total organic carbon, or (b) an equivalent level of public health protection using a cost-effective combination of alternative source waters, source control and treatment technologies;" and

[11th] WHEREAS, the Secretary of the Interior (Secretary) intends through coordination, cooperation, and partnerships to pursue measures to improve water supply, water quality, and reliability of the Project for all Project purposes; and

[11.1] WHEREAS, the Contractor and the water users in its Service Area have improved and will continue to improve water use efficiency through water conservation, water reclamation, and other Best Management Practices; however, implementing these measures have reduced and continue to reduce the ability of the Contractor and the water users in its Service Area to withstand a Condition of Shortage; and

[12th] WHEREAS, the mutual goals of the United States and the Contractor include: to provide for reliable Project Water supplies; to control costs of those supplies; to achieve repayment of the Project as required by law; to guard reasonably against Project Water shortages; to achieve a reasonable balance among competing demands for use of Project Water; and to comply with all applicable environmental statutes, all consistent with the legal obligations of the United States relative to the Project; and

[13th] WHEREAS, the parties intend by this Contract to develop a more cooperative relationship in order to achieve their mutual goals; and

[13.1] WHEREAS, the Contractor is a signatory to the Water Forum Agreement, dated April 14, 2000, which has the co-equal objectives to (1) provide a reliable and safe water supply for the Sacramento region's economic health and planned development through the year 2030,

93 and (2) preserve the fishery, wildlife, recreational and aesthetic values of the lower American
94 River; and

95 [13.2] WHEREAS, the Contracting Officer is in support of the co-equal objectives of the
96 Water Forum Agreement and intends to work cooperatively with the Contractor to investigate
97 actions that they could take to implement the objectives of the Water Forum Agreement, which,
98 if agreed to, would be the subject of a separate agreement between them; and

99 [13.3] WHEREAS, the Contractor has utilized or may utilize transfers, contract
100 assignments, rescheduling and conveyance of non-project water under this Contract as tools to
101 minimize the impacts of Conditions of Shortage and to maximize the beneficial use of Project
102 Water; and

103 [13.4] WHEREAS, the parties desire and intend that this Contract not provide a
104 disincentive to the Contractor in continuing to carry out the beneficial activities set out
105 immediately above, and

106 [13.5] WHEREAS, in order to continue water service provided under Project water
107 service contracts that expire prior to the completion of all appropriate environmental
108 documentation, the United States intends to execute interim renewal contracts pursuant to
109 Section 3404(c)(1) of the CVPIA, for a period not to exceed three (3) years in length, and for
110 successive interim periods of not more than two (2) years in length, until such appropriate
111 environmental documentation, is finally completed, at which time the Secretary shall, pursuant to
112 Federal Reclamation law, upon request of the Contractor, enter into a long-term renewal contract
113 for a period of forty (40) years; and may thereafter renew such long-term renewal contracts for
114 successive periods not to exceed forty (40) years each; and

[14th] WHEREAS, the United States and the Contractor are willing to enter into and execute this interim renewal contract (hereinafter "Contract") consistent with the provisions of section 3404(c) of the CVPIA and pursuant to Federal Reclamation law on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the mutual and dependent covenants herein contained, it is hereby mutually agreed by the parties hereto as follows:

DEFINITIONS

1. When used herein unless otherwise distinctly expressed, or manifestly incompatible with the intent of the parties as expressed in this Contract, the term:

(a) "Calendar Year" shall mean the period January 1 through December 31, both dates inclusive;

(b) "Charges" shall mean the payments required by Federal Reclamation law in addition to the Rates as determined annually by the Contracting Officer pursuant to this Contract;

(c) "Condition of Shortage" shall mean a condition respecting the Project during any Year such that the Contracting Officer is unable to deliver sufficient water to meet the Contract Total;

(d) "Contracting Officer" shall mean the Secretary's duly authorized representative acting pursuant to this Contract or applicable Federal Reclamation law or regulation;

(e) "Contract Total" shall mean the maximum amount of water to which the Contractor is entitled under subdivision (a) of Article 3 of this Contract;

137 (f) "Contractor's Service Area" shall mean the area to which the Contractor is
138 permitted to provide Project Water under this Contract as described in Exhibit "A" attached
139 hereto, which may be modified from time to time in accordance with Article 35 of this Contract
140 without amendment of this Contract;

141 (g) "CVPIA" shall mean the Central Valley Project Improvement Act, Title
142 XXXIV of the Act of October 30, 1992 (106 Stat. 4706);

143 (h-i) Omitted;

144 (j) "Full Cost Rate" shall mean an annual rate as determined by the
145 Contracting Officer that shall amortize the expenditures for construction properly allocable to the
146 Project Irrigation or Municipal and Industrial (M&I) functions, as appropriate, of facilities in
147 service including all Operation and Maintenance (O&M) deficits funded, less payments, over
148 such periods as may be required under Federal Reclamation law or applicable contract
149 provisions. Interest will accrue on both the construction expenditures and funded O&M deficits
150 from October 12, 1982, on costs outstanding at that date, or from the date incurred in the case of
151 costs arising subsequent to October 12, 1982, and shall be calculated in accordance with
152 subsections 202(3)(B) and (3)(C) of the Reclamation Reform Act of 1982 (RRA). The Full-Cost
153 Rate includes actual operation, maintenance, and replacement costs consistent with Section 426.2
154 of the Rules and Regulations for the RRA;

155 (k-l) Omitted;

156 (m) "Irrigation Water" shall mean Water Made Available from the Project that
157 is used primarily in the production of agricultural crops or livestock, including domestic use
158 incidental thereto, and watering of livestock;

159 (n) Omitted;

160 (o) “Municipal and Industrial Water” or “M&I Water” shall mean Project
161 Water, other than Irrigation Water, made available to the Contractor. M&I Water shall include
162 water used for human use and purposes such as the watering of landscaping or pasture for
163 animals (e.g., horses) which are kept for personal enjoyment or water delivered to land holdings
164 operated in units of less than five acres unless the Contractor establishes to the satisfaction of the
165 Contracting Officer that the use of water delivered to any such landholding is a use described in
166 subdivision (m) of this Article;

167 (p) “M&I Full Cost Water Rate” shall mean the Full Cost Rate applicable to
168 the delivery of M&I Water;

169 (q) “Operation and Maintenance” or “O&M” shall mean normal and
170 reasonable care, control, operation, repair, replacement (other than capital replacement), and
171 maintenance of Project facilities;

172 (r) Omitted;

173 (s) “Project” shall mean the Central Valley Project owned by the United
174 States and managed by the Department of the Interior, Bureau of Reclamation;

175 (t) “Project Contractors” shall mean all parties who have water service
176 contracts for Project Water from the Project with the United States pursuant to Federal
177 Reclamation law;

178 (u) “Project Water” shall mean all water that is developed, diverted, stored, or
179 delivered by the Secretary in accordance with the statutes authorizing the Project and in
180 accordance with the terms and conditions of water rights acquired pursuant to California law;

181 (v) “Rates” shall mean the payments determined annually by the Contracting
182 Officer in accordance with the then-current applicable water ratesetting policies for the Project,
183 as described in subdivision (a) of Article 7 of this Contract;

184 (w) “Recent Historic Average” shall mean the most recent five year average
185 of the final forecast of Water Made Available to the Contractor pursuant to this Contract or its
186 preceding contract(s).

187 (x) “Secretary” shall mean the Secretary of the Interior, a duly appointed
188 successor, or an authorized representative acting pursuant to any authority of the Secretary and
189 through any agency of the Department of the Interior;

190 (y) Omitted

191 (z) “Water Delivered” or “Delivered Water” shall mean Project Water
192 diverted for use by the Contractor at the point(s) of delivery approved by the Contracting
193 Officer;

194 (aa) “Water Made Available” shall mean the estimated amount of Project
195 Water that can be delivered to the Contractor for the upcoming Year as declared by the
196 Contracting Officer, pursuant to subdivision (a) of Article 4 of this Contract;

197 (bb) “Water Scheduled” shall mean Project Water made available to the
198 Contractor for which times and quantities for delivery have been established by the Contractor
199 and Contracting Officer, pursuant to subdivision (b) of Article 4 of this Contract; and

200 (cc) “Year” shall mean the period from and including March 1 of each
201 Calendar Year through the last day of February of the following Calendar Year.

TERM OF CONTRACT

2. (a) This Contract shall be effective from January 1, 2011 and shall remain in effect through February 28, 2013, and thereafter will be renewed as described in this Article. Except as provided in subdivision (b) of this Article, until completion of all appropriate environmental review, and provided that the Contractor has complied with all the terms and conditions of the interim renewal contract in effect for the period immediately preceding the requested successive interim renewal contract, this Contract will be renewed, upon request of the Contractor, for successive interim periods each of which shall be no more than two (2) years in length. Also, except as provided in subdivision (b) of this Article, in order to promote orderly and cost effective contract administration, the terms and conditions in subsequent interim renewal contracts shall be identical to the terms and conditions in the interim renewal contract immediately preceding the subsequent interim renewal contract: Provided, however, That each party preserves the right to propose modification(s) in any interim renewal contract other than those described in subdivision (b) of this Article, in which case the parties shall negotiate in good faith appropriate modification(s) to be included in any successive interim renewal contracts. Said modification(s) of each successive interim renewal contract shall be agreed upon within a reasonable time prior to the expiration of the then existing interim renewal contract. Nothing in this Article shall in any way alter the obligation that, upon final completion of any necessary supplemental environmental documentation, the Secretary shall, pursuant to Federal Reclamation law, upon request of the Contractor, enter into a long-term renewal contract for a period of forty (40) years and may thereafter renew such long-term renewal contracts for successive periods not to exceed forty (40) years each.

224 (b) The parties have engaged and if necessary will continue to engage in good
225 faith negotiations intended to permit the execution of a forty (40) year long-term renewal
226 contract contemplated by Section 3404 (c) of the CVPIA, hereinafter referred to as a "long-term
227 renewal contract". The parties recognize the possibility that this schedule may not be met
228 without further negotiations. Accordingly: In the event (i) the Contractor and Contracting
229 Officer have reached agreement on the terms of the Contractor's long-term renewal contract or
230 (ii) the Contractor and Contracting Officer have not completed the negotiations on the
231 Contractor's long-term renewal contract, believe that further negotiations on that contract would
232 be beneficial, and mutually commit to continue to negotiate to seek to reach agreement, but (iii)
233 all environmental documentation required to allow execution of the Contractor's long-term
234 renewal contract by both parties has not been completed in time to allow execution of the
235 Contractor's long-term renewal contract by February 28, 2013, then (iv) the parties will
236 expeditiously complete the environmental documentation required of each of them in order to
237 execute the Contractor's long-term renewal contract at the earliest practicable date. In addition,
238 the Contractor's then-current interim renewal contract will be renewed without change upon the
239 request of either party through the agreed-upon effective date of the Contractor's long-term
240 renewal contract or, in the absence of agreement on the terms of the Contractor's long-term
241 renewal contract, through the succeeding February 28.

242 (c) The omission of language in this Contract providing for conversion of this
243 interim renewal contract or any subsequent renewals thereof to a repayment contract pursuant to
244 subsection (c)(1) of Section 9 of the Reclamation Projects Act of 1939 (53 Stat. 1187), shall not
245 prejudice the Contractor's right to assert a right to have such language included in subsequent

renewals of this Contract or to exercise such conversion, all as provided by law, or to negotiate the language regarding such conversion to be included in subsequent renewal contracts.

WATER TO BE MADE AVAILABLE AND DELIVERED TO THE CONTRACTOR

3. (a) During each Year, consistent with all applicable State water rights, permits, and licenses, Federal law, and subject to the provisions set forth in Articles 11 and 12 of this Contract, the Contracting Officer shall make available for delivery to the Contractor up to 32,000 acre-feet of Project Water for M&I purposes. Provided, however, during the two (2) month period of January and February of 2011, the Contracting Officer shall make available for delivery to the Contractor that portion of the 2010 allocation of Project Water unused by the Contractor under the Existing Contract. Water Delivered to the Contractor in accordance with this subdivision shall be scheduled and paid for pursuant to the provisions of Articles 4 and 7 of this Contract.

(b) Because the capacity of the Project to deliver Project Water has been constrained in recent years and may be constrained in the future due to many factors including hydrologic conditions and implementation of Federal and State laws, the likelihood of the Contractor actually receiving the amount of Project Water set out in subdivision (a) of this Article in any given Year is uncertain. The Contracting Officer's modeling referenced in the PEIS projected that the Contract Total set forth in this Contract will not be available to the Contractor in many years. During the most recent five years, the Recent Historic Average of Water Made Available to the Contractor was 30,400 acre feet. Nothing in subdivision (b) of this Article shall affect the rights and obligations of the parties under any provision of this Contract.

(c) The Contractor shall utilize the Project Water in accordance with all applicable legal requirements.

269 (d) The Contractor shall make reasonable and beneficial use of all water
270 furnished pursuant to this Contract. Groundwater recharge programs (direct, indirect, or in lieu),
271 ground-water banking programs, surface water storage programs, and other similar programs
272 utilizing Project Water or other water furnished pursuant to this Contract conducted within the
273 Contractor's Service Area which are consistent with applicable State law and result in use
274 consistent with Federal Reclamation law will be allowed; Provided, That any direct recharge
275 program(s) is (are) described in the Contractor's water conservation plan submitted pursuant to
276 Article 26 of this Contract; Provided, further, That such water conservation plan demonstrates
277 sufficient lawful uses exist in the Contractor's Service Area so that using a long-term average,
278 the quantity of Delivered Water is demonstrated to be reasonable for such uses and in
279 compliance with Federal Reclamation law. Ground-water recharge programs, groundwater
280 banking programs, surface water storage programs, and other similar programs utilizing Project
281 Water or other water furnished pursuant to this Contract conducted outside the Contractor's
282 Service Area may be permitted upon written approval of the Contracting Officer, which approval
283 will be based upon environmental documentation, Project Water rights, and Project operational
284 concerns. The Contracting Officer will address such concerns in regulations, policies, or
285 guidelines.

286 (e) The Contractor shall comply with requirements applicable to the
287 Contractor in biological opinion(s) prepared as a result of a consultation regarding the execution
288 of this Contract undertaken pursuant to Section 7 of the Endangered Species Act of 1973 (ESA),
289 as amended, that are within the Contractor's legal authority to implement. The Existing
290 Contract, which evidences in excess of 30 years of diversions for M&I purposes of the quantities
291 of water provided in subdivision (a) of Article 3 of this Contract, will be considered in

292 developing an appropriate baseline for the biological assessment prepared pursuant to the ESA,
293 and any other needed environmental review. Nothing herein shall be construed to prevent the
294 Contractor from challenging or seeking judicial relief in a court of competent jurisdiction with
295 respect to any biological opinion or other environmental documentation referred to in this Article.

296 (f) Following the declaration of Water Made Available under Article 4 of this
297 Contract, the Contracting Officer will make a determination whether Project Water, or other
298 water available to the Project, can be made available to the Contractor in addition to the Contract
299 Total under Article 3 of this Contract during the Year without adversely impacting other Project
300 Contractors. At the request of the Contractor, the Contracting Officer will consult with the
301 Contractor prior to making such a determination. If the Contracting Officer determines that
302 Project Water, or other water available to the Project, can be made available to the Contractor,
303 the Contracting Officer will announce the availability of such water and shall so notify the
304 Contractor as soon as practical. The Contracting Officer will thereafter meet with the Contractor
305 and other Project Contractors capable of taking such water to determine the most equitable and
306 efficient allocation of such water. If the Contractor requests the delivery of any quantity of such
307 water, the Contracting Officer shall make such water available to the Contractor in accordance
308 with applicable statutes, regulations, guidelines, and policies.

309 (g) The Contractor may request permission to reschedule for use during the
310 subsequent Year some or all of the Water Made Available to the Contractor during the current
311 Year, referred to as "carryover." The Contractor may request permission to use during the
312 current Year a quantity of Project Water which may be made available by the United States to
313 the Contractor during the subsequent Year, referred to as "preuse." The Contracting Officer's

314 written approval may permit such uses in accordance with applicable statutes, regulations,
315 guidelines, and policies.

316 (h) The Contractor's right pursuant to Federal Reclamation law and applicable
317 State law to the reasonable and beneficial use of Water Delivered pursuant to this Contract
318 during the term thereof and any subsequent renewal contracts, as described in Article 2 of this
319 Contract, during the terms thereof shall not be disturbed so long as the Contractor shall fulfill all
320 of its obligations under this Contract and any renewals thereof. Nothing in the preceding
321 sentence shall affect the Contracting Officer's ability to impose shortages under Article 11 or
322 subdivision (b) of Article 12 of this Contract or applicable provisions of any subsequent renewal
323 contracts.

324 (i) Project Water furnished to the Contractor pursuant to this Contract may be
325 delivered for purposes other than those described in subdivision (o) of Article 1 of this Contract
326 upon written approval by the Contracting Officer in accordance with the terms and conditions of
327 such approval.

328 (j) The Contracting Officer shall make reasonable efforts to protect the water
329 rights necessary for the Project and to provide the water available under this Contract. The
330 Contracting Officer shall not object to participation by the Contractor, in the capacity and to the
331 extent permitted by law, in administrative proceedings related to the Project Water rights;
332 Provided, That the Contracting Officer retains the right to object to the substance of the
333 Contractor's position in such a proceeding; Provided further, That in such proceedings the
334 Contracting Officer shall recognize the Contractor has a legal right under the terms of this
335 Contract to use Project Water.

TIME FOR DELIVERY OF WATER

4. (a) On or about February 20 of each Calendar Year, the Contracting Officer shall announce the Contracting Officer's expected declaration of the Water Made Available. Such declaration will be expressed in terms of both Water Made Available and the Recent Historic Average and will be updated monthly, and more frequently if necessary, based on then-current operational and hydrologic conditions and a new declaration with changes, if any, to the Water Made Available will be made. The Contracting Officer shall provide forecasts of Project operations and the basis of the estimate, with relevant supporting information, upon the written request of the Contractor. Concurrently with the declaration of the Water Made Available, the Contracting Officer shall provide the Contractor with the updated Recent Historic Average.

(b) On or before each March 1 and at such other times as necessary, the Contractor shall submit to the Contracting Officer a written schedule, satisfactory to the Contracting Officer, showing the monthly quantities of Project Water to be delivered by the United States to the Contractor pursuant to this Contract for the Year commencing on such March 1. The Contracting Officer shall use all reasonable means to deliver Project Water according to the approved schedule for the Year commencing on such March 1.

(c) The Contractor shall not schedule Project Water in excess of the quantity of Project Water the Contractor intends to put to reasonable and beneficial use within the Contractor's Service Area or to sell, transfer, or exchange pursuant to Article 9 of this Contract during any Year.

(d) Subject to the conditions set forth in subdivision (a) of Article 3 of this Contract, the United States shall deliver Project Water to the Contractor in accordance with the

initial schedule submitted by the Contractor pursuant to subdivision (b) of this Article, or any written revision(s), satisfactory to the Contracting Officer, thereto submitted within a reasonable time prior to the date(s) on which the requested change(s) is/are to be implemented.

POINT OF DIVERSION AND RESPONSIBILITY FOR DISTRIBUTION OF WATER

5. (a) Project Water scheduled pursuant to subdivision (b) of Article 4 of this Contract shall be delivered to the Contractor at the outlet from the 84-inch pipeline leading from Folsom pumping plant to the Hinkle Wye and any additional point or points of delivery either on Project facilities or another location or locations mutually agreed to in writing by the Contracting Officer and the Contractor.

(b) The Contracting Officer shall make all reasonable efforts to maintain sufficient flows and levels of water in Project Facilities to deliver Project Water to the Contractor at the point or points of delivery established pursuant to subdivision (a) of this Article.

(c) The Contractor shall not deliver Project Water to land outside the Contractor's Service Area unless approved in advance by the Contracting Officer.

(d) All Water Delivered to the Contractor pursuant to this Contract shall be measured and recorded with equipment furnished, installed, operated, and maintained by the United States, or other appropriate entity as designated by the Contracting Officer (hereafter "other appropriate entity") at the point or points of delivery established pursuant to subdivision (a) of this Article. Upon the request of either party to this Contract, the Contracting Officer shall investigate, or cause to be investigated, the accuracy of such measurements and shall take any necessary steps to adjust any errors appearing therein. For any period of time when accurate measurements have not been made, the Contracting Officer shall consult with the Contractor prior to making a final determination of the quantity delivered for that period of time.

382 (e) The Contracting Officer shall not be responsible for the control, carriage,
383 handling, use, disposal, or distribution of Water Delivered to the Contractor pursuant to this
384 Contract beyond the delivery points specified in subdivision (a) of this Article. The Contractor
385 shall indemnify the United States, its officers, employees, agents, and assigns on account of
386 damage or claim of damage of any nature whatsoever for which there is legal responsibility,
387 including property damage, personal injury, or death arising out of or connected with the control,
388 carriage, handling, use, disposal, or distribution of such Water Delivered beyond such delivery
389 points, except for any damage or claim arising out of: (i) acts or omissions of the Contracting
390 Officer or any of its officers, employees, agents, or assigns with the intent of creating the
391 situation resulting in any damage or claim; (ii) willful misconduct of the Contracting Officer or
392 any of its officers, employees, agents, or assigns; (iii) negligence of the Contracting Officer or
393 any of its officers, employees, agents, or assigns; or (iv) damage or claims resulting from a
394 malfunction of facilities owned and/or operated by the United States.

395 MEASUREMENT OF WATER WITHIN THE SERVICE AREA

396 6. (a) The Contractor shall ensure that, unless the Contractor establishes an
397 alternative measurement program satisfactory to the Contracting Officer, all surface water
398 delivered for M&I purposes is measured at each M&I service connection. The water measuring
399 devices or water measuring methods of comparable effectiveness must be acceptable to the
400 Contracting Officer. The Contractor shall be responsible for installing, operating, and
401 maintaining and repairing all such measuring devices and implementing all such water
402 measuring methods at no cost to the United States. The Contractor shall use the information
403 obtained from such water measuring devices or water measuring methods to ensure its proper
404 management of the water, to bill water users for water delivered by the Contractor; and, if

405 applicable, to record Water Delivered for M&I purposes by customer class as defined in the
406 Contractor's water conservation plan provided for in Article 26 of this Contract. Nothing herein
407 contained, however, shall preclude the Contractor from establishing and collecting any charges,
408 assessments, or other revenues authorized by California law. The Contractor shall include a
409 summary of all its annual surface water deliveries in the annual report described in subdivision
410 (c) of Article 26.

411 (b) To the extent the information has not otherwise been provided, upon
412 execution of this Contract, the Contractor shall provide to the Contracting Officer a written
413 report describing the measurement devices or water measuring methods being used or to be used
414 to implement subdivision (a) of this Article and identifying the M&I service connections or
415 alternative measurement programs approved by the Contracting Officer, at which such
416 measurement devices or water measuring methods are being used, and, if applicable, identifying
417 the locations at which such devices and/or methods are not yet being used including a time
418 schedule for implementation at such locations. The Contracting Officer shall advise the
419 Contractor in writing within 60 days as to the adequacy and necessary modifications, if any, of
420 the measuring devices or water measuring methods identified in the Contractor's report and if the
421 Contracting Officer does not respond in such time, they shall be deemed adequate. If the
422 Contracting Officer notifies the Contractor that the measuring devices or methods are
423 inadequate, the parties shall within 60 days following the Contracting Officer's response,
424 commence to negotiate in good faith how, and the earliest practicable date by which, the
425 Contractor shall modify said measuring devices and/or measuring methods as required by the
426 Contracting Officer to ensure compliance with subdivision (a) of this Article.

(c) All new surface water delivery systems installed within the Contractor's Service Area after the effective date of this Contract shall also comply with the measurement provisions described in subdivision (a) of this Article.

(d) The Contractor shall inform the Contracting Officer and the State of California in writing by April 30 of each Year of the monthly volume of surface water delivered within the Contractor's Service Area during the previous Year.

(e) The Contractor shall inform the Contracting Officer on or before the 20th calendar day of each month of the quantity of M&I Water taken during the preceding month.

RATES AND METHOD OF PAYMENT FOR WATER

7. (a) The Contractor shall pay the United States as provided in this Article for all Delivered Water at Rates and Charges established in accordance with: (i) the Secretary's then-existing ratesetting policy for M&I Water, which ratesetting policy shall be amended, modified, or superseded only through a public notice and comment procedure; (ii) applicable Federal Reclamation law and associated rules and regulations, or policies; and (iii) other applicable provisions of this Contract. Payments shall be made by cash transaction, electronic funds transfer, or any other mechanism as may be agreed to in writing by the Contractor and the Contracting Officer. The Rates and Charges applicable to the Contractor upon execution of this Contract are set forth in Exhibit "B," as may be revised annually.

(b) The Contracting Officer shall notify the Contractor of the Rates and Charges, as follows:

(1) Prior to July 1 of each Calendar Year, the Contracting Officer shall provide the Contractor an estimate of the Charges for Project Water that will be applied to the period October 1, of the current Calendar Year, through September 30, of the

450 following Calendar Year, and the basis for such estimate. The Contractor shall be
451 allowed not less than two months to review and comment on such estimates. On or
452 before September 15 of each Calendar Year, the Contracting Officer shall notify the
453 Contractor in writing of the Charges to be in effect during the period October 1 of the
454 current Calendar Year, through September 30, of the following Calendar Year, and such
455 notification shall revise Exhibit "B."

456 (2) Prior to October 1 of each Calendar Year, the Contracting Officer
457 shall make available to the Contractor an estimate of the Rates for Project Water for the
458 following Year and the computations and cost allocations upon which those Rates are
459 based. The Contractor shall be allowed not less than two months to review and comment
460 on such computations and cost allocations. By December 31 of each Calendar Year, the
461 Contracting Officer shall provide the Contractor with the final Rates to be in effect for
462 the upcoming Year, and such notification shall revise Exhibit "B."

463 (c) At the time the Contractor submits the initial schedule for the delivery of
464 Project Water for each Year pursuant to subdivision (b) of Article 4 of this Contract, the
465 Contractor shall make an advance payment to the United States equal to the total amount payable
466 pursuant to the applicable Rate(s) set under subdivision (a) of this Article, for the Project Water
467 scheduled to be delivered pursuant to this Contract during the first two calendar months of the
468 Year. Before the end of the first month and before the end of each calendar month thereafter, the
469 Contractor shall make an advance payment to the United States, at the Rate(s) set under
470 subdivision (a) of this Article, for the Water Scheduled to be delivered pursuant to this Contract
471 during the second month immediately following. Adjustments between advance payments for
472 Water Scheduled and payments at Rates due for Water Delivered shall be made before the end of

the following month; Provided, That any revised schedule submitted by the Contractor pursuant to Article 4 of this Contract which increases the amount of Water Delivered pursuant to this Contract during any month shall be accompanied with appropriate advance payment, at the Rates then in effect, to assure that Project Water is not delivered to the Contractor in advance of such payment. In any month in which the quantity of Water Delivered to the Contractor pursuant to this Contract equals the quantity of Water Scheduled and paid for by the Contractor, no additional Project Water shall be delivered to the Contractor unless and until an advance payment at the Rates then in effect for such additional Project Water is made. Final adjustment between the advance payments for the Water Scheduled and payments for the quantities of Water Delivered during each Year pursuant to this Contract shall be made as soon as practicable but no later than April 30th of the following Year, or 60 days after the delivery of Project Water carried over under subdivision (g) of Article 3 of this Contract if such water is not delivered by the last day of February.

(d) The Contractor shall also make a payment in addition to the Rate(s) in subdivision (c) of this Article to the United States for Water Delivered, at the Charges then in effect, before the end of the month following the month of delivery. The payments shall be consistent with the quantities of M&I Water Delivered as shown in the water delivery report for the subject month prepared by the Contracting Officer. The water delivery report shall be deemed a bill for the payment of Charges for Water Delivered. Adjustment for overpayment or underpayment of Charges shall be made through the adjustment of payments due to the United States for Charges for the next month. Any amount to be paid for past due payment of Charges shall be computed pursuant to Article 20 of this Contract.

495 (e) The Contractor shall pay for any Water Delivered under subdivision (a),
496 (f), or (g) of Article 3 of this Contract as determined by the Contracting Officer pursuant to
497 applicable statutes, associated regulations, any applicable provisions of guidelines or ratesetting
498 policies; Provided, That the Rate for Water Delivered under subdivision (f) of Article 3 of this
499 Contract shall be no more than the otherwise applicable Rate for M&I Water under subdivision
500 (a) of this Article.

501 (f) Payments to be made by the Contractor to the United States under this
502 Contract may be paid from any revenues available to the Contractor.

503 (g) All revenues received by the United States from the Contractor relating to
504 the delivery of Project Water or the delivery of non-Project water through Project facilities shall
505 be allocated and applied in accordance with Federal Reclamation law and the associated rules or
506 regulations, and the then-current Project ratesetting policy for M&I Water.

507 (h) The Contracting Officer shall keep its accounts pertaining to the
508 administration of the financial terms and conditions of its long-term contracts, in accordance
509 with applicable Federal standards, so as to reflect the application of Project costs and revenues.
510 The Contracting Officer shall, each Year upon request of the Contractor, provide to the
511 Contractor a detailed accounting of all Project and Contractor expense allocations, the
512 disposition of all Project and Contractor revenues, and a summary of all water delivery
513 information. The Contracting Officer and the Contractor shall enter into good faith negotiations
514 to resolve any discrepancies or disputes relating to accountings, reports, or information.

515 (i) The parties acknowledge and agree that the efficient administration of this
516 Contract is their mutual goal. Recognizing that experience has demonstrated that mechanisms,
517 policies, and procedures used for establishing Rates and Charges, and/or for making and

allocating payments, other than those set forth in this Article may be in the mutual best interest of the parties, it is expressly agreed that the parties may enter into agreements to modify the mechanisms, policies, and procedures for any of those purposes while this Contract is in effect without amending this Contract.

(j) (1-3) Omitted

(k) For the term of this Contract, Rates under the respective ratesetting policies will be established to recover only reimbursable O&M (including any deficits) and capital costs of the Project, as those terms are used in the then-current Project ratesetting policies, and interest, where appropriate, except in instances where a minimum Rate is applicable in accordance with the relevant Project ratesetting policy. Changes of significance in practices which implement the Contracting Officer's ratesetting policies will not be implemented until the Contracting Officer has provided the Contractor an opportunity to discuss the nature, need, and impact of the proposed change.

(l) Except as provided in subsections 3405(a)(1)(B) and 3405(f) of the CVPIA, the Rates for Project Water transferred by the Contractor shall be the Contractor's Rates adjusted upward or downward to reflect the changed costs, if any, incurred by the Contracting Officer in the delivery of the transferred Project Water to the transferee's point of delivery in accordance with the then-applicable Project ratesetting policy.

(m) Omitted.

(n) Omitted.

NON-INTEREST BEARING OPERATION AND MAINTENANCE DEFICITS

8. Omitted.

SALES, TRANSFERS, OR EXCHANGES OF WATER

9. (a) The right to receive Project Water provided for in this Contract may be sold, transferred, or exchanged to others for reasonable and beneficial uses within the State of California if such sale, transfer, or exchange is authorized by applicable Federal and State laws, and applicable guidelines or regulations then in effect. No sale, transfer, or exchange of Project Water under this Contract may take place without the prior written approval of the Contracting Officer, except as provided for in subdivision (b) of this Article, and no such sales, transfers, or exchanges shall be approved absent all appropriate environmental documentation, including but not limited to, documents prepared pursuant to the National Environmental Policy Act (NEPA) and ESA. Such environmental documentation should include, as appropriate, an analysis of ground-water impacts and economic and social effects, including environmental justice, of the proposed water transfers on both the transferor and transferee.

(b) In order to facilitate efficient water management, among Project Contractors located within the same geographical area, by means of water transfers and to allow the Contractor to participate in an accelerated water transfer program during the term of this Contract, the Contracting Officer shall prepare, as appropriate, all necessary environmental documentation including, but not limited to, documents prepared pursuant to NEPA and ESA analyzing annual transfers within such geographical areas and the Contracting Officer shall determine whether such transfers comply with applicable law. Following the completion of the environmental documentation, such transfers addressed in such documentation shall be conducted with advance notice to the Contracting Officer, but shall not require prior written approval by the Contracting Officer. Such environmental documentation and the Contracting Officer's compliance determination shall be reviewed every five years and updated, as necessary,

prior to the expiration of the then-existing five-year period. All subsequent environmental documentation shall include an alternative to evaluate not less than the quantity of Project Water historically transferred within the same geographical area.

(c) For a water transfer to qualify under subdivision (b) of this Article, such water transfer must: (i) be for irrigation purposes for lands irrigated within the previous three years, for M&I use, ground-water recharge, water banking or similar groundwater activities, surface water storage or fish and wildlife resources, not lead to land conversion; and be delivered to established cropland, wildlife refuges, ground-water basins or M&I use, or for fish and wildlife purposes; (ii) occur within a single Year; (iii) occur between a willing seller and a willing buyer; (iv) convey water through existing Project facilities with no new construction or modifications to Project facilities and be between existing Project Contractors and/or the Contractor and the United States, Department of the Interior; and (v) comply with all applicable Federal, State, and local or tribal laws and requirements imposed for protection of the environment and Indian Trust Assets, as defined under Federal law.

(d) Solely for the purpose of determining whether Section 3405(a)(1)(M) of the CVPIA applies to the Contractor as a transferor or transferee of Project Water, the Contracting Officer acknowledges that the Contractor is within a county, watershed or other area of origin, as those terms are utilized under California law, of water that constitutes the natural flow of the American River and its tributaries above the confluence of the American and Sacramento Rivers.

APPLICATION OF PAYMENTS AND ADJUSTMENTS

10. (a) The amount of any overpayment by the Contractor of the Contractor's O&M, capital, and deficit (if any) obligations for the Year shall be applied first to any current

liabilities of the Contractor arising out of this Contract then due and payable. Overpayments of more than \$1,000 shall be refunded at the Contractor's request. In lieu of a refund, any amount of such overpayment, at the option of the Contractor, may be credited against amounts to become due to the United States by the Contractor. With respect to overpayment, such refund or adjustment shall constitute the sole remedy of the Contractor or anyone having or claiming to have the right to the use of any of the Project Water supply provided for herein. All credits and refunds of overpayments shall be made within 30 days of the Contracting Officer obtaining direction as to how to credit or refund such overpayment in response to the notice to the Contractor that it has finalized the accounts for the Year in which the overpayment was made.

(b) All advances for miscellaneous costs incurred for work requested by the Contractor pursuant to Article 25 of this Contract shall be adjusted to reflect the actual costs when the work has been completed. If the advances exceed the actual costs incurred, the difference will be refunded to the Contractor. If the actual costs exceed the Contractor's advances, the Contractor will be billed for the additional costs pursuant to Article 25.

TEMPORARY REDUCTIONS--RETURN FLOWS

11. (a) Subject to: (i) the authorized purposes and priorities of the Project and the requirements of Federal law and (ii) the obligations of the United States under existing contracts, or renewals thereof, providing for water deliveries from the Project, the Contracting Officer shall make all reasonable efforts to optimize Project Water deliveries to the Contractor as provided in this Contract.

(b) The Contracting Officer may temporarily discontinue or reduce the quantity of Water Delivered to the Contractor as herein provided for the purposes of investigation, inspection, maintenance, repair, or replacement of any of the Project facilities or

any part thereof necessary for the delivery of Project Water to the Contractor, but so far as feasible the Contracting Officer will give the Contractor due notice in advance of such temporary discontinuance or reduction, except in case of emergency, in which case no notice need be given; Provided, That the United States shall use its best efforts to avoid any discontinuance or reduction in such service. Upon resumption of service after such reduction or discontinuance, and if requested by the Contractor, the United States will, if possible, deliver the quantity of Project Water which would have been delivered hereunder in the absence of such discontinuance or reduction.

(c) The United States reserves the right to all seepage and return flow water derived from Water Delivered to the Contractor hereunder which escapes or is discharged beyond the Contractor's Service Area; Provided, That this shall not be construed as claiming for the United States any right to seepage or return flow being put to reasonable and beneficial use pursuant to this Contract within the Contractor's Service Area by the Contractor or those claiming by, through, or under the Contractor.

CONSTRAINTS ON THE AVAILABILITY OF WATER

12. (a) In its operation of the Project, the Contracting Officer will use all reasonable means to guard against a Condition of Shortage in the quantity of water to be made available to the Contractor pursuant to this Contract. In the event the Contracting Officer determines that a Condition of Shortage appears probable, the Contracting Officer will notify the Contractor of said determination as soon as practicable.

(b) If there is a Condition of Shortage because of errors in physical operations of the Project, drought, other physical causes beyond the control of the Contracting Officer or actions taken by the Contracting Officer to meet legal obligations then, except as provided in subdivision (a) of Article 18 of this Contract, no liability shall accrue against the United States or any of its officers, agents, or employees for any damage, direct or indirect, arising therefrom.

(c) Omitted.

635 (d) Project Water furnished under this Contract will be allocated in
636 accordance with the then-existing Project M&I Water Shortage Policy. Such policy shall be
637 amended, modified, or superseded only through a public notice and comment procedure.

638 (e) By entering into this Contract, the Contractor does not waive any legal
639 rights or remedies it may have to file or participate in any administrative or judicial proceeding
640 contesting (i) the sufficiency of the manner in which any Project M&I Water Shortage Policy
641 adopted after the effective date of this Contract was promulgated; (ii) the substance of such a
642 policy; or (iii) the applicability of such a policy. By agreeing to the foregoing, the Contracting
643 Officer does not waive any legal defenses or remedies that it may then have to assert in such a
644 proceeding.

645 UNAVOIDABLE GROUNDWATER PERCOLATION

646 13. Omitted.

647 RULES, REGULATIONS AND DETERMINATIONS

648 14. The parties agree that the delivery of M&I Water or use of Federal facilities
649 pursuant to this Contract is subject to the applicable provisions of Federal Reclamation law and
650 any applicable rules and regulations promulgated by the Secretary under such law.

651 WATER AND AIR POLLUTION CONTROL

652 15. The Contractor, in carrying out this Contract, shall comply with all applicable
653 water and air pollution laws and regulations of the United States and the State of California, and
654 shall obtain all required permits or licenses from the appropriate Federal, State, or local
655 authorities.

QUALITY OF WATER

16. (a) Project facilities used to deliver Project Water to the Contractor pursuant to this Contract shall be operated and maintained to enable the United States to deliver Project Water to the Contractor in accordance with the water quality standards specified in subsection 2(b) of the Act of August 26, 1937 (50 Stat. 865), as added by Section 101 of the Act of October 27, 1986 (100 Stat. 3050), or other existing Federal laws. The United States is under no obligation to construct or furnish water treatment facilities to maintain or to improve the quality of Water Delivered to the Contractor pursuant to this Contract. The United States does not warrant the quality of Water Delivered to the Contractor pursuant to this Contract.

(b) The O&M of Project facilities shall be performed in such manner as is practicable to maintain the quality of raw water made available through such facilities at the highest level reasonably attainable as determined by the Contracting Officer. The Contractor shall be responsible for compliance with all State and Federal water quality standards applicable to surface and subsurface agricultural drainage discharges, if any, generated through the use of Federal or Contractor facilities or Project Water provided by the Contractor within the Contractor's Service Area.

(c) The Contracting Officer and the Contractor shall communicate, coordinate, and cooperate with each other with respect to the O&M of the Project by the United States in accordance with Articles 11 and 19 of this Contract.

WATER ACQUIRED BY THE CONTRACTOR
OTHER THAN FROM THE UNITED STATES

17. (a) Omitted.

(b) Water or water rights now owned or hereafter acquired by the Contractor, other than from the United States may be stored, conveyed, and/or diverted through Project

680 facilities, subject to the completion of appropriate environmental documentation, with the
681 approval of the Contracting Officer and the execution of any contract determined by the
682 Contracting Officer to be necessary, consistent with the following provisions:

683 (1) The Contractor may introduce non-Project water into Project
684 facilities and deliver said water to lands within the Contractor's Service Area, subject to payment
685 to the United States of an appropriate rate as determined by the applicable Project ratesetting
686 policy and the Project use power policy, if such Project use power policy is applicable, each as
687 amended, modified, or superseded from time to time. In addition, if electrical power is required
688 to pump non-Project water through the facilities, the Contractor shall be responsible for
689 obtaining the necessary power and paying the necessary charges therefore.

690 (2) Delivery of such non-Project water in and through Project facilities
691 shall only be allowed to the extent such deliveries do not: (i) interfere with other Project
692 purposes as determined by the Contracting Officer; (ii) reduce the quantity or quality of water
693 available to other Project Contractors; (iii) interfere with the delivery of contractual water
694 entitlements to any other Project Contractors; or (iv) interfere with the physical maintenance of
695 the Project facilities; Provided, that nothing in this Article is intended to preclude the United
696 States from passing the Contractor's water rights water through Project storage facilities to the
697 extent required to satisfy the Contractor's water rights that are senior to those of the Project
698 under the applicable provisions of California water law. Provided further, that the United States
699 has determined that the delivery of non-Project water in and through Project facilities pursuant to
700 Warren Act Contract No. 02-WC-20-2217 between the United States and the Contractor, as it
701 now exists and may be amended, extended, or renewed in the future, satisfies the requirements of
702 this Article.

(3) The United States shall not be responsible for control, care, or distribution of the non-Project water before it is introduced into or after it is delivered from the Project facilities. The Contractor hereby releases and agrees to defend and indemnify the United States and their respective officers, agents, and employees, from any claim for damage to persons or property, direct or indirect, resulting from the acts of the Contractor, or its officers, employees, agents or assigns, in (i) extracting or diverting non-Project water from any source, or (ii) diverting such non-Project water into Project facilities.

(4) Diversion of such non-Project water into Project facilities shall be consistent with all applicable laws, and if involving groundwater, consistent with any applicable ground-water management plan for the area from which it was extracted.

(5) After Project purposes are met, as determined by the Contracting Officer, the United States and the Contractor shall share priority to utilize the remaining capacity of the facilities declared to be available by the Contracting Officer for conveyance and transportation of non-Project water prior to any such remaining capacity being made available to non-Project Contractors.

OPINIONS AND DETERMINATIONS

18. (a) Where the terms of this Contract provide for actions to be based upon the opinion or determination of either party to this Contract, said terms shall not be construed as permitting such action to be predicated upon arbitrary, capricious, or unreasonable opinions or determinations. Both parties, notwithstanding any other provisions of this Contract, expressly reserve the right to seek relief from and appropriate adjustment for any such arbitrary, capricious, or unreasonable opinion or determination. Each opinion or determination by either party shall be provided in a timely manner. Nothing in subdivision (a) of Article 18 of this Contract is

intended to or shall affect or alter the standard of judicial review applicable under Federal law to any opinion or determination implementing a specific provision of Federal law embodied in statute or regulation.

(b) The Contracting Officer shall have the right to make determinations necessary to administer this Contract that are consistent with the provisions of this Contract, the laws of the United States and of the State of California, and the rules and regulations promulgated by the Secretary. Such determinations shall be made in consultation with the Contractor to the extent reasonably practicable.

COORDINATION AND COOPERATION

19. (a) In order to further their mutual goals and objectives, the Contracting Officer and the Contractor shall communicate, coordinate, and cooperate with each other, and with other affected Project Contractors, in order to improve the operation and management of the Project. The communication, coordination, and cooperation regarding operations and management shall include, but not be limited to, any action which will or may materially affect the quantity or quality of Project Water supply, the allocation of Project Water supply, and Project financial matters including, but not limited to, budget issues. The communication, coordination, and cooperation provided for hereunder shall extend to all provisions of this Contract. Each party shall retain exclusive decision making authority for all actions, opinion, and determinations to be made by the respective party.

(b) Within 120 days following the effective date of this Contract, the Contractor, other affected Project Contractors, and the Contracting Officer shall arrange to meet with interested Project Contractors to develop a mutually agreeable, written Project-wide process, which may be amended as necessary separate and apart from this Contract. The goal of

749 this process shall be to provide, to the extent practicable, the means of mutual communication
750 and interaction regarding significant decisions concerning Project operation and management on
751 a real-time basis.

752 (c) In light of the factors referred to in subdivision (b) of Article 3 of this
753 Contract, it is the intent of the Secretary to improve water supply reliability. To carry out this
754 intent:

755 (1) The Contracting Officer will, at the request of the Contractor,
756 assist in the development of integrated resource management plans for the Contractor.
757 Further, the Contracting Officer will, as appropriate, seek authorizations for
758 implementation of partnerships to improve water supply, water quality, and reliability.

759 (2) The Secretary will, as appropriate, pursue program and project
760 implementation and authorization in coordination with Project Contractors to improve the
761 water supply, water quality, and reliability of the Project for all Project purposes.

762 (3) The Secretary will coordinate with Project Contractors and the
763 State of California to seek improved water resource management.

764 (4) The Secretary will coordinate actions of agencies within the
765 Department of the Interior that may impact the availability of water for Project purposes.

766 (5) The Contracting Officer shall periodically, but not less than
767 annually, hold division level meetings to discuss Project operations, division level water
768 management activities, and other issues as appropriate.

769 (d) Without limiting the contractual obligations of the Contracting Officer
770 under the other Articles of this Contract, nothing in this Article shall be construed to limit or
771 constrain the Contracting Officer's ability to communicate, coordinate, and cooperate with the

Contractor or other interested stakeholders or to make decisions in a timely fashion as needed to protect health, safety, or the physical integrity of structures or facilities.

CHARGES FOR DELINQUENT PAYMENTS

20. (a) The Contractor shall be subject to interest, administrative and penalty charges on delinquent installments or payments. When a payment is not received by the due date, the Contractor shall pay an interest charge for each day the payment is delinquent beyond the due date. When a payment becomes 60 days delinquent, the Contractor shall pay an administrative charge to cover additional costs of billing and processing the delinquent payment. When a payment is delinquent 90 days or more, the Contractor shall pay an additional penalty charge of six percent per year for each day the payment is delinquent beyond the due date. Further, the Contractor shall pay any fees incurred for debt collection services associated with a delinquent payment.

(b) The interest charge rate shall be the greater of the rate prescribed quarterly in the Federal Register by the Department of the Treasury for application to overdue payments, or the interest rate of one-half of one percent per month prescribed by Section 6 of the Reclamation Project Act of 1939 (Public Law 76-260). The interest charge rate shall be determined as of the due date and remain fixed for the duration of the delinquent period.

(c) When a partial payment on a delinquent account is received, the amount received shall be applied, first to the penalty, second to the administrative charges, third to the accrued interest, and finally to the overdue payment.

EQUAL OPPORTUNITY

21. During the performance of this Contract, the Contractor agrees as follows:

(a) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination, rates of payment or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this nondiscrimination clause.

(b) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without discrimination because of race, color, religion, sex, or national origin.

(c) The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Contracting Officer, advising the said labor union or workers' representative of the Contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(e) The Contractor will furnish all information and reports required by said amended Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Contracting Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(f) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this Contract or with any of the said rules, regulations, or orders, this Contract may be canceled, terminated, or suspended, in whole or in part, and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in said amended Executive Order, and such other sanctions may be imposed and remedies invoked as provided in said Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(g) The Contractor will include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of said amended Executive Order, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

GENERAL OBLIGATION--BENEFITS CONDITIONED UPON PAYMENT

22. (a) The obligation of the Contractor to pay the United States as provided in this Contract is a general obligation of the Contractor notwithstanding the manner in which the obligation may be distributed among the Contractor's water users and notwithstanding the default of individual water users in their obligations to the Contractor.

(b) The payment of charges becoming due hereunder is a condition precedent to receiving benefits under this Contract. The United States shall not make water available to the Contractor through Project facilities during any period in which the Contractor may be in arrears

847 in the advance payment of water rates due the United States. The Contractor shall not furnish
848 water made available pursuant to this Contract for lands or parties which are in arrears in the
849 advance payment of water rates levied or established by the Contractor.

850
851 (c) With respect to subdivision (b) of this Article, the Contractor shall have no
852 obligation to require advance payment for water rates which it levies.

853 COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

854 23. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964
855 (42 U.S.C. 2000d), Section 504 of the Rehabilitation Act of 1975 (P.L. 93-112, as amended), the
856 Age Discrimination Act of 1975 (42 U.S.C. 6101, et seq.), and any other applicable civil rights
857 laws, as well as with their respective implementing regulations and guidelines imposed by the
858 U.S. Department of the Interior and/or Bureau of Reclamation.

859 (b) These statutes require that no person in the United States shall, on the
860 grounds of race, color, national origin, handicap, or age, be excluded from participation in, be
861 denied the benefits of, or be otherwise subjected to discrimination under any program or activity
862 receiving financial assistance from the Bureau of Reclamation. By executing this Contract, the
863 Contractor agrees to immediately take any measures necessary to implement this obligation,
864 including permitting officials of the United States to inspect premises, programs, and documents.

865 (c) The Contractor makes this agreement in consideration of and for the
866 purpose of obtaining any and all Federal grants, loans, contracts, property discounts, or other
867 Federal financial assistance extended after the date hereof to the Contractor by the Bureau of
868 Reclamation, including installment payments after such date on account of arrangements for
869 Federal financial assistance which were approved before such date. The Contractor recognizes
870 and agrees that such Federal assistance will be extended in reliance on the representations and
871 agreements made in this Article, and that the United States reserves the right to seek judicial
872 enforcement thereof.

873 PRIVACY ACT COMPLIANCE

874 24. Omitted.

875 CONTRACTOR TO PAY CERTAIN MISCELLANEOUS COSTS

876 25. In addition to all other payments to be made by the Contractor pursuant to this
877 Contract, the Contractor shall pay to the United States, within 60 days after receipt of a bill and
878 detailed statement submitted by the Contracting Officer to the Contractor for such specific items
879 of direct cost incurred by the United States for work requested by the Contractor associated with

this Contract plus indirect costs in accordance with applicable Bureau of Reclamation policies and procedures. All such amounts referred to in this Article shall not exceed the amount agreed to in writing in advance by the Contractor. This Article shall not apply to costs for routine contract administration.

WATER CONSERVATION

26. (a) Prior to the delivery of water provided from or conveyed through Federally constructed or Federally-financed facilities pursuant to this Contract, the Contractor shall be implementing an effective water conservation and efficiency program based on the Contractor's water conservation plan that has been determined by the Contracting Officer to meet the conservation and efficiency criteria for evaluating water conservation plans established under Federal law. The water conservation and efficiency program shall contain definite water conservation objectives, appropriate economically feasible water conservation measures, and time schedules for meeting those objectives. Continued Project Water delivery pursuant to this Contract shall be contingent upon the Contractor's continued implementation of such water conservation program. In the event the Contractor's water conservation plan or any revised water conservation plan completed pursuant to subdivision (d) of Article 26 of this Contract have not yet been determined by the Contracting Officer to meet such criteria, due to circumstances which the Contracting Officer determines are beyond the control of the Contractor, water deliveries shall be made under this Contract so long as the Contractor diligently works with the Contracting Officer to obtain such determination at the earliest practicable date, and thereafter the Contractor immediately begins implementing its water conservation and efficiency program in accordance with the time schedules therein.

(b) Should the amount of M&I Water delivered pursuant to subdivision (a) of Article 3 of this Contract equal or exceed 2,000 acre-feet per Year, the Contractor shall implement the Best Management Practices identified by the time frames issued by the California Urban Water Conservation Council for such M&I Water unless any such practice is determined by the Contracting Officer to be inappropriate for the Contractor.

(c) The Contractor shall submit to the Contracting Officer a report on the status of its implementation of the water conservation plan on the reporting dates specified in the then-existing conservation and efficiency criteria established under Federal law.

(d) At five-year intervals, the Contractor shall revise its water conservation plan to reflect the then-current conservation and efficiency criteria for evaluating water conservation plans established under Federal law and submit such revised water management plan to the Contracting Officer for review and evaluation. The Contracting Officer will then determine if the water conservation plan meets the Bureau of Reclamation's then-current conservation and efficiency criteria for evaluating water conservation plans established under Federal law.

(e) If the Contractor is engaged in direct ground-water recharge, such activity shall be described in the Contractor's water conservation plan.

EXISTING OR ACQUIRED WATER OR WATER RIGHTS

27. Except as specifically provided in Article 17 of this Contract, the provisions of this Contract shall not be applicable to or affect non-Project water or water rights now owned or hereafter acquired by the Contractor or any user of such water within the Contractor's Service Area. Any such water shall not be considered Project Water under this Contract. In addition, this Contract shall not be construed as limiting or curtailing any rights which the Contractor or

any water user within the Contractor's Service Area acquires or has available under any other contract pursuant to Federal Reclamation law.

OPERATION AND MAINTENANCE BY THE OPERATING NON-FEDERAL ENTITY

28. Omitted.

CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

29. The expenditure or advance of any money or the performance of any obligation of the United States under this Contract shall be contingent upon appropriation or allotment of funds. Absence of appropriation or allotment of funds shall not relieve the Contractor from any obligations under this Contract. No liability shall accrue to the United States in case funds are not appropriated or allotted.

BOOKS, RECORDS, AND REPORTS

30. (a) The Contractor shall establish and maintain accounts and other books and records pertaining to administration of the terms and conditions of this Contract, including: the Contractor's financial transactions, water supply data, and Project land and right-of-way agreements; water use data; and other matters that the Contracting Officer may require. Reports thereon shall be furnished to the Contracting Officer in such form and on such date or dates as the Contracting Officer may require. Subject to applicable Federal laws and regulations, each party to this Contract shall have the right during office hours to examine and make copies of the other party's books and records relating to matters covered by this Contract.

(b) Notwithstanding the provisions of subdivision (a) of this Article, no books, records, or other information shall be requested from the Contractor by the Contracting Officer unless such books, records, or information are reasonably related to the administration or performance of this Contract. Any such request shall allow the Contractor a reasonable period of time within which to provide the requested books, records, or information.

(c) Omitted.

ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

31. (a) The provisions of this Contract shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this Contract or any right or interest therein shall be valid until approved in writing by the Contracting Officer.

954 (b) The assignment of any right or interest in this Contract by either party
955 shall not interfere with the rights or obligations of the other party to this Contract absent the
956 written concurrence of said other party.

957 (c) The Contracting Officer shall not unreasonably condition or withhold
958 approval of any proposed assignment.

959 SEVERABILITY

32. In the event that a person or entity who is neither (i) a party to a Project contract, nor (ii) a person or entity that receives Project Water from a party to a Project contract, nor (iii) an association or other form of organization whose primary function is to represent parties to Project contracts, brings an action in a court of competent jurisdiction challenging the legality or enforceability of a provision included in this Contract and said person, entity, association, or organization obtains a final court decision holding that such provision is legally invalid or unenforceable and the Contractor has not intervened in that lawsuit in support of the plaintiff(s), the parties to this Contract shall use their best efforts to (i) within 30 days of the date of such final court decision identify by mutual agreement the provisions in this Contract which must be revised and (ii) within three months thereafter promptly agree on the appropriate revision(s).

970 The time periods specified above may be extended by mutual agreement of the parties. Pending
971 the completion of the actions designated above, to the extent it can do so without violating any
972 applicable provisions of law, the United States shall continue to make the quantities of Project
973 Water specified in this Contract available to the Contractor pursuant to the provisions of this
974 Contract which were not found to be legally invalid or unenforceable in the final court decision.

RESOLUTION OF DISPUTES

33. Should any dispute arise concerning any provisions of this Contract, or the parties' rights and obligations thereunder, the parties shall meet and confer in an attempt to resolve the dispute. Prior to the Contractor commencing any legal action, or the Contracting Officer referring any matter to Department of Justice, the party shall provide to the other party 30-days' written notice of the intent to take such action; Provided, That such notice shall not be required where a delay in commencing an action would prejudice the interests of the party that intends to file suit. During the 30-day notice period, the Contractor and the Contracting Officer shall meet and confer in an attempt to resolve the dispute. Except as specifically provided, nothing herein is intended to waive or abridge any right or remedy that the Contractor or the United States may have.

OFFICIALS NOT TO BENEFIT

34. No Member of or Delegate to Congress, Resident Commissioner, or official of the Contractor shall benefit from this Contract other than as a water user or landowner in the same manner as other water users or landowners.

CHANGES IN CONTRACTOR'S SERVICE AREA

35. (a) While this Contract is in effect, no change may be made in the Contractor's Service Area, by inclusion or exclusion of lands, dissolution, consolidation, merger, or otherwise, except upon the Contracting Officer's written consent.

(b) Within 30 days of receipt of a request for such a change, the Contracting Officer will notify the Contractor of any additional information required by the Contracting Officer for processing said request, and both parties will meet to establish a mutually agreeable schedule for timely completion of the process. Such process will analyze whether the proposed change is likely to: (i) result in the use of Project Water contrary to the terms of this Contract;

(ii) impair the ability of the Contractor to pay for Project Water furnished under this Contract or to pay for any Federally-constructed facilities for which the Contractor is responsible; and
(iii) have an impact on any Project Water rights applications, permits, or licenses. In addition, the Contracting Officer shall comply with NEPA and ESA. The Contractor will be responsible for all costs incurred by the Contracting Officer in this process, and such costs will be paid in accordance with Article 25 of this Contract.

FEDERAL LAWS

36. By entering into this Contract, the Contractor does not waive its rights to contest the validity or application in connection with the performance of the terms and conditions of this Contract of any Federal law or regulation; Provided, That the Contractor agrees to comply with the terms and conditions of this Contract unless and until relief from application of such Federal law or regulation to the implementing provision of the Contract is granted by a court of competent jurisdiction.

NOTICES

37. Any notice, demand, or request authorized or required by this Contract shall be deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or delivered to the Area Manager, Bureau of Reclamation, 7794 Folsom Dam Road, Folsom, California 95630-1799, and on behalf of the United States, when mailed, postage prepaid, or delivered to the City Council of the City of Roseville, 2005 Hilltop Circle, Roseville, California 95747. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this Article for other notices.

CONFIRMATION OF CONTRACT

38. The Contractor, after the execution of this Contract, shall furnish to the Contracting Officer evidence that pursuant to the laws of the State of California, the Contractor is a legally constituted entity and the Contract is lawful, valid, and binding on the Contractor. This Contract shall not be binding on the United States until such evidence has been provided to the Contracting Officer's satisfaction.

CONTRACT DRAFTING CONSIDERATIONS

39. This Contract has been, negotiated and reviewed by the parties hereto, each of whom is sophisticated in the matters to which this Contract pertains. Articles 1 through 39 of the contract have been drafted, negotiated, and reviewed by the parties, and no one party shall be considered to have drafted the stated articles.

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the day and year first above written.

APPROVED AS TO LEGAL
FORM AND SUFFICIENCY
James E. Luna
OFFICE OF REGIONAL SOLICITOR
DEPARTMENT OF THE INTERIOR

UNITED STATES OF AMERICA

By: *Robert P. Anderson*
Regional Director, Mid-Pacific Region
Bureau of Reclamation

ACTING FOR

CITY OF ROSEVILLE

By: *[Signature]*
City Manager

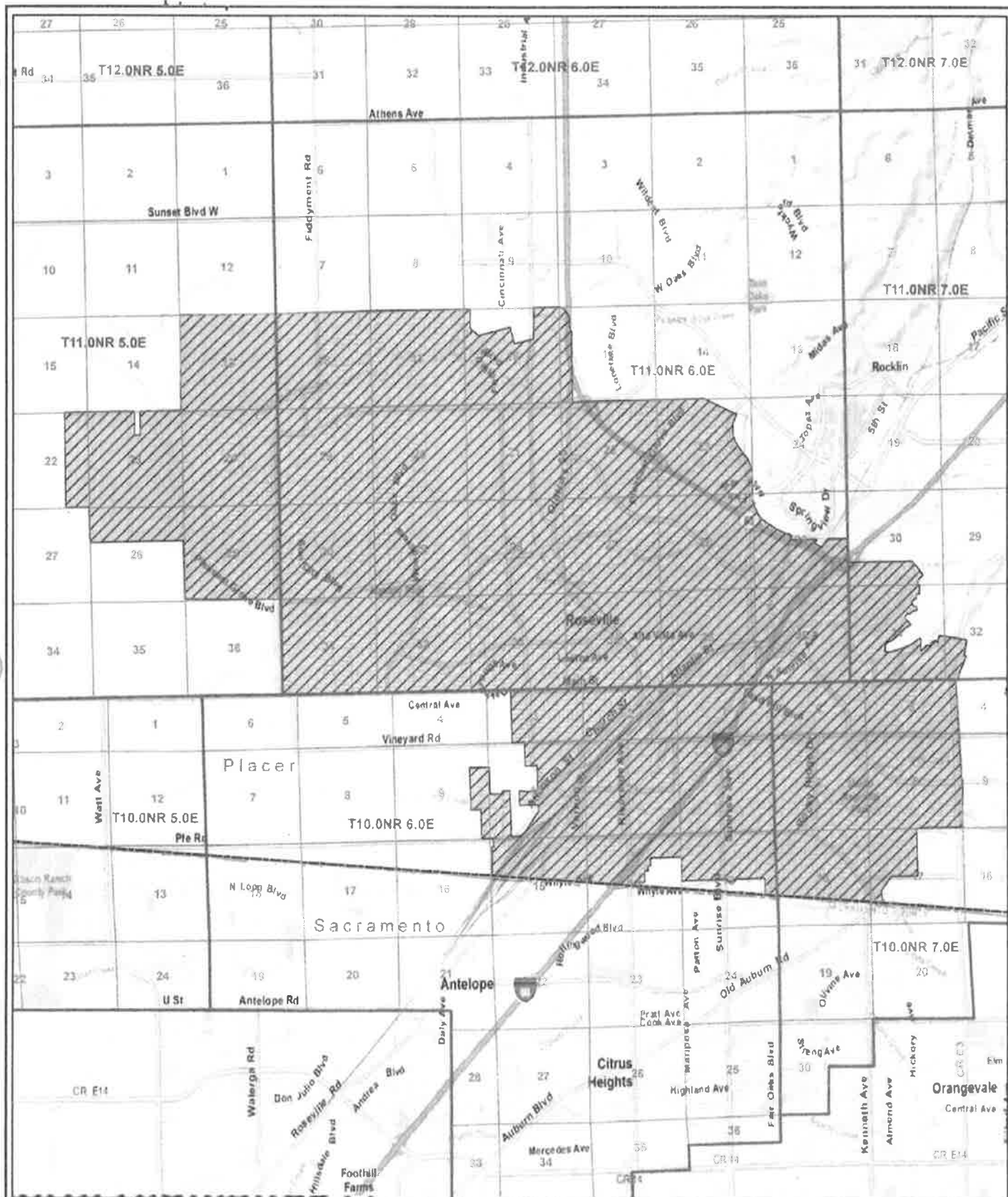
(SEAL)

Approved as to form

By: *[Signature]*
City Attorney

Attest:

By: *Ronia Orzgo*
City Clerk



District Boundary

Contractor's Service Area

City of Roseville

Exhibit A

Contract No. 14-06-200-3474A-IR1

Date: October 13, 2010

File Name: N:\Districts\Contracting\city_of_roseville\city_of_roseville_IR.mxd

0 0.5 1 2 Miles



353-202-17

CITY OF ROSEVILLE
2011 Rates and Charges
(Per Acre-Foot)
EXHIBIT B

	M&I Water
COST-OF-SERVICE (COS) RATE	
Capital Component	\$0.56
O&M Component	
Water Marketing	\$3.79
Storage	\$9.01
TOTAL COS RATE¹	\$15.00
CONTRACT RATE¹	\$9.00
CHARGES AND ASSESSMENTS (Payments in Addition to Rates)	
P.L. 102-575 Surcharges (Restoration Fund Payments) ²	\$18.59
P.L. 106-377 Assessment (Trinity Public Utilities District) ³	\$0.11

EXPLANATORY NOTES

- 1 The contract rate will be updated in the Final Rates schedule
- 2 The surcharges were determined pursuant to Title XXXIV of P.L. 102-575. Restoration Fund
- 3 The Trinity Public Utilities District Assessment is applicable to each acre-foot of water delivered from 3/1/2010-2/28/2011 and is adjusted annually.
- 4 Cost of service rate is the greatest of the CVP minimum rate of \$15.00 per acre-foot, the rate equal to the O&M rate plus deficit rate.

Recent Historic Use, as defined in the CVP M&I Water Shortage Policy, is acre-feet.

Additional details of the rate components are available on the Internet at
www.usbr.gov/mp/cvpwaterrates/.

RESOLUTION NO. 10-422

APPROVING AN INTERIM RENEWAL CONTRACT BY AND BETWEEN THE CITY OF ROSEVILLE AND UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE

WHEREAS, an Interim Renewal Contract providing for project water service from the American River Division, by and between the City of Roseville and United States Department of the Interior Bureau of Reclamation, has been reviewed by the City Council; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Roseville that said agreement is hereby approved and that the City Manager is authorized to execute it on behalf of the City of Roseville.

PASSED AND ADOPTED by the Council of the City of Roseville this 1st day of December, 2010, by the following vote on roll call:

AYES COUNCILMEMBERS: Allard, Gray, Garcia, Roccucci, Garbolino

NOES COUNCILMEMBERS: None

ABSENT COUNCILMEMBERS: None


MAYOR

ATTEST:


City Clerk

1 UNITED STATES
2 DEPARTMENT OF THE INTERIOR
3 BUREAU OF RECLAMATION
4 Central Valley Project, California

5 INTERIM RENEWAL CONTRACT BETWEEN THE UNITED STATES
6 AND
7 THE CITY OF ROSEVILLE
8 PROVIDING FOR PROJECT WATER SERVICE

9 THIS CONTRACT, made this 28 day of February, 2017,
10 in pursuance generally of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory or
11 supplementary thereto, including, but not limited to, the acts of August 26, 1937 (50 Stat. 844),
12 as amended and supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented,
13 June 21, 1963 (77 Stat. 68), October 12, 1982 (96 Stat. 1263), October 27, 1986 (100 Stat. 3050),
14 as amended, and Title XXXIV of the Act of October 30, 1992 (106 Stat. 4706), all collectively
15 hereinafter referred to as Federal Reclamation law, between the UNITED STATES OF
16 AMERICA, hereinafter referred to as the United States, and the CITY OF ROSEVILLE,
17 hereinafter referred to as the Contractor, a public agency of the State of California, duly
18 organized, existing, and acting pursuant to the laws thereof;

19 WITNESSETH, That:

20 EXPLANATORY RECITALS

21 WHEREAS, the United States and the Contractor entered into the interim
22 renewal contract identified as Contract No. 14-06-200-3474A-IR1, hereinafter referred to as
23 IR1, which provided for the continued water service to the Contractor effective from
24 January 1, 2011, through February 28, 2013; and

25 WHEREAS, the United States and the Contractor have entered into a
26 successive renewal of IR1, which is Contract No. 14-06-200-3474A-IR3, hereinafter referred
27 to as IR3, effective from March 1, 2015, through February 28, 2017; and

28 WHEREAS, the United States and the Contractor have made significant progress
29 in their negotiations of a long-term renewal contract, believe that further negotiations on the
30 long-term renewal contract would be beneficial, and mutually commit to continue to negotiate to
31 seek to reach agreement, but anticipate that the environmental documentation necessary for
32 execution of any long-term renewal contract may be delayed for reasons beyond the control of
33 the parties; and

34 WHEREAS, the Contractor has requested a subsequent interim renewal contract
35 pursuant to Article 2 of IR1; and

36 WHEREAS, the United States has determined that the Contractor has to date
37 fulfilled all of its obligations under IR3; and

38 WHEREAS, the United States is willing to renew IR3 pursuant to the terms and
39 conditions set forth below;

40 NOW, THEREFORE, in consideration of the mutual and dependent covenants
41 herein contained, it is hereby mutually agreed by the parties hereto as follows:

42 RENEWAL AND REVISION OF
43 CONTRACT NO. 14-06-200-3474A-IR3

44 1. Except as specifically modified by this contract, all provisions of IR3 are renewed
45 with the same force and effect as if they were included in full text with the exception of Article 1
46 of IR3 thereof, which is revised as follows:

47 (a) The first sentence in subdivision (a) of Article 1 of IR3 is modified as
48 follows: "This Contract shall be effective from March 1, 2017, and shall remain in effect

49 through February 28, 2019, and thereafter will be renewed as described in Article 2 of IR1 if a
50 long-term renewal contract has not been executed with an effective commencement date of
51 March 1, 2019."

52 (b) Subdivision (b) of Article 1 of IR3 is amended by deleting the date
53 "February 28, 2017," and replacing same with the date "February 28, 2019."

54 IN WITNESS WHEREOF, the parties hereto have executed this Contract as of
55 the day and year first above written.

56 APPROVED AS TO LEGAL
FORM AND SUFFICIENCY
Steph L. R. Pah
OFFICE OF REGIONAL SOLICITOR
DEPARTMENT OF THE INTERIOR

UNITED STATES OF AMERICA

57 By: *Robert R. Pah*
58 Regional Director, Mid-Pacific Region
59 Bureau of Reclamation
ACTING FOR

60 (SEAL)

61 CITY OF ROSEVILLE

62 By: *[Signature]*
63 City Manager

64 Approved as to form:

65 By: *Robert R. Schmitt*

66 City Attorney

67 Attest:

68 By: *Donna Crozza*

69 City Clerk

RESOLUTION NO. 17-72

APPROVING AN INTERIM RENEWAL CONTRACT BETWEEN THE CITY OF ROSEVILLE AND THE UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU OF RECLAMATION, AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE

WHEREAS, an interim renewal contract providing for Project Water Service between the City of Roseville and United States Department of the Interior, Bureau of Reclamation, has been reviewed by the City Council;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Roseville that said extension through February 28, 2017, is approved and that the City Manager is authorized to execute it on behalf of the City of Roseville upon receipt and approval of all signed documents by the City Attorney.

PASSED AND ADOPTED by the Council of the City of Roseville this 15th day of February, 2017, by the following vote on roll call:

AYES COUNCILMEMBERS: Gore, Alvord, Herman, Allard, Rohan

NOES COUNCILMEMBERS: None

ABSENT COUNCILMEMBERS: None



MAYOR

ATTEST:


City Clerk

RESOLUTION NO. 17-72

APPROVING AN INTERIM RENEWAL CONTRACT BETWEEN THE CITY OF ROSEVILLE AND THE UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU OF RECLAMATION, AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE

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PASSED AND ADOPTED by the Council of the City of Roseville this 15th day of February, 2017, by the following vote on roll call:

AYES COUNCILMEMBERS: Gore, Alvord, Herman, Allard, Rohan

NOES COUNCILMEMBERS: None

ABSENT COUNCILMEMBERS: None



MAYOR

ATTEST:


City Clerk



Notice of CEQA Statutory Exemption

To: Placer County Clerk
Recorder's Office
2954 Richardson Drive
Auburn, CA 95603

From: City of Roseville
Environmental Utilities Dept.
2005 Hilltop Circle
Roseville, CA 95747

Project Title: U.S. Bureau of Reclamation (USBR) Interim Water Supply Contract

Project Location(s): Under the Interim Water Supply Contract (Interim Contract) raw water would continue to be supplied from USBR's Folsom Reservoir and delivered to the City's Barton Road Water Treatment Plant where it would be treated and subsequently delivered to City of Roseville water customers.

Project Description: The Environmental Utilities Department proposes entering into an Interim Water Supply contract with the USBR to continue water deliveries to the City. The existing contract is set to expire on February 28, 2019. An interim contract is needed to allow USBR additional time to complete National Environmental Policy Act (NEPA) review of the direct and indirect impacts and benefits of implementing a long-term water service contract. The Interim Contract would allow for continued delivery of up to 32,000 acre-ft of water supply during normal water supply conditions at the actual cost of service incurred by the USBR. These are generally the same conditions that apply to the existing contract.

Public Agency Approving Project: Roseville City Council

Agency/Individual Carrying Out Project: City of Roseville Environmental Utilities Department

Reason why this Project is Exempt: This project is Statutorily Exempt as an Ongoing Project as defined in Section 15261 of the State CEQA Guidelines which states:

"If a project being carried out by a public agency was approved prior to November 23, 1970, the project shall be exempt from CEQA..."

The current contract was approved by the City and USBR on September 9, 1967 and consequently the Statutory Exemption applies to the Interim Contract.

Lead Agency Contact Person: Sean Bigley, Environmental Utilities Department, 2005 Hilltop Circle, Roseville, CA 95747. (916) 774 5513.

Signature:


Mark J. Morse, Environmental Coordinator
City of Roseville

Date: 11-21-18



COUNCIL COMMUNICATION

CC #: 9759
File #: 0800-02

Title: South Placer Wastewater Authority - Second Amended and Restated Joint Exercise of Powers Agreement, Funding Agreement, and Operation and Use Agreement
Contact: Kenneth Glotzbach 916-774-5754 kglotzbach@roseville.ca.us

Meeting Date: 1/16/2019
Item #: 6.9.

RECOMMENDATION TO COUNCIL

Staff recommends that City Council adopt a resolution authorizing the City's representatives on the South Placer Wastewater Authority (SPWA) Board to approve the Second Amended and Restated South Placer Wastewater Authority (SPWA) JPA, Funding, and Operations Agreements and authorize the City Manager to execute the agreements on behalf of the City Council following SPWA Board approval.

BACKGROUND

On October 1, 2012, the City of Roseville, along with its partner agencies, the South Placer Municipal Utility District (SPMUD) and the County of Placer (County), executed an Amended and Restated Joint Exercise of Power Agreement (JPA) for the South Placer Wastewater Authority (SPWA). After the formation of the JPA (circa 2000) and execution of the original agreements, it became apparent that the growth in the County was not occurring as anticipated. The possibility of changes in growth conditions were anticipated when the JPA was formed, as was the responsibility of the partner agencies to respond to these changed conditions. The original agreements and formation principles worked as planned to respond to the changes in growth patterns in the service area and led to the 2012 agreement amendments.

Staff from the Authority partners have been developing agreement changes to address the underfunding of one of the partners. In a collaborative effort, staff from the respective agencies developed a reallocation strategy that redistributes debt liability incurred since the Joint Powers Authority (JPA) was formed. The requested approval will act on three amended agreements:

- 1) Second Amended JPA Agreement (Attachment 1);
- 2) Second Amended and Restated Funding Agreement (Attachment 2); and
- 3) Second Amended and Restated Operations Agreement (Attachment 3).

The following provides a summary of changes made in each agreement and what changes were incorporated into the existing agreements and how these changes financially impact a new

reallocation and repayment plan.

Modified JPA Agreement

- Changes all references to the “Treasurer and Auditor of the City of Roseville” to the City’s “Chief Financial Officer.” No other changes made.
- Minor housekeeping changes such as notifications, signatories and titles.

Amended and Restated Funding Agreement

- Memorializes, among other things, (i) the reallocation of the parties’ Proportionate Shares, (ii) the modification of provisions concerning future capacity usage, and (iii) the City’s assumption of responsibility for the reclaimed/recycled water infrastructure;
- Memorializes a requirement for each Partner to contribute to the Rate Stabilization Fund annually, as necessary, to alleviate any individual Rate Stabilization Fund deficits.
- Defines Reclaimed Water and Recycled Water. Reclaimed Water is interchangeable with Recycled Water.
- Each Participant’s Proportionate Share of debt service shall be as follows:
 - City: 64.57%
 - County: 13.48%
 - District: 21.95%
- The 2012 Funding Agreement Proportionate Shares incorporated a disproportionate share of excess Ultra-Violet (UV) capacity to the County. The foregoing Proportionate Shares have been revised in this Agreement to account for a reallocation of UV cost percentages to match the treatment capacity cost percentages and to account for total debt liability. As of the date of this Agreement, any overpayments or underpayment as a result of this revision made by the Participants shall be applied to the associated Participants Rate Stabilization Fund Subaccount balance. This revision eliminates the County’s negative subaccount balance and shifts UV capacity ownership to the City.
- Any Participant that enters a Rate Stabilization Fund deficit due to slower than expected development in any fiscal year shall contribute an amount equal to that Participants’ deficit to the Rate Stabilization Fund at the end of that fiscal year to alleviate the Rate Stabilization Fund deficit.
- Minor housekeeping changes such as notifications, signatories and titles.

Amended and Restated Operations Agreement

- The Participants have met and evaluated existing ordinances to (1) incorporate provisions enforcing inflow and infiltration reductions, and (2) ensure uniform methods of categorizing and calculating the Regional Connection Fee.
- Eliminates references to Sabre City in the County’s Service Area.
- Minor housekeeping changes such as notifications, signatories and titles.

FISCAL IMPACT

There is no immediate fiscal impact. As a result of the shift in the UV capacity ownership, the County’s negative subaccount balance increases to a positive position. SPMUD’s subaccount balance also increases and the City’s subaccount balance decreases by an amount matching the increases.

As of June 30, 2018, these changes are:

--	--	--

County	Before (\$4.19)M	After \$2.72M
SPMUD	\$52.75M	\$54.01M
City	\$74.97M	\$66.80M

These changes increase Roseville's capacity ownership in the UV system constructed at the two treatment plants which is expected to be fully utilized by anticipated City growth. The changes also eliminate the County's negative subaccount balance which improves the SPWA's credit position when future infrastructure financing arrangements are made.

ECONOMIC DEVELOPMENT / JOBS CREATED

This action has no impact on economic development or local jobs.

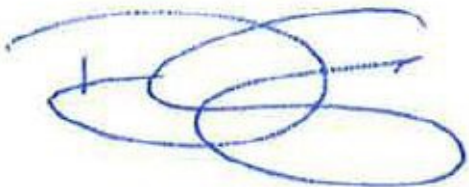
ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment (CEQA Guidelines §15061(b)(3)). Adoption of the recommended resolutions does not include the potential for a significant environmental effect, and therefore is not subject to CEQA.

Respectfully Submitted,

Kenneth Glotzbach, Wastewater Utility Manager

Richard Plecker, Environmental Utilities Director



Dominick Casey, City Manager

ATTACHMENTS:

Description

Resolution No. 19-35

Second Amended and Restated JPA Agreement Final

Resolution No. 19-36

Second Amended Restated Funding Agreement Final

Second Amended and Restated Operations Agreement

Resolution No. 19-37

RESOLUTION NO. 19-35

APPROVING THE SECOND AMENDED AND RESTATED JOINT EXERCISE OF
POWERS AGREEMENT FOR THE SOUTH PLACER WASTEWATER AUTHORITY AND
AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF
OF THE CITY OF ROSEVILLE FOLLOWING SOUTH PLACER WASTEWATER
AUTHORITY BOARD APPROVAL

WHEREAS, the Second Amended and Restated Joint Exercise of Powers Agreement for the South Placer Wastewater Authority has been reviewed by the City Council; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Roseville that said amendment is hereby approved and that the City Manager is authorized to execute it on behalf of the City of Roseville following South Placer Wastewater Authority Board Approval.

PASSED AND ADOPTED by the Council of the City of Roseville this ____ day of _____, 20__, by the following vote on roll call:

AYES COUNCILMEMBERS:

NOES COUNCILMEMBERS:

ABSENT COUNCILMEMBERS:

MAYOR

ATTEST:

City Clerk

**SECOND AMENDED AND RESTATED
JOINT EXERCISE OF POWERS AGREEMENT
FOR THE
SOUTH PLACER WASTEWATER AUTHORITY**

THIS SECOND AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT (the “Agreement”) is made effective as of the 31st day of January, 2019, by and among the **CITY OF ROSEVILLE**, a charter city duly organized and existing under the laws of the State of California (the “City”), the **SOUTH PLACER MUNICIPAL UTILITY DISTRICT**, a municipal utility district duly organized and existing under the laws of the State of California (the “District”), and the **COUNTY OF PLACER**, a political subdivision duly organized and existing under the laws of the State of California (the “County”).

RECITALS

- A. WHEREAS, the City, the District, and the County have the common powers to acquire real property and to plan, finance, acquire, construct, own, and operate wastewater facilities; and
- B. WHEREAS, the City, the District, and the County have determined that the public interest will be served by the joint exercise of these powers through this Agreement and the creation of a joint powers authority with the power to plan for, finance, acquire, construct, own and operate Regional Wastewater Facilities; and
- C. WHEREAS, the City, the District, and County desire to amend the Amended and Restated Joint Exercise of Powers Agreement entered into on October 1, 2012 and concurrently herewith, will enter into the Funding Agreement and the Operations Agreement (both defined hereinafter), to provide for the funding and operation of the Regional Wastewater Facilities; and
- D. WHEREAS, the parties desire to amend this Agreement to conform the provisions hereof to the provisions of the above-referenced amended and restated agreements.

NOW THEREFORE, the parties hereto agree as follows:

AGREEMENT

1. Definitions. Words and phrases used in this Agreement shall have the meanings set forth below. Words and phrases used in common with the Funding Agreement shall have the meanings ascribed to them in the Funding Agreement, as the same may be amended from time to time. The current Funding Agreement definitions are set forth in **Exhibit A**, which Exhibit will automatically be deemed to have been amended upon any future amendments to the Funding Agreement.

Authority is defined in Section 3.

Board is defined in Subsection 7.a.

City is defined in the preamble.

County is defined in the preamble.

District is defined in the preamble.

Dry Creek Plant is defined in the Funding Agreement.

Funding Agreement means the Second Amended and Restated Funding Agreement relating to the South Placer Regional Wastewater Facilities among the Authority and the Participants dated of even date herewith.

Law is defined in Section 2 hereof.

Operations Agreement means the Second Amended and Restated Agreement regarding the Operation and Use of the South Placer Regional Wastewater Facilities among the Authority and the Participants dated of even date herewith.

Participant is defined in the Funding Agreement.

Pleasant Grove Plant is defined in the Funding Agreement.

Regional Connection Fees is defined in the Funding Agreement.

Regional Wastewater Facilities is defined in the Funding Agreement.

Related Regional Infrastructure is defined in the Funding Agreement.

2. Authority and Purpose. This Agreement is made pursuant to Chapter 5 of Division 7 of Title 1 of the California Government Code (commencing with section 6500) (the “Law”) relative to the joint exercise of powers common to the Participants. The purpose of this Agreement is to provide for the planning, financing, acquisition, ownership, construction, and operation of Regional Wastewater Facilities.

3. Creation of Authority and Jurisdiction. The Participants hereby amend and restate the agreement, dated October 1, 2000, that created the South Placer Wastewater Authority (“Authority”), a public entity separate from the City, the District, and the County. The jurisdiction of the Authority shall be the service areas served by Regional Wastewater Facilities, as those areas may be modified from time to time.

4. Term and Termination. This Agreement shall be effective as of the date first above written. It shall remain in effect until terminated in accordance with the Law by two (2) or more of the Participants; provided, however, that this Agreement may not be terminated, and no Participant may withdraw its membership, until all bonds or other instruments of indebtedness issued by the Authority, if any, have been paid in full.

5. Powers. The Authority shall have all powers necessary or reasonably convenient to carry out the purposes stated in Section 2, including, but not limited to, the following:

- a. to secure administrative office space and furnishings;
- b. to make and enter into contracts;
- c. to contract for, or employ, administrative, technical and support staff, and consultants and contractors of any kind;
- d. to acquire and maintain insurance of all types;
- e. to lease, acquire, hold, or dispose of real property by negotiation, dedication, or eminent domain;
- f. to lease, acquire, operate, maintain and dispose of materials, supplies, and equipment of all types;
- g. to construct and operate buildings and facilities of any kind, including, without limitation, Regional Wastewater Facilities;
- h. to accept, hold, invest (pursuant to the Law, including, without limitation, section 6509.5 thereof), manage, and expend monies;
- i. to levy fees and taxes, to enter into lease purchase agreements, and to issue bonds and incur other forms of indebtedness, as provided for in the Law, including, without limitation, sections 6547, 6547.1, 6547.5, and 6547.6 thereof, or any other applicable law;
- j. to form a special assessment district under any legal authority that exists now or in the future, including, without limitation, the Improvement Act of 1911 (Streets & Highways Code section 5000 *et seq.*), the Municipal Improvement Act of 1913 (Streets & Highways Code section 10000 *et seq.*), the Improvement Bond act of 1915 (Streets & Highways Code section 8500 *et seq.*), or any other authority that exists now or in the future;
- k. to form a special tax district under the Mello-Roos Community Facilities District Act or any other authority that may exist now or in the future;
- l. to negotiate and enter into reimbursement agreements when monies to construct Regional Wastewater Facilities are available;

- m. to sue and be sued; and
- n. to exercise all powers incidental to the foregoing.

6. Duties. The Authority shall have the duty to do the following within the times specified or, if no time is specified, within a reasonable time:

- a. to retain legal counsel for all Authority business, including litigation;
- b. to evaluate the need for, and acquire and maintain if necessary, liability, errors and omissions, or other insurance;
- c. to finance Regional Wastewater Facilities; and
- d. to conduct an annual audit as required by the provisions of Subsection 7.d(3).

7. Administration.

a. Governing Board -- Membership. The Authority shall be administered by a board of directors ("Board") consisting of five directors. Two directors shall be appointed by the City, one director shall be appointed by the District, and two directors shall be appointed by the County. One County-appointed director shall be a member of the County Board of Supervisors and must represent a supervisorial district which includes all or a portion of the City of Roseville; such County-appointed director shall be selected annually by the County Board of Supervisors, and shall be subject to confirmation by the Roseville City Council.

b. Meetings.

(1) Regular Meetings. The Board shall by resolution establish the number of regular meetings to be held each year and the date, hour and location at which such regular meetings shall be held; provided, that the Board shall meet at least once every six (6) months.

(2) Special Meetings. Special meetings of the Board may be called in accordance with the provisions of the Ralph M. Brown Act (California Government Code section 54950 *et seq.*).

(3) Conduct of Meetings. All meetings of the Board shall be held in accordance with the Ralph M. Brown Act (California Government Code section 54950 *et seq.*).

(4) Minutes. The Secretary of the Authority shall cause minutes of all meetings of the Board to be kept and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each member of the Board, and to the City, District, and County.

(5) Quorum. Three (3) directors of the Board shall constitute a quorum for the transaction of business. Except as provided in Section 8, actions of the Board shall require the affirmative vote of a majority of the entire Board (i.e., three (3) affirmative votes).

c. Procedures.

(1) The Board shall elect a chair from among its membership to preside at meetings and shall select a secretary who may, but need not, be a member of the Board. The Board may, from time to time, elect such other officers as the Board shall deem necessary or convenient to conduct the affairs of the Authority.

(2) The Board may adopt by resolution rules of procedure, not inconsistent with the provisions of this Agreement, to govern the conduct of its meetings.

(3) Members of the Board shall comply with Title 9 of the California Government Code, commencing with section 81000 (Political Reform Act of 1974).

d. Fiscal Matters.

(1) Chief Financial Officer.

(A) Except as provided in Subsection (B), below, the Chief Financial Officer of the City, respectively, is designated as the Chief Financial Officer of the Authority with the powers, duties, and responsibilities specified in the Law, including, without limitation, sections 6505 and 6505.5 thereof.

(B) In lieu of the designations in Subsection (A), above, the Board may appoint one or more of its employees to the position of Chief Financial Officer as provided in the Law, including, without limitation, section 6505.6 thereof.

(2) Custodian of Property. The Chief Financial Officer of the Authority shall be the public officers who have charge of, handle, and have access to, the Authority's property and shall file with the Authority an official bond in the amount set by the Board.

(3) Accounts and Reports. The Board shall establish and maintain such funds and accounts as may be required by good accounting practice. The books and records of the Authority shall be open to inspection at all reasonable times to the County, the City and the District, and their respective representatives. The accounts shall be prepared and maintained by the Chief Financial Officer of the Authority. The Authority, within one hundred twenty (120) days after the close of each fiscal year, shall cause an independent audit of all financial activities for such fiscal year to be prepared by an independent certified public accountant employed by the Authority. The Authority shall promptly deliver copies of the audit report to the Participants.

(4) Budgets. The Board shall adopt a budget no later than ninety (90) days after the effective date of this Agreement and no later than June 30th of each year thereafter.

(5) Contributions. The Participants shall pay to the Authority the contributions to be specified in the Funding Agreement.

8. Voting. Notwithstanding Subsection 7.b, the following actions may only be taken as set forth below:

- a. The affirmative vote of at least four (4) Board members is required to set reserves, or authorize expenditures, for future expansions of Regional Wastewater Facilities.
- b. The affirmative vote of at least five (5) Board members is required:
 - (1) to authorize the issuance and sale, refinancing, or early redemption, of bonds; or
 - (2) to impose fees or assessments (other than the Regional Connection Fee), levy taxes, or order the formation of an assessment or special district.

9. Exercise of Powers. The powers and duties which (a) are common to the Participants, and (b) are vested in the Authority only by virtue of this Agreement, and are not independent powers and duties which arise by virtue of the Law, shall be exercised and carried out subject only to such restrictions upon the manner of exercising such powers or carrying out such duties as are imposed upon the City of Roseville in the exercise of similar powers or in carrying out similar duties, as provided in section 6509 of the Law.

10. Fiscal Year. The fiscal year of the Authority shall be the period from July 1st of each year to and including the following June 30th.

11. Debts, Liabilities and Obligations. The debts, liabilities, and obligations of the Authority shall not constitute debts, liabilities, or obligations of the County, the City, or the District, either jointly or severally.

12. Liability of Board, Officers and Employees.

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

b. To the extent authorized by California law, no member of the Board, officer, or employee of the Authority shall be responsible for any action made, taken, or omitted, by any

other member of the Board, officer, or employee. No member of the Board, officer, or employee of the Authority shall be required to give a bond or other security to guarantee the faithful performance of his or her duties pursuant to this Agreement, except as provided in Subsection 7.d(2).

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

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

14. Disposition of Property. Upon termination of this Agreement, the Authority shall convey all assets of the Authority to the City. Thereafter, the City shall use such assets of the Authority for the benefit of the City, District and County, as set forth in the Operations Agreement and the Funding Agreement.

15. Severability. Should any part, term, or provision of this Agreement be decided by the courts to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining portions or provisions shall not be affected thereby.

16. Successors; Assignment. This Agreement shall be binding upon and shall inure to the benefit of the successors of the Participants. No Participant may assign any rights or obligations hereunder without the consent of the other Participants; provided, further, that no such assignment may be made if it would materially and adversely affect (a) the rating of bonds issued by the Authority, or (b) bondholders holding such bonds.

17. Amendments. This Agreement may be amended only by the unanimous written agreement of the Participants. So long as any bonds of the Authority are outstanding and unpaid, or funds are not otherwise set aside for the payment or redemption thereof in accordance with the terms of the bonds and the documentation relating thereto, this Agreement shall not be amended, modified or otherwise revised, changed or rescinded, unless the Participants have first complied with the procedures required to amend the indenture for said Bonds.

18. Notices. Any notices to Participants required by this Agreement shall be delivered or mailed, U.S. first class, postage prepaid, addressed as follows:

CITY OF ROSEVILLE
Environmental Utilities Department
2005 Hilltop Cir.
Roseville, CA 95747
Attention: Environmental Utilities Director

With a copy to:
Roseville City Attorney
311 Vernon St.
Roseville, CA 95678
Attention: City Attorney

Finance Department
311 Vernon St., Room 206
Roseville, CA 95678
Attention: Finance Director

SOUTH PLACER MUNICIPAL UTILITY
DISTRICT
5807 Springview Dr.
Rocklin, CA 95677
Attention: General Manager

With a copy to:
District's General Counsel
Hill Rivkins Brown & Associates
11140 Fair Oaks Boulevard, Suite 100
Fair Oaks, CA 95628
Attention: Adam Brown

COUNTY OF PLACER
Department of Public Works
Environmental Engineering Division
11476 "C" Avenue
Auburn, CA 95603
Attention: Director

With a copy to:
Placer County Counsel
175 Fulweiler Avenue
Auburn, CA 95603
Attention: County Counsel

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

19. Counterparts. This Agreement may be executed in any number of counterparts, and by different parties in separate counterparts, each of which, when executed and delivered, shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Participants have entered into this Agreement effective as of the date first above written.

CITY OF ROSEVILLE

BY: _____
Dominick Casey
City Manager

ATTEST:

BY: _____
Sonia Orozco
City Clerk

APPROVED AS TO FORM:

BY: _____
Robert R. Schmitt
City Attorney

APPROVED AS TO SUBSTANCE:

BY: _____
Richard D. Plecker
Environmental Utilities Director

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

BY: _____

Herb Niederberger

General Manager

APPROVED AS TO FORM:

BY: _____

Adam Brown

District Counsel

ATTEST:

BY: _____

Joanna Belanger

Secretary to the Board of Directors

COUNTY OF PLACER

BY: _____

Chair, Board of Supervisors

APPROVED AS TO FORM:

BY: _____

County Counsel

ATTEST:

BY: _____

Clerk, Board of Supervisors

EXHIBIT A

Funding Agreement Definitions (as of January 1, 2019)

2011 Bonds means the following Authority bonds issued in 2011: (i) South Placer Wastewater Authority Wastewater Revenue Refunding Bonds, Series 2011A (Variable Rate Demand Bonds); (ii) South Placer Wastewater Authority Wastewater Revenue Refunding Bonds, Series 2011B (Variable Rate Demand Bonds); (iii) South Placer Wastewater Authority Wastewater Revenue Refunding Bonds, Series 2011C; and (iv) South Placer Wastewater Authority Wastewater Revenue Refunding Bonds, Series 2011D (SIFMA Index Bonds).

2011 Bond Debt Service means Debt Service due on the 2011 Bonds.

2011 Bond Documents means the Indenture, this Agreement, the Official Statement and other ancillary documents relating to credit enhancement, liquidity, and other matters relating to the 2011 Bonds, including the purchase of the 2011 Bonds.

Aggregate Rate Stabilization Fund Draw means, for any Computation Period, the amount actually withdrawn from the Rate Stabilization Fund to pay Debt Service during such Computation Period.

Authority is defined in the preamble.

Available Local Connection Fees means Local Connection Fees that may be used to pay Debt Service. A Participant assessing Local Connection Fees shall, on a case-by-case basis, determine whether such Local Connection Fees are so usable.

Average Dry Weather Flow means the average daily wastewater flow into the Regional Wastewater Facilities, measured from July 1st through September 30th of each year.

Bond Documents means the 2011 Bond Documents and any Parity Bonds Instrument(s).

Bond Redemptions means funds sent by the Authority to the Trustee accompanied by irrevocable instructions to the Trustee that such funds are to be applied to the redemption of Bonds in accordance with the optional redemption provisions of the Indenture and any Parity Bonds Instrument.

Bonds means, collectively, the 2011 Bonds and any Parity Bonds, issued and at any time outstanding under the Indenture or any Parity Bonds Instrument, respectively.

Capital Costs means both direct and incidental costs of the planning, permitting, design,

acquisition and construction of Regional Wastewater Facilities, including, without limitation, the following: (a) site acquisition, including, without limitation, administration, surveys, appraisals, legal fees, costs of litigation, and title insurance; (b) engineering costs, including, without limitation, administration, investigation, tests, design, survey, construction supervision, and inspection; (c) construction costs, including, without limitation, Bond interest during construction; (d) preliminary project costs paid, and advance payments made, by the City, the County, or the District; (e) Debt Service and issuance costs on Bonds; (f) reserve requirements for Bonds; (g) capital reserve requirements relating to Regional Wastewater Facilities; and (h) administrative costs, including, without limitation, legal fees, consultant fees, and costs of Participant personnel working on the acquisition and construction of Regional Wastewater Facilities.

City is defined in the preamble.

Computation Period means a Fiscal Year, unless another period of time is required by any applicable Bond Document.

County is defined in the preamble.

Debt Service means, for any Computation Period, the sum of (a) the interest accruing on all Bonds during such Computation Period, assuming that all Bonds are retired as scheduled, plus (b) the principal amount (including principal due as sinking fund installment payments) allocable to all Bonds in such Computation Period, calculated as if such principal amounts were deemed to accrue daily during such Computation Period in equal amounts from, in each case, each payment date for principal or the date of delivery of such Bonds (provided that principal shall not be deemed to accrue for greater than a 365-day period prior to any payment date), as the case may be, to the next succeeding payment date for principal; provided, that the following adjustments shall be made to the foregoing amounts in the calculation of Debt Service:

(1) with respect to any such Bonds bearing or comprising interest at other than a fixed interest rate, the rate of interest used to calculate Debt Service shall be (A) with respect to such Bonds then outstanding, one hundred ten percent (110%) of the greater of (I) the daily average interest rate on such Bonds during the twelve (12) calendar months next preceding the date of such calculation (or the portion of the then current Computation Period that such Bonds have borne interest) or (II) the most recent effective interest rate on such Bonds prior to the date of such calculation and (B) with respect to such Bonds then proposed to be issued, the average of the Revenue Bond Index published in *The Bond Buyer* over the prior 12 months, or a comparable index if the Revenue Bond Index is no longer published;

(2) with respect to any such Bonds having twenty percent (20%) or more of the aggregate principal amount thereof due in any one Computation Period, Debt Service shall be calculated for the Computation Period of determination as if the interest on and principal of such Bonds were being paid from the date of incurrence thereof in

substantially equal annual amounts over a period of thirty (30) years from the date of such Bonds; provided, however, that the full amount of such Bonds shall be included in Debt Service if the date of calculation is within 24 months of the actual maturity of the payment;

(3) with respect to any such Bonds or portions thereof bearing no interest but which are sold at a discount and which discount accretes with respect to such Bonds or portions thereof, such accreted discount shall be treated as due when scheduled to be paid;

(4) Debt Service shall not include interest on Bonds which is to be paid from amounts constituting capitalized interest; and

(5) if an interest rate swap agreement is in effect with respect to, and is payable on a parity with, any Bonds to which it relates, no amounts payable under such interest rate swap in excess of debt service payable under such Parity Bonds Instrument shall be included in the calculation of Debt Service unless the sum of (A) the interest payable on such Bonds, plus (B) the amounts payable by the Authority or the Participant under such interest rate swap agreement, less (C) the amounts receivable by the Authority or the Participant under such interest rate swap agreement, are greater than the interest payable on such Bonds, in which case the amount of such payments to be made that exceed the interest to be paid on such Bonds shall be included in such calculation, and for this purpose, the variable amount under any such interest rate swap agreement shall be determined in accordance with the procedure set forth in Subsection (1) of this definition.

Debt Service Fund means the fund of that name created under the Indenture, or an equivalent fund created under any Parity Bonds Instrument, as applicable.

District is defined in the preamble.

Dry Creek Plant means the regional wastewater treatment plant owned and operated by the City for the mutual benefit of the Participants and known as the “Dry Creek Wastewater Treatment Plant.”

EDU's means “equivalent dwelling units,” which is the measure by which City, District, and County calculate their Regional Connection Fees. The Participants shall coordinate the definition of EDU's in their respective codes and ordinances, such that Regional Connection Fees collected are equivalent with regards to land use types, size, and density of structures.

Enterprise Fund means, (a) as to the City, the Operational and Rehabilitation Funds maintained by the City; (b) as to the County, the following funds maintained by the County: (1) Sewer Maintenance District No. 2, Fund 503, Subfund 2; and (2) CSA 28, Zone 2A3, Sunset Sewer, Fund 502, Subfund 2; (c) CSA 28, Zone 173, Dry Creek, Fund 502, Subfund 55; and (d) as to the District, the Enterprise Fund maintained by the District.

Event of Default means:

(a) Default in the due and punctual payment of any amounts required to be paid hereunder by a party hereto, when and as the same shall become due and payable; or

(b) Default by a party in the observance of any other covenants, agreements or conditions on its part in this Agreement, or in any Bond Document, and such default shall have continued for a period of thirty (30) days after that party shall have been given notice in writing of such default by the Trustee, or any other party hereto; provided, however, that if any such default is not reasonably curable within such thirty (30) day period, the applicable party shall not be deemed to be in default if such party commences to cure the default within such thirty (30) day period and diligently pursues such cure to completion.

Fiscal Year means the period of time beginning on July 1st of any year and ending on June 30th of the following year, or any other twelve (12) month period agreed to in writing by all of the Participants.

Indenture means, collectively and individually, the Wastewater Revenue Bond Indenture, and the First, Second, Third and Fourth Supplemental Wastewater Revenue Bond Indentures, each dated as of April 1, 2011, between the Authority and the Trustee, under which the 2011 Bonds were issued.

Individual Rate Stabilization Fund Draw means, as to each Participant, for any Computation Period, the amount actually withdrawn from the account created for such Participant in the Rate Stabilization Fund to pay such Participant's Proportionate Share of Debt Service during such Computation Period.

Interest Payment Date means any date on which interest is payable on the 2011 Bonds under the terms of the Indenture and any Parity Bonds Instrument.

JPA Agreement is defined in Recital A.

Local Connection Fees means connection fees imposed and collected by a Participant, pursuant to the applicable provisions of the Roseville Municipal Code, District ordinances, or County ordinances, as applicable, for the purpose of funding expansions or modifications of, and/or improvements to, the Participant's System.

MGD means millions of gallons per day.

Minimum Level means, when used to describe the amount contained in the Rate Stabilization Fund, an amount equal to the lesser of: (a) Debt Service due in the two (2) Fiscal Years occurring immediately after the calculation is made, and (b) the amount required to redeem or retire all Bonds.

Operations Agreement means that certain Agreement Regarding the Operation and Use of the South Placer Regional Wastewater Facilities made by and among the Authority and the Participants of even date herewith, as amended by the Amended and Restated Agreement Regarding the Operation and Use of the South Placer Regional Wastewater Facilities dated of even date herewith.

Other Superseded Agreements means, collectively, the following agreements between the parties and/or their predecessors: (i) Agreement Relating to the Construction and Operation of a Regional Sewage Treatment Plant between the City and Rocklin-Loomis Municipal Utility District (the District's predecessor), dated as of July 5, 1973, and amended on October 15, 1975, June 17, 1981, and May 6, 1987 (collectively, the "Dry Creek Agreements"); (ii) Agreement for Sewer Services Regarding Placer County Sewer Maintenance District No. 2; Placer County Service Area No. 28, Zone 2, A-3; Placer County Service Area No. 28, Zone 55; and the Dry Creek-West Placer Community Plan Area between the City and the County, dated January 17, 1996 (the "Roseville/Placer County Agreement"); (iii) Preliminary Agreement Between and Among the City of Roseville, the South Placer Municipal Utility District and the County of Placer Regarding the Pleasant Grove Wastewater Treatment Plant, between the City and the County, dated May 19, 1998, and a separate agreement between the City and the District bearing the same title and containing substantially the same provisions, dated October 21, 1998 (collectively, the "Preliminary Agreement"); and (iv) the Settlement Agreement among the City, the County and the District, in settlement of the litigation entitled *City of Roseville vs. South Placer Municipal Utility District*, Sacramento County Superior Court Case No. 98AS02099 (the "Settlement Agreement").

Parity Bonds means all bonds, notes or other obligations (including without limitation long-term contracts, loans, sub-leases or other legal financing arrangements) of the Authority, the proceeds of which are applied to the acquisition and construction of Regional Wastewater Facilities, payable from and secured by a pledge of and lien upon any of the Participant Net Revenues, and issued or incurred pursuant to the Indenture.

Parity Bonds Instrument means the resolution, trust indenture or installment sale agreement adopted, entered into or executed and delivered by the Authority, and under which Parity Bonds are issued.

Participant means, individually, the City, the County, or the District. Participants means, collectively, the City, the County and the District.

Participant Gross Revenues means, for any Computation Period, all amounts received for, arising from, and all other income and revenues derived by a Participant from, the ownership or operation of such Participant's System and such Participant's use of Regional Wastewater Facilities, excluding Regional Connection Fees and Local Connection Fees other than Available Local Connection Fees.

Participant Net Revenues means, with respect to each Participant, such Participant's Gross Revenues less such Participant's Operation and Maintenance Costs, for any Computation Period.

Participant Operation and Maintenance Costs or Participant's Operation and Maintenance Costs means, for any given period, the reasonable and necessary costs (both direct and incidental) of operating and maintaining the facilities which comprise a Participant's System during such period, as well as the Participant's share of Regional Operation and Maintenance Costs, calculated on sound accounting principles, including (among other things) the reasonable expenses of management and repair and other expenses necessary to maintain and preserve such facilities in good repair and working order, and reasonable amounts for administration, overhead, insurance, taxes (if any), labor, materials, water, electricity, natural gas, chemicals, employee bonds, vehicles, communications equipment, preventive maintenance, sludge disposal, environmental remediation, engineering services, analytical testing services, rents, right-of-way charges, recycled water operations costs, legal judgments and assessments, other support services, and other similar costs, but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor, debt service and amortization of intangibles or other book-keeping entries of a similar nature.

Participant Parity Obligations means, as to each Participant, all bonds, notes or other obligations (including without limitation long-term contracts, loans, sub-leases or other legal financing arrangements), payable from Participant Net Revenues on a parity with the Participant's obligation to pay its Proportionate Share of Debt Service.

Participant System or Participant's System means, as to each Participant, the facilities of such Participant (excluding Regional Wastewater Facilities, if any, owned by such Participant) for the collection, transmission and disposal of wastewater to or through the Regional Wastewater Facilities, together with necessary pipes, pumps, valves and machinery and lands, easements and rights of way therefor; and other works, properties or structures necessary or convenient for the collection, transmission and disposal of wastewater, including all additions, betterments, extensions and improvements to such facilities or any part thereof.

Paying Participant is defined in Subsection 9.f(3).

Phase I Capacity means the wastewater treatment capacity actually provided by the first phase of the Pleasant Grove Plant (9.5 MGD). On the date the Pleasant Grove Plant begins wastewater treatment operations, the Participants' usage of Phase I Capacity shall be zero, notwithstanding the diversion of wastewater from the Dry Creek Plant, as set forth below. From and after that date, all increases in the Participants' usage of the wastewater treatment capacity of the Regional Wastewater Facilities shall be deemed to be usage of Phase I Capacity, until the entire amount of Phase I Capacity is used.

Pleasant Grove Plant means the regional wastewater treatment plant owned and operated by the City for the mutual benefit of the Participants and known as the "Pleasant Grove

Wastewater Treatment Plant.”

Proportionate Share means the percentage allocations among the Participants determined in accordance with Section 12.

Proportional Volumetric Share means the proportion of total yearly wastewater volume entering the Regional Wastewater Facilities that is attributable to the City, the District or the County, as applicable. The City shall determine, using information supplied by all Participants, the total yearly wastewater volume and each Participant’s Proportional Volumetric Share on a Fiscal Year basis.

Rate Covenant Debt Service means, as to each Participant, such Participant’s Proportionate Share of Debt Service, less the sum of (a) such Participant’s Individual Rate Stabilization Fund Draw, and (b) any amounts paid on behalf of such Participant pursuant to Section 9.f(3).

Rate Stabilization Fund means the fund into which all Regional Connection Fees are deposited. The Rate Stabilization Fund may be held by the City in trust for the benefit of the Authority, in which event references in this Agreement to payments made, or received, by the Authority, shall be deemed to refer to payments made, or received, by the City on the Authority’s behalf.

Reclaimed Water means treated wastewater that can be used for other purposes such as irrigation. Reclaimed Water is interchangeable with Recycled Water.

Recycled Water means treated wastewater that can be used for other purposes such as irrigation. Recycled Water is interchangeable with Reclaimed Water.

Regional Connection Fees means the connection fees imposed and collected by the Participants, pursuant to the applicable provisions of the Roseville Municipal Code, District ordinances, and County ordinances, for the purpose of funding expansions or modifications of, and/or improvements to, Regional Wastewater Facilities. If any Participant contributes additional amounts pursuant to Subsection 10.c in lieu of enacting and enforcing the minimum Regional Connection Fee recommended by the Authority, such additional amounts shall be deemed to be Regional Connection Fees for purposes of this Agreement.

Regional Operation and Maintenance Costs means, for any given period, the reasonable and necessary costs (both direct and incidental) of operating and maintaining Regional Wastewater Facilities during such period, calculated on sound accounting principles, including (among other things) the reasonable expenses of management and repair and other expenses necessary to maintain and preserve Regional Wastewater Facilities in good repair and working order, and reasonable amounts for administration (including, without limitation, costs of administration of the Participants’ industrial pretreatment programs by the City, but only to the extent such costs are not chargeable to significant industrial users pursuant to Roseville

Municipal Code Chapter 14.26), overhead, insurance, taxes (if any), labor, materials, water, electricity, natural gas, chemicals, employee bonds, vehicles, communications equipment, improvements, replacements and rehabilitations, preventive maintenance, sludge disposal, environmental remediation, engineering services, analytical testing services, rents, right-of-way charges, legal judgments and assessments (including, without limitation, enforcement actions of the California Regional Water Quality Control Board), and other similar costs. Credit items, such as all salvage value of Regional Wastewater Facilities, and revenue from the sale of sludge or other products, except for reclaimed and recycled water, shall be credited first to Regional Operation and Maintenance Costs and then to each of the Participants based on their Proportional Volumetric Share.

Regional Wastewater Facilities means the Pleasant Grove Plant, the Dry Creek Plant, any other regional treatment plants constructed by the Authority or any of the Participants in the future to facilitate wastewater collection, conveyance, treatment, recycling, discharge, and disposal services collectively to all of the Participants, and all Related Regional Infrastructure.

Related Regional Infrastructure shall mean trunk sewers, interceptor lines, force mains, pump stations, and all other wastewater infrastructure, constructed in conjunction with the Pleasant Grove Plant, the Dry Creek Plant, and/or other regional wastewater treatment plants constructed in the future, as appropriate and necessary to facilitate wastewater collection, conveyance, treatment, recycling, discharge, and disposal services collectively to all of the Participants. “Related Regional Infrastructure” shall not include trunk sewers, interceptor lines, force mains, pump stations, or any other wastewater infrastructure that (a) facilitate such services to only one or two of the Participants, or (b) are otherwise covered by other agreements providing for the apportionment of construction, operation and maintenance costs therefor, except for the agreements that are expressly superseded by this Agreement and the Operations Agreement.

Reserve Account means the account of that name created under the Indenture, or an equivalent account created under any Parity Bonds Instrument, as applicable.

Reserve Requirement has the meaning given thereto in the Indenture, or any Parity Bonds Instrument, as applicable.

Sub-Minimum Level means, for each Participant, an amount equal to the product of the Minimum Level multiplied by such Participant’s Proportionate Share.

Trustee means the Bank of New York Mellon Trust Company, N.A., which was appointed as Trustee under the Indenture, and any successor thereto. The term “Trustee” shall also mean trustee(s) under any Parity Bonds Instrument(s), as applicable.

Underfunded Participant is defined in Subsection 9.f(3).

User Charges means rates, fees and charges levied against customers for use of a Participant’s System and the Regional Wastewater Facilities, exclusive of Regional Connection

Fees and Local Connection Fees.

RESOLUTION NO. 19-36

APPROVING SECOND AMENDED AND RESTATED FUNDING AGREEMENT
RELATING TO THE SOUTH PLACER REGIONAL WASTEWATER FACILITIES AND
AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF
OF THE CITY OF ROSEVILLE FOLLOWING SOUTH PLACER WASTEWATER
AUTHORITY BOARD APPROVAL

WHEREAS, the Second Amended and Restated Funding Agreement Relating to the South Placer Regional Wastewater Facilities has been reviewed by the City Council; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Roseville that said amendment is hereby approved and that the City Manager is authorized to execute it on behalf of the City of Roseville following South Placer Wastewater Authority Board Approval.

PASSED AND ADOPTED by the Council of the City of Roseville this ____ day of _____, 20__, by the following vote on roll call:

AYES COUNCILMEMBERS:

NOES COUNCILMEMBERS:

ABSENT COUNCILMEMBERS:

MAYOR

ATTEST:

City Clerk

**SECOND AMENDED AND RESTATED
FUNDING AGREEMENT
RELATING TO THE
SOUTH PLACER REGIONAL WASTEWATER FACILITIES**

Dated January 2019

TABLE OF CONTENTS

1.	<u>Definitions</u>	3
2.	<u>Purpose and Intent of Agreement</u>	10
3.	<u>Term and Termination</u>	11
4.	<u>Responsibilities of the City of Roseville</u>	11
5.	<u>Capacity Usage</u>	12
6.	<u>Issuance of Bonds by the Authority; Bond Provisions</u>	13
7.	<u>Pledge and Application of Participant Net Revenues</u>	14
8.	<u>Rate Covenant</u>	15
9.	<u>Rate Stabilization Fund</u>	16
10.	<u>Regional Connection Fees</u>	19
11.	<u>Participant Parity Obligations Secured by Participant Net Revenues</u>	21
12.	<u>Determination of Participants' Proportionate Shares</u>	22
13.	<u>Covenants of the Participants</u>	24
14.	<u>Amendments; Expiration of Certain Provisions</u>	27
15.	<u>Rights of Participants and Third Parties</u>	27
16.	<u>Notices</u>	27
17.	<u>Arbitration Regarding Repayment Schedules and Interest Rates</u>	28
18.	<u>Counterparts</u>	29

**SECOND AMENDED AND RESTATED
FUNDING AGREEMENT
RELATING TO THE
SOUTH PLACER REGIONAL WASTEWATER FACILITIES**

THIS SECOND AMENDED AND RESTATED FUNDING AGREEMENT (the “Funding Agreement” or “Agreement”) is made effective as of the 31st day of January, 2019, by and among the **SOUTH PLACER WASTEWATER AUTHORITY**, a joint powers agency (“Authority”), the **CITY OF ROSEVILLE**, a charter city duly organized and existing under the laws of the State of California (the “City”), the **SOUTH PLACER MUNICIPAL UTILITY DISTRICT**, a municipal utility district duly organized and existing under the laws of the State of California (the “District”), and the **COUNTY OF PLACER**, a political subdivision duly organized and existing under the laws of the State of California (the “County”).

RECITALS

- A. WHEREAS, effective October 1, 2000, the parties hereto entered into that certain “Joint Exercise of Powers Agreement for the South Placer Wastewater Authority” (the “JPA Agreement”), which JPA Agreement created the Authority; and
- B. WHEREAS, effective October 1, 2000, the parties hereto entered into the first Funding Agreement Relating to the South Placer Wastewater Facilities (the “Original Funding Agreement”), which Original Funding Agreement provided for (1) the capital funding necessary for the planning, permitting, design, acquisition, and construction of Regional Wastewater Facilities, and (2) the parties’ respective rights to use Regional Wastewater Facilities; and
- C. WHEREAS, the parties hereto amended and restated the Original Funding Agreement on October 1, 2012 to memorialize, among other things, (i) the reallocation of the parties’ Proportionate Shares, (ii) the modification of provisions concerning future capacity usage, and (iii) the City’s assumption of responsibility for the reclaimed/recycled water infrastructure; and
- D. WHEREAS, the parties hereto desire to amend and restate the October 1, 2012 Funding Agreement to memorialize, among other things, (i) the reallocation of the parties’ Proportionate Shares and (ii) a requirement for each Partner to contribute to the Rate Stabilization Fund annually, as necessary, to alleviate any individual Rate Stabilization Fund deficits. The parties intend that this Agreement shall supersede and replace the Original Funding Agreement and the October 1, 2012 Funding Agreement, and that this Agreement, the JPA Agreement and the Operations Agreement (defined below), shall

supersede and replace the Other Superseded Agreements (defined below), except for Sections 5 through 13 of the Settlement Agreement (defined below).

AGREEMENT

NOW THEREFORE, the parties hereto agree as follows:

1. Definitions. Words and phrases used in this Agreement shall have the following meanings:

2011 Bonds means the following Authority bonds issued in 2011: (i) South Placer Wastewater Authority Wastewater Revenue Refunding Bonds, Series 2011A (Variable Rate Demand Bonds); (ii) South Placer Wastewater Authority Wastewater Revenue Refunding Bonds, Series 2011B (Variable Rate Demand Bonds); (iii) South Placer Wastewater Authority Wastewater Revenue Refunding Bonds, Series 2011C; and (iv) South Placer Wastewater Authority Wastewater Revenue Refunding Bonds, Series 2011D (SIFMA Index Bonds).

2011 Bond Debt Service means Debt Service due on the 2011 Bonds.

2011 Bond Documents means the Indenture, this Agreement, the Official Statement and other ancillary documents relating to credit enhancement, liquidity, and other matters relating to the 2011 Bonds, including the purchase of the 2011 Bonds.

Aggregate Rate Stabilization Fund Draw means, for any Computation Period, the amount actually withdrawn from the Rate Stabilization Fund to pay Debt Service during such Computation Period.

Authority is defined in the preamble.

Available Local Connection Fees means Local Connection Fees that may be used to pay Debt Service. A Participant assessing Local Connection Fees shall, on a case-by-case basis, determine whether such Local Connection Fees are so usable.

Average Dry Weather Flow means the average daily wastewater flow into the Regional Wastewater Facilities, measured from July 1st through September 30th of each year.

Bond Documents means the 2011 Bond Documents and any Parity Bonds Instrument(s).

Bond Redemptions means funds sent by the Authority to the Trustee accompanied by irrevocable instructions to the Trustee that such funds are to be applied to the redemption of Bonds in accordance with the optional redemption provisions of the Indenture and any Parity Bonds Instrument.

Bonds means, collectively, the 2011 Bonds and any Parity Bonds, issued and at any time outstanding under the Indenture or any Parity Bonds Instrument, respectively.

Capital Costs means both direct and incidental costs of the planning, permitting, design, acquisition and construction of Regional Wastewater Facilities, including, without limitation, the following: (a) site acquisition, including, without limitation, administration, surveys, appraisals, legal fees, costs of litigation, and title insurance; (b) engineering costs, including, without limitation, administration, investigation, tests, design, survey, construction supervision, and inspection; (c) construction costs, including, without limitation, Bond interest during construction; (d) preliminary project costs paid, and advance payments made, by the City, the County, or the District; (e) Debt Service and issuance costs on Bonds; (f) reserve requirements for Bonds; (g) capital reserve requirements relating to Regional Wastewater Facilities; and (h) administrative costs, including, without limitation, legal fees, consultant fees, and costs of Participant personnel working on the acquisition and construction of Regional Wastewater Facilities.

City is defined in the preamble.

Computation Period means a Fiscal Year, unless another period of time is required by any applicable Bond Document.

County is defined in the preamble.

Debt Service means, for any Computation Period, the sum of (a) the interest accruing on all Bonds during such Computation Period, assuming that all Bonds are retired as scheduled, plus (b) the principal amount (including principal due as sinking fund installment payments) allocable to all Bonds in such Computation Period, calculated as if such principal amounts were deemed to accrue daily during such Computation Period in equal amounts from, in each case, each payment date for principal or the date of delivery of such Bonds (provided that principal shall not be deemed to accrue for greater than a 365-day period prior to any payment date), as the case may be, to the next succeeding payment date for principal; provided, that the following adjustments shall be made to the foregoing amounts in the calculation of Debt Service:

(1) with respect to any such Bonds bearing or comprising interest at other than a fixed interest rate, the rate of interest used to calculate Debt Service shall be (A) with respect to such Bonds then outstanding, one hundred ten percent (110%) of the greater of (I) the daily average interest rate on such Bonds during the twelve (12) calendar months next preceding the date of such calculation (or the portion of the then current Computation Period that such Bonds have borne interest) or (II) the most recent effective interest rate on such Bonds prior to the date of such calculation and (B) with respect to such Bonds then proposed to be issued, the average of the Revenue Bond Index published in *The Bond*

Buyer over the prior 12 months, or a comparable index if the Revenue Bond Index is no longer published;

(2) with respect to any such Bonds having twenty percent (20%) or more of the aggregate principal amount thereof due in any one Computation Period, Debt Service shall be calculated for the Computation Period of determination as if the interest on and principal of such Bonds were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of thirty (30) years from the date of such Bonds; provided, however, that the full amount of such Bonds shall be included in Debt Service if the date of calculation is within 24 months of the actual maturity of the payment;

(3) with respect to any such Bonds or portions thereof bearing no interest but which are sold at a discount and which discount accretes with respect to such Bonds or portions thereof, such accreted discount shall be treated as due when scheduled to be paid;

(4) Debt Service shall not include interest on Bonds which is to be paid from amounts constituting capitalized interest; and

(5) if an interest rate swap agreement is in effect with respect to, and is payable on a parity with, any Bonds to which it relates, no amounts payable under such interest rate swap in excess of debt service payable under such Parity Bonds Instrument shall be included in the calculation of Debt Service unless the sum of (A) the interest payable on such Bonds, plus (B) the amounts payable by the Authority or the Participant under such interest rate swap agreement, less (C) the amounts receivable by the Authority or the Participant under such interest rate swap agreement, are greater than the interest payable on such Bonds, in which case the amount of such payments to be made that exceed the interest to be paid on such Bonds shall be included in such calculation, and for this purpose, the variable amount under any such interest rate swap agreement shall be determined in accordance with the procedure set forth in Subsection (1) of this definition.

Debt Service Fund means the fund of that name created under the Indenture, or an equivalent fund created under any Parity Bonds Instrument, as applicable.

District is defined in the preamble.

Dry Creek Plant means the regional wastewater treatment plant owned and operated by the City for the mutual benefit of the Participants and known as the “Dry Creek Wastewater Treatment Plant.”

EDU's means “equivalent dwelling units,” which is the measure by which City, District, and County calculate their Regional Connection Fees. The Participants shall coordinate the

definition of EDU's in their respective codes and ordinances, such that Regional Connection Fees collected are equivalent as regards land use types, size, and density of structures.

Enterprise Fund means, (a) as to the City, the Operational and Rehabilitation Funds maintained by the City; (b) as to the County, the following funds maintained by the County: (1) Sewer Maintenance District No. 2, Fund 503, Subfund 2; and (2) CSA 28, Zone 2A3, Sunset Sewer, Fund 502, Subfund 2; (c) CSA 28, Zone 173, Dry Creek, Fund 502, Subfund 55; and (d) as to the District, the Enterprise Fund maintained by the District.

Event of Default means:

(a) Default in the due and punctual payment of any amounts required to be paid hereunder by a party hereto, when and as the same shall become due and payable; or

(b) Default by a party in the observance of any other covenants, agreements or conditions on its part in this Agreement, or in any Bond Document, and such default shall have continued for a period of thirty (30) days after that party shall have been given notice in writing of such default by the Trustee, or any other party hereto; provided, however, that if any such default is not reasonably curable within such thirty (30) day period, the applicable party shall not be deemed to be in default if such party commences to cure the default within such thirty (30) day period and diligently pursues such cure to completion.

Fiscal Year means the period of time beginning on July 1st of any year and ending on June 30th of the following year, or any other twelve (12) month period agreed to in writing by all of the Participants.

Indenture means, collectively and individually, the Wastewater Revenue Bond Indenture, and the First, Second, Third and Fourth Supplemental Wastewater Revenue Bond Indentures, each dated as of April 1, 2011, between the Authority and the Trustee, under which the 2011 Bonds were issued.

Individual Rate Stabilization Fund Draw means, as to each Participant, for any Computation Period, the amount actually withdrawn from the account created for such Participant in the Rate Stabilization Fund to pay such Participant's Proportionate Share of Debt Service during such Computation Period.

Interest Payment Date means any date on which interest is payable on the 2011 Bonds under the terms of the Indenture and any Parity Bonds Instrument.

JPA Agreement is defined in Recital A.

Local Connection Fees means connection fees imposed and collected by a Participant, pursuant to the applicable provisions of the Roseville Municipal Code, District ordinances, or

County ordinances, as applicable, for the purpose of funding expansions or modifications of, and/or improvements to, the Participant's System.

MGD means millions of gallons per day.

Minimum Level means, when used to describe the amount contained in the Rate Stabilization Fund, an amount equal to the lesser of: (a) Debt Service due in the two (2) Fiscal Years occurring immediately after the calculation is made, and (b) the amount required to redeem or retire all Bonds.

Operations Agreement means that certain Agreement Regarding the Operation and Use of the South Placer Regional Wastewater Facilities made by and among the Authority and the Participants of even date herewith, as amended by the Amended and Restated Agreement Regarding the Operation and Use of the South Placer Regional Wastewater Facilities dated of even date herewith.

Other Superseded Agreements means, collectively, the following agreements between the parties and/or their predecessors: (i) Agreement Relating to the Construction and Operation of a Regional Sewage Treatment Plant between the City and Rocklin-Loomis Municipal Utility District (the District's predecessor), dated as of July 5, 1973, and amended on October 15, 1975, June 17, 1981, and May 6, 1987 (collectively, the "Dry Creek Agreements"); (ii) Agreement for Sewer Services Regarding Placer County Sewer Maintenance District No. 2; Placer County Service Area No. 28, Zone 2, A-3; Placer County Service Area No. 28, Zone 55; and the Dry Creek-West Placer Community Plan Area between the City and the County, dated January 17, 1996 (the "Roseville/Placer County Agreement"); (iii) Preliminary Agreement Between and Among the City of Roseville, the South Placer Municipal Utility District and the County of Placer Regarding the Pleasant Grove Wastewater Treatment Plant, between the City and the County, dated May 19, 1998, and a separate agreement between the City and the District bearing the same title and containing substantially the same provisions, dated October 21, 1998 (collectively, the "Preliminary Agreement"); and (iv) the Settlement Agreement among the City, the County and the District, in settlement of the litigation entitled *City of Roseville vs. South Placer Municipal Utility District*, Sacramento County Superior Court Case No. 98AS02099 (the "Settlement Agreement").

Parity Bonds means all bonds, notes or other obligations (including without limitation long-term contracts, loans, sub-leases or other legal financing arrangements) of the Authority, the proceeds of which are applied to the acquisition and construction of Regional Wastewater Facilities, payable from and secured by a pledge of and lien upon any of the Participant Net Revenues, and issued or incurred pursuant to the Indenture.

Parity Bonds Instrument means the resolution, trust indenture or installment sale agreement adopted, entered into or executed and delivered by the Authority, and under which

Parity Bonds are issued.

Participant means, individually, the City, the County, or the District. Participants means, collectively, the City, the County and the District.

Participant Gross Revenues means, for any Computation Period, all amounts received for, arising from, and all other income and revenues derived by a Participant from, the ownership or operation of such Participant's System and such Participant's use of Regional Wastewater Facilities, excluding Regional Connection Fees and Local Connection Fees other than Available Local Connection Fees.

Participant Net Revenues means, with respect to each Participant, such Participant's Gross Revenues less such Participant's Operation and Maintenance Costs, for any Computation Period.

Participant Operation and Maintenance Costs or Participant's Operation and Maintenance Costs means, for any given period, the reasonable and necessary costs (both direct and incidental) of operating and maintaining the facilities which comprise a Participant's System during such period, as well as the Participant's share of Regional Operation and Maintenance Costs, calculated on sound accounting principles, including (among other things) the reasonable expenses of management and repair and other expenses necessary to maintain and preserve such facilities in good repair and working order, and reasonable amounts for administration, overhead, insurance, taxes (if any), labor, materials, water, electricity, natural gas, chemicals, employee bonds, vehicles, communications equipment, preventive maintenance, sludge disposal, environmental remediation, engineering services, analytical testing services, rents, right-of-way charges, recycled water operations costs, legal judgments and assessments, other support services, and other similar costs, but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor, debt service and amortization of intangibles or other book-keeping entries of a similar nature.

Participant Parity Obligations means, as to each Participant, all bonds, notes or other obligations (including without limitation long-term contracts, loans, sub-leases or other legal financing arrangements), payable from Participant Net Revenues on a parity with the Participant's obligation to pay its Proportionate Share of Debt Service.

Participant System or Participant's System means, as to each Participant, the facilities of such Participant (excluding Regional Wastewater Facilities, if any, owned by such Participant) for the collection, transmission and disposal of wastewater to or through the Regional Wastewater Facilities, together with necessary pipes, pumps, valves and machinery and lands, easements and rights of way therefor; and other works, properties or structures necessary or convenient for the collection, transmission and disposal of wastewater, including all additions, betterments, extensions and improvements to such facilities or any part thereof.

Paying Participant is defined in Subsection 9.f(3).

Phase I Capacity means the wastewater treatment capacity actually provided by the first phase of the Pleasant Grove Plant (9.5 MGD). On the date the Pleasant Grove Plant begins wastewater treatment operations, the Participants' usage of Phase I Capacity shall be zero, notwithstanding the diversion of wastewater from the Dry Creek Plant, as set forth below. From and after that date, all increases in the Participants' usage of the wastewater treatment capacity of the Regional Wastewater Facilities shall be deemed to be usage of Phase I Capacity, until the entire amount of Phase I Capacity is used.

Pleasant Grove Plant means the regional wastewater treatment plant owned and operated

by the City for the mutual benefit of the Participants and known as the “Pleasant Grove Wastewater Treatment Plant.”

Proportionate Share means the percentage allocations among the Participants determined in accordance with Section 12.

Proportional Volumetric Share means the proportion of total yearly wastewater volume entering the Regional Wastewater Facilities that is attributable to the City, the District or the County, as applicable. The City shall determine, using information supplied by all Participants, the total yearly wastewater volume and each Participant’s Proportional Volumetric Share on a Fiscal Year basis.

Rate Covenant Debt Service means, as to each Participant, such Participant’s Proportionate Share of Debt Service, less the sum of (a) such Participant’s Individual Rate Stabilization Fund Draw, and (b) any amounts paid on behalf of such Participant pursuant to Section 9.f(3).

Rate Stabilization Fund means the fund into which all Regional Connection Fees are deposited. The Rate Stabilization Fund may be held by the City in trust for the benefit of the Authority, in which event references in this Agreement to payments made, or received, by the Authority, shall be deemed to refer to payments made, or received, by the City on the Authority’s behalf.

Reclaimed Water means treated wastewater that can be used for other purposes such as irrigation. Reclaimed Water is interchangeable with Recycled Water.

Recycled Water means treated wastewater that can be used for other purposes such as irrigation. Recycled Water is interchangeable with Reclaimed Water.

Regional Connection Fees means the connection fees imposed and collected by the Participants, pursuant to the applicable provisions of the Roseville Municipal Code, District ordinances, and County ordinances, for the purpose of funding expansions or modifications of, and/or improvements to, Regional Wastewater Facilities. If any Participant contributes additional amounts pursuant to Subsection 10.c in lieu of enacting and enforcing the minimum Regional Connection Fee recommended by the Authority, such additional amounts shall be deemed to be Regional Connection Fees for purposes of this Agreement.

Regional Operation and Maintenance Costs means, for any given period, the reasonable and necessary costs (both direct and incidental) of operating and maintaining Regional Wastewater Facilities during such period, calculated on sound accounting principles, including (among other things) the reasonable expenses of management and repair and other expenses necessary to maintain and preserve Regional Wastewater Facilities in good repair and working

order, and reasonable amounts for administration (including, without limitation, costs of administration of the Participants' industrial pretreatment programs by the City, but only to the extent such costs are not chargeable to significant industrial users pursuant to Roseville Municipal Code Chapter 14.26), overhead, insurance, taxes (if any), labor, materials, water, electricity, natural gas, chemicals, employee bonds, vehicles, communications equipment, improvements, replacements and rehabilitations, preventive maintenance, sludge disposal, environmental remediation, engineering services, analytical testing services, rents, right-of-way charges, legal judgments and assessments (including, without limitation, enforcement actions of the California Regional Water Quality Control Board), and other similar costs. Credit items, such as all salvage value of Regional Wastewater Facilities, and revenue from the sale of sludge or other products, except for reclaimed and recycled water, shall be credited first to Regional Operation and Maintenance Costs and then to each of the Participants based on their Proportional Volumetric Share.

Regional Wastewater Facilities means the Pleasant Grove Plant, the Dry Creek Plant, any other regional treatment plants constructed by the Authority or any of the Participants in the future to facilitate wastewater collection, conveyance, treatment, recycling, discharge, and disposal services collectively to all of the Participants, and all Related Regional Infrastructure.

Related Regional Infrastructure shall mean trunk sewers, interceptor lines, force mains, pump stations, and all other wastewater infrastructure, constructed in conjunction with the Pleasant Grove Plant, the Dry Creek Plant, and/or other regional wastewater treatment plants constructed in the future, as appropriate and necessary to facilitate wastewater collection, conveyance, treatment, recycling, discharge, and disposal services collectively to all of the Participants. "Related Regional Infrastructure" shall not include trunk sewers, interceptor lines, force mains, pump stations, or any other wastewater infrastructure that (a) facilitate such services to only one or two of the Participants, or (b) are otherwise covered by other agreements providing for the apportionment of construction, operation and maintenance costs therefor, except for the agreements that are expressly superseded by this Agreement and the Operations Agreement.

Reserve Account means the account of that name created under the Indenture, or an equivalent account created under any Parity Bonds Instrument, as applicable.

Reserve Requirement has the meaning given thereto in the Indenture, or any Parity Bonds Instrument, as applicable.

Sub-Minimum Level means, for each Participant, an amount equal to the product of the Minimum Level multiplied by such Participant's Proportionate Share.

Trustee means the Bank of New York Mellon Trust Company, N.A., which was appointed as Trustee under the Indenture, and any successor thereto. The term "Trustee" shall also mean trustee(s) under any Parity Bonds Instrument(s), as applicable.

Underfunded Participant is defined in Subsection 9.f(3).

User Charges means rates, fees and charges levied against customers for use of a Participant's System and the Regional Wastewater Facilities, exclusive of Regional Connection Fees and Local Connection Fees.

2. Purpose and Intent of Agreement.

a. The purpose and intent of this Agreement is to (1) allocate Capital Costs; (2) allocate the Participants' individual financial responsibility for payment of Debt Service; (3) allocate the Participants' use of the wastewater treatment capacity of the Regional Wastewater Facilities, and (4) provide assurance to the purchasers of Bonds regarding the availability of Participant Net Revenues for the payment of Debt Service.

b. The Participants further intend that, notwithstanding short-term variances in their respective contributions of Regional Connection Fees or other funds, their total respective financial contributions to Capital Costs (whether financed by Bonds, funded by Regional Connection Fees, or otherwise) shall, ultimately, be directly proportional to their respective actual usage of the wastewater treatment capacity made available by the construction of Regional Wastewater Facilities. The specific provisions of this Agreement shall be interpreted to give effect to the foregoing sentence.

3. Term and Termination. This Agreement shall be effective as of the date first above written and shall remain in effect (a) for the full useful life of any and all Regional Wastewater Facilities, or (b) until such time as no Bonds remain outstanding, whichever is later. The expiration or sooner termination of the JPA Agreement shall not cause this Agreement to expire or terminate.

4. Responsibilities of the City of Roseville.

a. The City shall be responsible for the planning, permitting (including all necessary environmental compliance), design, acquisition, and construction of Regional Wastewater Facilities on behalf of the Participants. The City shall be entitled to be reimbursed from Bond proceeds, monies in the Rate Stabilization Fund, and any other available funds of the Authority, for Capital Costs incurred by the City; provided, however, that nothing in this Agreement shall be construed as a legal commitment by the Authority to reimburse or fund Capital Costs for any project unless and until the Authority has determined that all necessary environmental reviews therefor have been completed. This Agreement is not intended to, and shall not, predetermine the outcome of any such necessary environmental reviews.

b. The City shall operate and maintain the Regional Wastewater Facilities for the

mutual benefit of the City, District, and County, so long as the District and County pay to the City their proportionate shares of the amounts required to be paid under this Agreement and the Operations Agreement. The City shall be entitled to be reimbursed by the District and the County for their proportionate share of Regional Operation and Maintenance Costs (as determined pursuant to the terms of the Operations Agreement). Following the termination of the Joint Powers Agreement, (1) all amounts to be paid to the Authority hereunder shall be paid to the City, and (2) all determinations to be made, and other actions to be taken, by the Authority hereunder, shall be made and taken by the City in a manner consistent with City's duty to operate and maintain the Regional Wastewater Facilities for the mutual benefit of all of the Participants.

5. **Capacity Usage.** Each Participant may use wastewater treatment plant capacity up to the maximum percentage of allocated treatment capacity set forth in Table 1.

Table 1

WWTP Treatment Capacity Allocation Average Dry Weather Flow Million Gallons per Day				
	2015-2017 Average Treatment Capacity Usage	Remaining Treatment Plant Capacity	Allocated Treatment Capacity*	Percentage of Total Treatment Capacity
City	9.93	2.73	12.66	60.29%
District	3.61	1.80	5.41	25.76%
County	1.56	1.37	2.93	13.95%
Total			21.00	100.00%

* The allocated treatment capacity expressed in millions of gallons per day is based on the combined rated treatment capacity of the Pleasant Grove Plant and Dry Creek Plant as of the date of this Agreement (21.00 MGD). If a rerating is proposed for either wastewater treatment plant, the parties will meet and confer concerning the proposed rerating. If the rated treatment capacity changes for either wastewater treatment plant, the Participants will meet and confer concerning the appropriate wastewater treatment capacity allocation for each Participant. If both wastewater treatment plants are re-rated proportionately, the allocated treatment capacity expressed in millions of gallons per day automatically will be adjusted proportionately to the percentage of total treatment capacity allocated to each Participant above.

The Participants acknowledge and agree that the as-built ultraviolet disinfection capacity for the Regional Wastewater Facilities (33mgd) exceeds the total wastewater treatment capacity (21mgd) as of the date of this Agreement.

a. No Participant may exceed its maximum treatment capacity allocation absent a prior written agreement among the affected Participants reallocating both their existing maximum allocated capacity and Proportionate Shares, pursuant to Section 12.

b. Notwithstanding the foregoing, if (i) the capacity usage of any Participant (the "Requesting Participant") reaches 95% of such Participant's allocated capacity, and (ii) one or more other Participants are using less than 80% of their respective allocated capacities, and (iii) negotiations between the Requesting Participant and the other Participant(s) have failed to reach agreement after a reasonable time, the Requesting Participant may give a written request to the Authority to reallocate capacity as follows:

- (1) The Authority shall first take capacity from the Participant using the smallest portion of its allocated capacity.
- (2) The Authority shall transfer capacity to the Requesting Participant in the lesser of

the following two amounts: (i) the amount requested by the Requesting Participant, or (ii) an amount that would cause the other Participant(s) to have remaining an equal percentage of its allocated capacity as the Requesting Participant.

- (3) The affected Participants' Proportionate Shares will be reallocated pursuant to the provisions of Section 12.

c. No capacity reallocation pursuant to the provisions of this Section 5, or associated Proportionate Share reallocation pursuant to the provisions of Section 12, shall require an amendment to this Agreement. If two affected Participants reach agreement pursuant to Section 5.a, said Participants shall give written notice of the reallocation to the Authority and the other Participant. If the Authority reallocates capacity and Proportionate Shares pursuant to Section 5.b, the Authority shall give written notice of the reallocation to all Participants.

6. Issuance of Bonds by the Authority; Bond Provisions. The Authority shall be responsible for issuing Bonds. The Authority shall use Bond proceeds and Regional Connection Fees on deposit in the Rate Stabilization Fund, and any other available funds of the Authority, to pay Capital Costs. Each Participant agrees to take all necessary and required actions to enable the Authority to obtain all necessary authorizations and rights, and to do all things necessary and convenient, in connection with issuing Bonds and delegating the responsibility for planning, permitting, environmental compliance, designing, acquiring, constructing, operating, and maintaining the Regional Wastewater Facilities to the City and, to that end, shall enter into such supplemental agreements as may be reasonably necessary to provide adequate security for the owners of Bonds and to effectuate the purposes of this Agreement.

The Participants, in order to provide adequate security for the payment of Bonds, each severally covenant, as to each such Participant, but not as to the other Participants, as set forth in Sections 7, 8, 9, 10, 11, 12, and 13.

7. Pledge and Application of Participant Net Revenues.

a. Pledge. Each Participant hereby irrevocably pledges, charges and assigns to the Trustee, to assure the punctual payment of its Proportionate Share of Debt Service, all of its Participant Net Revenues and, except as otherwise may be permitted under the applicable Bond Documents, the Participant Net Revenues shall not be used for any other purpose so long as any of its Proportionate Share of Debt Service remains unpaid. Such pledge, charge and assignment shall constitute a senior lien on the Participant Net Revenues for the payment of the Proportionate Share of Debt Service in accordance with the terms hereof. To the extent a Participant's Proportionate Share of Debt Service is not paid in full from the Aggregate Rate Stabilization Fund Draw prior to any Interest Payment Date, such Participant shall, on or before such Interest Payment Date, make a payment directly to the Trustee for deposit to the Debt Service Fund from

its Participant Net Revenues to make up such deficiency.

b. Deposit of Participant Gross Revenues Into Enterprise Funds; Transfers to Make Payments.

(1) Each Participant shall deposit its Participant Gross Revenues immediately upon receipt, in its Enterprise Fund. Each Participant shall pay out of Participant Gross Revenues the Participant Operation and Maintenance Costs.

(2) Each Participant covenants and agrees that all Participant Net Revenues shall be held by such Participant in such Participant's Enterprise Fund in trust for the benefit of the Trustee and the owners of Bonds. In addition to the payment of such Participant's Proportionate Share of Debt Service to the extent provided for in Subsection 7.a, if the balance of the Reserve Account falls below the Reserve Requirement by reason of the loss of value of investments then on hand in the Reserve Account, Participant Net Revenues shall be applied to pay the amount of such Participant's Proportionate Share of such deficiency in the Reserve Account, the notice of which deficiency shall have been given by the Trustee to the Authority pursuant to the Indenture or any Parity Bonds Instrument. Upon receipt of any such notice, the Authority shall forward copies of such notice to the Participants.

c. Other Uses of Participant Net Revenues Permitted. The Participants shall manage, conserve, and apply the Participant Net Revenues on deposit in their respective Enterprise Funds in such a manner that all deposits required to be made pursuant to the preceding Subsection 7.b shall be made at the times and in the amounts so required. Subject to the foregoing sentence, each Participant may use and apply monies in its Enterprise Fund for any other lawful purposes, so long as no Event of Default shall have occurred and be continuing with respect to that Participant's obligations hereunder.

d. Budget and Appropriation of Proportionate Share of Debt Service. During the term of this Agreement, for each current Fiscal Year, each Participant shall adopt all necessary budgets and make all necessary appropriations of Rate Covenant Debt Service, from Participant Net Revenues, and shall furnish to the Trustee a certificate stating that the amount of Rate Covenant Debt Service to be paid from Participant Net Revenues has been included in the final budget of such Participant for such current Fiscal Year. Such certificate for any Fiscal Year shall be filed with the Trustee not later than September 1 in such Fiscal Year. If any Rate Covenant Debt Service payment requires the adoption by a Participant of any supplemental budget or appropriation, such Participant shall promptly adopt the same. The covenants on the part of each Participant contained in this Subsection 7.d shall be deemed to be, and shall be construed to be, duties imposed by law and it shall be the duty of each and every public official of each Participant to take such actions and do such things as are required by law in the performance of the official duty of such officials to enable such Participant to carry out and perform the covenants and agreements in this Subsection 7.d.

e. Payment of Ongoing Costs Associated With the Bonds. If the following items are not paid by the Authority, each Participant agrees that it will pay, from Participant Net Revenues, its Proportionate Share of ongoing costs associated with the Bonds, including but not limited to: fees and expenses of the Trustee, fees of the Remarketing Agent, and fees and expenses due to the Provider under the Standby Bond Purchase Agreement and Payment Agreement (as those terms are defined in the Indenture).

8. Rate Covenant.

a. Each Participant shall fix, prescribe, revise, and collect User Charges during each Fiscal Year, which are at least sufficient, after making allowances for contingencies and error in the estimates, to yield Participant Gross Revenues sufficient to pay the following amounts in the following order of priority:

(1) All Participant Operation and Maintenance Costs estimated by such Participant to become due and payable in such Fiscal Year;

(2) The Participant's Rate Covenant Debt Service and the amount due from the Participant on any Participant Parity Obligations as they become due and payable during such Fiscal Year, without preference or priority, except to the extent such Rate Covenant Debt Service or such interest on Participant Parity Obligations are payable from proceeds of Bonds or Participant Parity Obligations deposited for such purpose;

(3) All amounts, if any, required to be contributed by such Participant to restore the balance in the Reserve Account to the full amount of the Reserve Requirement pursuant to Subsection 7.b(2); and

(4) All payments required to meet any other obligations of such Participant which are charges, liens, encumbrances upon, or which are otherwise payable from, the Participant Net Revenues during such Fiscal Year.

b. In addition, each Participant shall fix, prescribe, revise, and collect User Charges during each Fiscal Year which are sufficient to yield Participant Net Revenues at least equal to one hundred ten percent (110%) of Rate Covenant Debt Service.

9. Rate Stabilization Fund.

a. The Rate Stabilization Fund shall be established and maintained by the Authority, or by the City of Roseville on behalf of the Authority. The Rate Stabilization Fund shall be held as one fund, with three separate accounts therein (one for each Participant), all of which, collectively, shall constitute the Rate Stabilization Fund.

b. (1) Intentionally Omitted.

(2) Each Participant shall pay all Regional Connection Fees to the Authority for deposit into the Rate Stabilization Fund, and, except as otherwise expressly set forth in this Agreement, such deposits shall be credited to the account of the Participant making the deposit. If any Participant desires to increase the balance of its account in the Rate Stabilization Fund for any reason, such Participant may, in its sole and absolute discretion, also deposit other available monies into the Rate Stabilization Fund.

(3) Intentionally Omitted.

(4) Interest on monies in the Rate Stabilization Fund for any period shall be allocated to the Participants' accounts in the Rate Stabilization Fund based on their respective average balances during such period.

c. (1) The Rate Stabilization Fund shall be used to pay:

(A) Debt Service;

(B) Bond Redemptions;

(C) Capital Costs;

(D) Reimbursement to a Participant of funds, other than Regional Connection Fees, deposited by such Participant into the Debt Service Fund, the Reserve Account, and the Rate Stabilization Fund, except to the extent such reimbursement would cause the balance of such Participant's account within the Rate Stabilization Fund to fall below its Sub-Minimum Level;

(E) Administrative and other expenses incurred by the Authority, provided, however, that if expenditures from the Rate Stabilization Fund are restricted for any reason, such Authority expenses may be charged to the Participants as Regional Operation and Maintenance Costs under the Operations Agreement; and

(F) Any other legal expenditures.

(2) (A) Amounts withdrawn from the Rate Stabilization Fund to pay for Debt Service, Bond Redemptions, and other Capital Costs for Bond-financed projects, shall be charged to the Participants' accounts within the Rate Stabilization Fund according to their respective Proportionate Shares, unless the Participants otherwise agree in writing.

(B) Amounts withdrawn from the Rate Stabilization Fund as reimbursement to a Participant of funds other than Regional Connection Fees, deposited by such Participant into the Debt Service Fund, the Reserve Account, or the Rate Stabilization Fund, shall be charged to that Participant's account within the Rate Stabilization Fund.

(C) Amounts withdrawn from the Rate Stabilization Fund to pay for Capital Costs (except for Capital Costs included in Subsection (A), above), administrative and other expenses incurred by the Authority, and other legal expenditures, shall be charged to the Participants' accounts within the Rate Stabilization Fund as reasonably determined by the Authority in accordance with the principle set forth in Subsection 2.b.

d. The Authority shall, through the Regional Connection Fee recommendation process set forth in Subsection 10.c, attempt to maintain the Rate Stabilization Fund balance at or above the Minimum Level.

e. Draws on the Rate Stabilization Fund shall not cause the funds therein to fall below the Minimum Level, except as expressly hereinafter provided.

f. (1) So long as a draw on the Rate Stabilization Fund would not cause the balance therein to fall below the Minimum Level, the Rate Stabilization Fund shall be fully available to pay Debt Service and any other legal expenditures, regardless of the amount of funds contained in a particular Participant's account within the Rate Stabilization Fund.

(2) If a draw on the Rate Stabilization Fund would have the effect of causing the Rate Stabilization Fund balance to fall below the Minimum Level, and a draw on a Participant's account within the Rate Stabilization Fund would have the effect of causing the balance in such Participant's account within the Rate Stabilization Fund to fall below such Participant's Sub-Minimum Level, such draw on a Participant's account within the Rate Stabilization Fund shall be limited, in each Fiscal Year, to an amount equal to the sum of: (A) one-third of the lesser of (I) such Participant's Sub-Minimum Level, and (II) the amount then on hand in such Participant's account within the Rate Stabilization Fund; plus (B) the amount then on hand in such Participant's account within the Rate Stabilization Fund in excess of such Participant's Sub-Minimum Level.

(3) If a Participant's (the "Underfunded Participant's") account within the Rate Stabilization Fund is unable to pay all of its Proportionate Share of Debt Service, and the then-current draw on the Rate Stabilization Fund would not have the effect of causing the Rate Stabilization Fund balance to fall below the Minimum Level, the other Participants' (the "Paying Participants") accounts within the Rate Stabilization Fund shall pay the unpaid portion of the Underfunded Participant's Proportionate Share of Debt Service. Such unpaid portion of the Underfunded Participant's Proportionate Share of Debt Service shall be paid out of the Paying Participants' accounts within the Rate Stabilization Fund as follows:

(A) If there is only one (1) Underfunded Participant, the Paying Participants' accounts within the Rate Stabilization Fund shall cover the unpaid portion of the Underfunded Participant's Proportionate Share of Debt Service in proportion to the Paying Participants' relative Proportionate Shares.

(B) If there are two (2) Underfunded Participants, the remaining Paying Participant's account within the Rate Stabilization Fund shall cover the unpaid portion of both Underfunded Participants' Proportionate Shares of Debt Service.

(4) (A) The parties hereto intend that no Paying Participant should be required to raise its User Charges, or take any other action under Section 8, by reason of the payment of all, or a portion of, an Underfunded Participant's (or Participants') Proportionate Share(s) of Debt Service out of the Paying Participant's account within the Rate Stabilization Fund. Within thirty (30) days after receipt of a written request from the Authority or any Paying Participant, the Authority and the Participants shall meet and agree upon a repayment schedule for the Underfunded Participant(s) that will ensure that the parties' intent, as expressed in the foregoing sentence, is given effect; provided that, in any event, Regional Connection Fees deposited in the Rate Stabilization Fund by an Underfunded Participant shall automatically be credited to the account(s) of the Paying Participant(s), up to the amount advanced by the Paying Participant(s), plus interest at the rate set forth below. If the parties are unable to agree on an appropriate repayment schedule, the matter may be referred to arbitration pursuant to Section 17. No Underfunded Participant shall be required to use funds other than Participant Net Revenues and Regional Connection Fees to make such payments to the Paying Participant's (or Participants') accounts within the Rate Stabilization Fund; provided, however, an Underfunded Participant may be required to use other funds available to such Underfunded Participant to repay any Regional Connection Fees deferred pursuant to Subsection 10.d(2). Payments by an Underfunded Participant pursuant to this Subsection 9.f(4) shall be subordinate to such Underfunded Participant's obligation to pay its Proportionate Share of Debt Service, as set forth in this Agreement.

(B) Except as provided in the following sentences, the interest rate applicable to amounts owed by an Underfunded Participant shall be equal to the interest earned by funds on hand in the Rate Stabilization Fund during the applicable period. Following a reallocation of the Participants' Proportionate Shares pursuant to the provisions of Section 12, any Underfunded Participant may submit a written request for interest rate modification to the Authority and the other Participants. Within thirty (30) days after receipt of such written request, the Authority and the Participants shall meet and agree upon an interest rate that is equitable, and that gives effect to the principle set forth in Section 2.b, in view of the then-current wastewater capacity usage projections of the Participants. If the parties are unable to agree on an equitable interest rate, the matter may be referred to arbitration pursuant to Section 17.

g. For purposes of determining the sufficiency of amounts held in each Participant's account within the Rate Stabilization Fund, such Participant shall receive a credit for amounts held by the Trustee and attributable to such Participant to pay its Proportionate Share of Debt Service.

h. Within one hundred twenty (120) days after the end of each Fiscal Year, the Authority, or the City of Roseville on behalf of the Authority, shall contract for an independent audit of deposits to, and expenditures from, the Rate Stabilization Fund. The audit shall identify the amounts deposited by each Participant and the expenditures attributable to each Participant's account, and determine the balance of each Participant's account within the Rate Stabilization Fund. The annual audit shall be distributed to all Participants.

10. Regional Connection Fees.

a. It is the intent of the Participants that the Regional Connection Fees shall be sufficient (1) to pay all Debt Service, (2) to keep the Rate Stabilization Fund at or above the Minimum Level, (3) to provide monies for additional expansions or modifications of, or improvements to, Regional Wastewater Facilities, and (4) to meet state and federal regulatory requirements. Representatives of the parties shall meet annually in the month of May to confer on the following matters: (i) the sufficiency of the Regional Connection Fees to meet the foregoing objectives; (ii) new capital projects, if any; and (iii) the need for, and timing of, expansions to the wastewater treatment plants or other Regional Wastewater Facilities.

b. (1) Pursuant to the provisions of Subsection 9.c, those amounts in the Rate Stabilization Fund which exceed the amount necessary, in any Computation Period, to keep the Rate Stabilization Fund at or above the Minimum Level following an Aggregate Rate Stabilization Fund Draw, may also be used by the Authority to fund other expansions or modifications of, or improvements to, Regional Wastewater Facilities, subject to the prior written approval of the Authority.

(2) Notwithstanding the foregoing, and subject to the availability of funds from the Authority, when the average daily inflows to the Dry Creek Plant or Pleasant Grove Plant reach seventy-five percent (75%) of actual total capacity of either plant, respectively, the City shall begin the planning, permitting and design of the next expansion of the Pleasant Grove Plant or Dry Creek Plant, or the construction of new Regional Wastewater Facilities, as appropriate. Subject to the provisions of Section 9.f, the payment of the cost of such planning, permitting and design shall be made from the Regional Connection Fees on deposit in the Rate Stabilization Fund, or any other available funds of the Authority.

(3) Within a reasonable time after City begins the process of planning, permitting, and design, pursuant to Subsection 10.b(2), the Participants shall meet and confer regarding their respective estimated capacity usage with respect to both Phase I Capacity and the

wastewater treatment capacity to be provided by the future expansion of Regional Wastewater Facilities.

c. If amounts deposited into the Rate Stabilization Fund are insufficient to keep the balance thereof at or above the Minimum Level, and, in any event, not less than once every five (5) years, the Authority shall reevaluate the Regional Connection Fee and recommend the minimum Regional Connection Fee that the Participants shall charge. In recommending the minimum Regional Connection Fee, the Authority shall consider all appropriate factors, including, without limitation, the future Capital Costs, amount of Debt Service, the funding of the Rate Stabilization Fund, and the anticipated expansions or modifications of, or improvements to, Regional Wastewater Facilities. Each Participant shall either (1) enact and enforce the minimum Regional Connection Fee, and any increases thereto, recommended by the Authority, within one hundred twenty (120) days following receipt of notice thereof from the Authority, or (2) concurrently with the payment of Regional Connection Fees actually collected, pay to the Authority the difference between Regional Connection Fees actually collected and the amount that would have been collected (based on the same number of EDU's) had the Participant enacted and enforced the minimum Regional Connection Fee, and any increases thereto, recommended by the Authority. Nothing in this Agreement shall prohibit a Participant from adopting, for its own use, Local Connection Fees on connections within its individual service area in such amounts as it deems appropriate.

d. (1) In the case of the City and the County, Regional Connection Fees shall be paid upon the issuance of a building permit. In the case of the District, Regional Connection Fees shall be paid upon the issuance of a wastewater system application permit. Regional Connection Fees shall be transmitted by the Participants to the Authority on a monthly basis by the 15th day of each month, along with a summary report of (A) the Regional Connection Fees collected during the preceding month, (B) the dates on which the collected Regional Connection Fees were assessed, (C) the development projects (including number of EDU's) for which the collected Regional Connection Fees were assessed, and (D) any deferred Regional Connection Fees (as provided below), with copies of said report to be given to each of the other Participants.

(2) Each Participant may, in its sole discretion, allow for the deferral of Regional Connection Fees on a case-by-case basis, provided that such deferral does not cause any draw on the Rate Stabilization Fund to reduce the balance of such Participant's account within the Rate Stabilization Fund below such Participant's Sub-Minimum Level. In addition, each Participant may, in its sole discretion, allow for the deferral of Regional Connection Fees applicable to individual residences on a case-by-case basis, regardless of the balance of such Participant's account within the Rate Stabilization Fund. If a Participant allowing deferral of Regional Connection Fees becomes an Underfunded Participant, the Authority, or any Paying Participant, may require repayment of deferred amounts, plus interest, pursuant to the provisions of Subsection 9.f(4). In any event, the Participants shall pay deferred Connection Fees to the Authority, plus interest at the rate earned by funds on hand in the Rate Stabilization Fund during

the period of deferral, upon collection thereof.

(3) In addition to the annual audit of Rate Stabilization Fund deposits and expenditures required by Subsection 9.h, the Authority shall retain an independent firm to conduct an audit of each Participant's Regional Connection Fee collection program within every five (5) years during the term of this Agreement. If said audit determines that there is a deficit between Regional Connection Fees that should have been collected and transmitted by any Participant and Regional Connection Fees that were actually collected and transmitted, that Participant shall pay the amount of the deficit to the Authority within a reasonable time as established by the Authority.

11. Participant Parity Obligations Secured by Participant Net Revenues. Each Participant may issue or incur Participant Parity Obligations, subject to the following specific conditions, which are hereby made conditions precedent to the issuance and delivery of such Participant Parity Obligations:

a. The Participant shall be in compliance with all covenants set forth in this Agreement.

b. The Participant's Net Revenues, calculated on sound accounting principles, as shown by the books of the Participant for the latest Fiscal Year, or any more recent twelve (12) month period selected by such Participant ending not more than ninety (90) days prior to the adoption of the documentation pursuant to which such Participant Parity Obligations are issued, as shown by the books of the Participant, plus, at the option of the Participant, any or all of the items hereinafter in this Subsection designated, shall at least equal one hundred ten percent (110%) of the sum of (1) such Participant's Rate Covenant Debt Service, and (2) the maximum annual debt service on the Participant Parity Obligations to be issued, calculated in accordance with the requirements of the resolution, trust indenture, or installment sale agreement, adopted, entered into, or executed and delivered, by the Participant, and under which such Participant Parity Obligations are to be issued. The items which may be added to such Participant's Net Revenues for the purpose of issuing or incurring Participant Parity Obligations hereunder are:

(1) an allowance for earnings arising from such Participant's Net Revenues resulting from any increase in the User Charges which has become effective prior to the incurring of such Participant Parity Obligations but which, during all or any part of such Fiscal Year or such twelve (12) month period, was not in effect, in an amount equal to the amount by which such Participant's Net Revenues would have been increased if such increase in User Charges had been in effect during the whole of such Fiscal Year or such twelve (12) month period, all as shown in the written report of an independent consultant engaged by such Participant; and

(2) an allowance for Participant Net Revenues from any additions or improvements to or extensions of the Participant's System to be financed from the proceeds of

such Participant Parity Obligations or from any other source but in any case which, during all or any part of the most recent completed Fiscal Year for which audited financial statements are available or for any more recent twelve (12) month period selected by the Participant were not in service, all in an amount equal to seventy-five percent (75%) of the estimated additional average annual Participant Net Revenues to be derived from such additions, improvements and extensions for the first thirty-six (36) month period in which each addition, improvement or extension is respectively to be in operation, all as shown by the certificate or opinion of a qualified independent engineer employed by the Participant; and

(3) Local Connection Fees collected by such Participant, in an amount equal to the greater of:

(A) Local Connection Fees collected by such Participant during the prior twelve (12) months, or

(B) the average annual amount of Local Connection Fees collected by such Participant during the prior thirty-six (36) months.

c. The documentation providing for the issuance of such Participant Parity Obligations shall provide that:

(1) The proceeds of such Participant Parity Obligations shall be applied to the acquisition, construction, improvement, financing or refinancing of additional facilities, improvements or extensions of existing facilities within the Participant's System, or otherwise for facilities, improvements or property which the Participant determines are of benefit to the Participant's System, or for the purpose of refunding any Bonds, or other Parity Obligations, in whole or in part, including all costs (including costs of issuing such Participant Parity Obligations and including capitalized interest on such Participant Parity Obligations during any period which the Participant deems necessary or advisable) relating thereto; and

(2) Principal on such Participant Parity Obligations shall be payable on a date which is the same date principal on Bonds is paid.

12. Determination of Participants' Proportionate Shares.

a. For purposes of this Amended and Restated Funding Agreement, the Participants' Proportionate Shares have been determined by the following cost allocation factors (as explained more fully in the South Placer Wastewater Capacity Allocation and Cost Responsibility Model Assumptions, attached hereto as **Exhibit A**):

(i) The Participants' wastewater treatment plant capacity derived from the 21.0 MGD total capacity for both plants;

- (ii) The Participants' current usage of UV disinfection capacity and estimated future usage of the excess constructed UV disinfection capacity; and
- (iii) The City's assumption of all responsibility for the existing reclaimed/recycled water infrastructure costs (\$13.1M) as of the date of this Agreement.

Accordingly, as of the date of this Agreement, each Participant's Proportionate Share shall be as follows:

<u>Participant</u>	<u>Proportionate Share</u>
City:	64.57%
County:	13.48%
District:	21.95%

TOTAL:	100%

The 2012 Funding Agreement Proportionate Shares incorporated a disproportionate share of excess UV capacity to the County. The foregoing Proportionate Shares have been revised in this Agreement to account for a reallocation of excess UV treatment capacity to match the UV treatment capacities through buildout and to account for total debt liability, which includes recycled water costs. As of the date of this Agreement, any overpayments or underpayment as a result of this revision made by the Participants shall be applied to the associated Participants Rate Stabilization Fund balance. The foregoing Proportionate Shares shall be applicable while the 2011 Bonds are outstanding, unless and until reallocated in accordance with the provisions of this Section 12.

b. The foregoing Proportionate Shares shall constitute the Participants' Proportionate Shares until (i) two or more Participants agree to reallocate the existing wastewater treatment capacity pursuant to Section 5.a, or (ii) the Authority reallocates existing wastewater treatment capacity pursuant to Section 5.b, or (iii) future wastewater treatment capacity is allocated by agreement for any expansions of Regional Wastewater Facilities. Reallocation of the Participants' Proportionate Shares in connection with capacity reallocations pursuant to clauses (i) and (iii), above, shall be by agreement between the affected Participants. Reallocation of the Participants' Proportionate Shares in connection with an Authority-determined capacity reallocation pursuant to clause (ii), above, shall be by agreement among the Authority and the affected Participants; provided, if the Authority and Participants are unable to agree on an equitable reallocation of the Proportionate Shares, the matter may be referred to arbitration pursuant to Section 17. In that event, the arbitrator shall determine an equitable reallocation of Proportionate Shares in accordance with the principles of Section 2.b, amounts paid by the Participants (including carrying costs) and, insofar as applicable, the factors set forth in Section 12.a.

c. No reallocation of Proportionate Shares pursuant to the provisions of this Section 12, in connection with a capacity reallocation pursuant to the provisions of Section 5, shall require an amendment to this Agreement, provided that the Authority and Participants, as applicable, shall comply with the notice provisions of Section 5.c.

d. Any Participant that enters a Rate Stabilization Fund deficit due to addition of

fewer EDUs than what that Participant had projected in any fiscal year shall contribute an amount equal to that Participants' deficit to the Rate Stabilization Fund at the end of that fiscal year to alleviate the Rate Stabilization Fund deficit.

e. The Proportionate Shares of 2011 Bond Debt Service determined pursuant to this Section 12 shall apply to the 2011 Bonds, but not to Parity Bonds, or other obligations issued by the Authority which are subordinate to the 2011 Bonds. When this Agreement refers to the "Proportionate Shares" of the Participants with respect to their respective responsibilities for the payment of Debt Service on Parity Bonds, the term shall mean the allocation agreed to by all of the Participants at the time Parity Bonds are issued, which allocation shall be in accordance with the principles of Section 2.b.

13. Covenants of the Participants.

a. Punctual Payment; Compliance With Bond Documents. Each Participant shall punctually pay or cause to be paid the interest and principal to become due with respect to its Proportionate Share of Debt Service in strict conformity with the terms of all Bonds, and of this Funding Agreement, and shall faithfully observe and perform all of the conditions, covenants and requirements herein contained.

b. Against Encumbrances. No Participant shall mortgage or otherwise encumber, pledge or place any charge upon its Participant System or any part thereof, or upon any of its Participant Net Revenues, which would have the effect of impairing its obligation to make payments hereunder.

c. Discharge of Claims. Each Participant covenants that in order to fully preserve and protect the priority and security of all Bonds, such Participant shall pay and discharge all lawful claims for labor, materials and supplies furnished for or in connection with its Participant System which, if unpaid, may become a lien or charge upon its Participant Net Revenues prior or superior to the lien of any and all Bonds or impair the security of any and all Bonds. Each Participant shall also promptly pay all taxes and assessments or other governmental charges lawfully levied or assessed upon or in respect of its Participant System or upon any part thereof or upon any of its Participant Net Revenues.

d. Acquisition, Construction or Financing of Improvements to the Participant's System. Each Participant shall construct, or finance improvements to its Participant System which are necessary for the continuing operation of its Participant System, and such improvements shall be made in an expeditious manner and in conformity with laws so as to complete the same as soon as possible.

e. Operation and Maintenance of Participant's System in Efficient and Economical Manner. Each Participant covenants and agrees to maintain and operate its Participant System in

an efficient and economical manner and to operate, maintain and preserve the Participant System in good repair and working order.

f. Against Sale, Eminent Domain.

(1) No Participant shall sell, lease, or otherwise dispose of, its Participant System or any part thereof essential to the proper operation of its Participant System or to the maintenance of its Participant Net Revenues, except as expressly permitted herein. No Participant shall enter into any lease or agreement which impairs the operation of its Participant System or any part thereof necessary to secure adequate Participant Net Revenues for the payment of the interest on and principal or redemption price, if any, on any and all Bonds, or which would otherwise impair the rights of the holders of any and all Bonds with respect to its Participant Net Revenues or the operation of its Participant System. Any real or personal property which has become non-operative or which is not needed for the efficient and proper operation of its Participant System, or any material or equipment which has worn out, may be sold without the consent of the holders of the Bonds if such sale will not reduce Participant Net Revenues.

(2) If all or any part of a Participant's System shall be taken by eminent domain proceedings, the net proceeds realized by the Participant therefrom shall be deposited by the Participant with the Trustee in a special fund in trust and applied by the Participant as the Participant deems prudent, if (A) the Participant first secures and files with the Trustee a certificate showing (I) the estimated loss in annual Participant Net Revenues, if any, suffered, or to be suffered, by the Participant by reason of such eminent domain proceedings, (II) a general description of the Participant's proposed use of such net proceeds, and (III) an estimate of the additional Participant Net Revenues, if any, to be derived from such use of net proceeds; and (B) the Trustee, on the basis of such certificate, determines that the ability of the Participant to meet its obligations hereunder will not be substantially impaired, which determination shall be final and conclusive. If the foregoing conditions are met, the Participant shall then promptly proceed with the proposed use of such net proceeds substantially in accordance with such certificate and payments therefor shall be made by the Trustee from such net proceeds and from other monies of the Participant lawfully available therefor, and any balance of such net proceeds not required by the Participant for the purposes aforesaid shall be transferred to the Participant.

g. Insurance. Each Participant covenants that it shall at all times maintain such insurance on its Participant System as is customarily maintained with respect to works and properties of like character against accident to, loss of or damage to such works or properties. No Participant shall be required to maintain earthquake insurance. If any useful part of the Participant System shall be damaged or destroyed, such part shall be restored to use. The net proceeds of insurance against accident to or destruction of the Participant System shall be used for repairing or rebuilding the damaged or destroyed portions of the Participant System (to the extent that such repair or rebuilding is determined by the Participant to be useful or of continuing value to the Participant's System) and to the extent not so applied, shall be applied as the

Participant determines.

Any such insurance shall be in the form of policies or contracts for insurance with insurers of good standing and shall be payable to the Participant, or may be in the form of self-insurance by the Participant. The Participant shall establish such fund or funds or reserves as are necessary to provide for its share of any such self-insurance. The Participant shall file or cause to be filed with the Trustee, annually within one hundred twenty (120) days after the close of each Fiscal Year, a certificate describing such insurance.

h. Records and Accounts. Each Participant shall keep proper books of record and accounts of the finances of its Participant System, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to its Participant System. Said books shall, upon reasonable request, be subject to the inspection of the holders of Bonds.

Each Participant covenants that it shall cause the books and accounts of its Participant System to be audited annually by an Independent Certified Public Accountant and shall make available for inspection by the owners of Bonds.

Each Participant covenants that it shall cause to be prepared annually, not more than one hundred eighty (180) days after the close of each Fiscal Year, as a part of its regular annual financial report, a summary statement showing the amount of revenues and the amount of all other funds collected which are required to be pledged or otherwise made available as security for payment of principal of and interest on Bonds, the disbursements from the revenues and other funds in reasonable detail, and a general statement of the financial and physical condition of its Participant System. The Participant shall furnish a copy of the statement to the Trustee, and upon written request, to any Bond owner.

i. Protection of Security and Rights of Owners. Each Participant shall preserve and protect the security of all Bonds and the rights of all Bond owners, and shall warrant and defend their rights against all claims and demands of all persons.

j. Against Competitive Facilities. No Participant shall acquire, construct, operate or maintain a utility within the service area of such Participant that would be competitive with its Participant System.

k. Payment of Taxes, Etc. Each Participant shall pay and discharge all taxes, assessments and other governmental charges which may be lawfully imposed upon its Participant System or any part thereof, or upon any Participant Net Revenues, when the same shall become due. Each Participant shall duly observe and conform to all valid requirements of any governmental authority relative to its Participant System or any part thereof, and shall comply with all requirements with respect to any state or federal grants received to assist in paying for the

costs of the acquisition, construction or financing of any improvements to its Participant System.

l. Enforcement of Funding Agreement. Each Participant shall enforce its rights under this Agreement to receive its allocation of wastewater treatment capacity so as to ensure availability of wastewater treatment to customers within its jurisdiction.

m. No Priority for Participant Parity Obligations. Each Participant covenants that no additional bonds or other obligations shall be issued or incurred having any priority in payment over any and all Bonds as to revenues pledged to any and all Bonds.

n. Further Assurances. Each Participant shall adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention of, or to facilitate the performance of the Authority under, the applicable Bond Documents.

o. Continuing Disclosure. Each Participant shall comply with and carry out all of the provisions of the Continuing Disclosure Undertaking (executed by such Participant in connection with the Authority's issuance of Bonds) regarding its obligation to provide the Authority with information necessary to meet the Authority's continuing disclosure obligations, as set forth in Section 5.19 of the Indenture or any corresponding provisions of Parity Bonds Instruments, if any.

14. Amendments; Expiration of Certain Provisions.

a. This Agreement may be amended only by the unanimous written agreement of the Participants. So long as any Bonds are outstanding and unpaid, or funds are not otherwise set aside for the payment or redemption thereof in accordance with the terms of said Bonds and the documentation relating thereto, this Agreement shall not be amended, modified or otherwise revised, changed or rescinded, unless the Participants have first complied with the procedures required to amend the indenture for said Bonds.

b. Upon redemption or retirement of all Bonds, provisions of this Agreement that are solely for the benefit of owners of Bonds shall be held in abeyance, unless and until additional Bonds, if any, are issued by the Authority.

15. Rights of Participants and Third Parties. The Trustee, and Authority's credit enhancement provider, if any, shall have the right, as third-party beneficiaries of this Agreement, to initiate and maintain legal proceedings to enforce this Agreement to the extent provided for in the applicable Bond Documents. Except as provided in the foregoing sentence, nothing in this Agreement, express or implied, is intended to confer any rights or remedies under, or by reason of, this Agreement on any person other than the parties hereto and their respective permitted successors and assigns. If an Event of Default occurs hereunder, the parties hereto, the Trustee, and Authority's credit enhancement provider, if any, shall have the right to take whatever action

it, or they, deem(s) necessary or advisable to ensure that such defaulting party complies with the provisions hereof, including, without limitation, bringing an action in law or in equity. In any action brought by any party to enforce the terms of this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees. Any action arising out of this Agreement shall be brought in Placer County, California, regardless of where else venue may lie.

16. Notices. Any notices to parties required by this Agreement shall be delivered or mailed, U.S. first class, postage prepaid, addressed as follows:

SOUTH PLACER WASTEWATER
AUTHORITY
2005 Hilltop Cir.
Roseville, CA 95747
Attention: Executive Director

With a copy to:
Authority's General Counsel
Sloan Sakai Yeung & Wong, LLP
555 Capitol Mall, Suite 600
Sacramento, CA 95814
Attention: Osman I. Mufti

CITY OF ROSEVILLE
Environmental Utilities Department
2005 Hilltop Cir.
Roseville, CA 95747
Attention: Environmental Utilities Director

With a copy to:
Roseville City Attorney
311 Vernon St.
Roseville, CA 95678
Attention: City Attorney

Finance Department
311 Vernon St., Room 206
Roseville, CA 95678
Attention: Finance Director

SOUTH PLACER MUNICIPAL UTILITY
DISTRICT
5807 Springview Dr.
Rocklin, CA 95677
Attention: General Manager

With a copy to:
District's General Counsel
Hill Rivkins Brown & Associates
11140 Fair Oaks Boulevard, Suite 100
Fair Oaks, CA 95628
Attention: Adam Brown

COUNTY OF PLACER
Department of Public Works
Environmental Engineering Division
11476 "C" Avenue
Auburn, CA 95603
Attention: Director

With a copy to:
Placer County Counsel
175 Fulweiler Avenue
Auburn, CA 95603
Attention: County Counsel

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

17. Arbitration Regarding Repayment Schedules and Interest Rates.

a. Any disagreement among the Participants concerning the repayment schedule(s), or interest rate(s), to be determined pursuant to Subsection 9.f(4) shall be submitted to arbitration upon the written request of one Participant being given to the other Participants.

b. The Participants may agree on one arbitrator. If they cannot agree on one arbitrator, there shall be three, with each Participant naming one independent arbitrator in writing within thirty (30) days after demand for arbitration is given. Should one or more Participants refuse or neglect to join in the appointment of the arbitrator(s) or to furnish the arbitrator(s) with any papers or information demanded, then (1) if only one Participant has timely designated an arbitrator, the arbitrator shall proceed ex parte to consider the matter, or (2) if two Participants have timely designated arbitrators, the arbitrators shall appoint a third arbitrator and proceed ex parte to consider the matter.

c. A hearing on the matter to be arbitrated shall take place before the arbitrator(s) in the County of Placer, State of California, at the time and place selected by the arbitrator(s). The arbitrator(s) shall select the time and place promptly and shall give each Participant written notice of the time and place at least ten (10) days before the date selected. At the hearing, any relevant evidence may be presented by any Participant, and the formal rules of evidence applicable to judicial proceedings shall not govern. Evidence may be admitted or excluded in the sole discretion of the arbitrator(s). The arbitrator(s) shall hear and determine the matter and shall execute and acknowledge the award in writing and cause a copy of the writing to be delivered to each of the Participants.

d. If there is only one arbitrator, his or her decision shall be binding and conclusive on the Participants and, if there are three arbitrators, the decision of any two shall be binding and conclusive. The submission of a dispute to the arbitrator(s) and the rendering of a decision, if any, by the arbitrator(s) shall be a condition precedent to any right of legal action on the dispute. A judgment confirming the award may be given by any Superior Court having jurisdiction, or that Court may vacate, modify, or correct the award in accordance with the provisions of the California Arbitration Act.

18. Counterparts. This Agreement may be executed in any number of counterparts, and by different parties in separate counterparts, each of which, when executed and delivered, shall be deemed to be an original and all of which counterparts taken together shall constitute but one and

the same instrument.

IN WITNESS WHEREOF, the South Placer Wastewater Authority, the City of Roseville, the South Placer Municipal Utility District and the County of Placer have each caused their duly authorized officers to execute this Agreement effective as of the date first written above.

SOUTH PLACER WASTEWATER AUTHORITY

BY: _____
Kenneth Glotzbach
Executive Director

ATTEST:

BY: _____

Secretary, Board of Directors

APPROVED AS TO LEGAL FORM:

BY: _____
Osman I. Mufti
Authority's General Counsel

CITY OF ROSEVILLE

BY: _____
Dominick Casey
City Manager

ATTEST:

BY: _____
Sonia Orozco
City Clerk

APPROVED AS TO FORM:

BY: _____
Robert R. Schmitt
City Attorney

APPROVED AS TO SUBSTANCE:

BY: _____
Richard D. Plecker
Environmental Utilities Director

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

BY: _____
Herb Niederberger
General Manager

APPROVED AS TO FORM:

BY: _____
Adam Brown
District Counsel

ATTEST:

BY: _____
Joanna Belanger
Secretary to the Board of Directors

COUNTY OF PLACER

BY: _____

Chair, Board of Supervisors

APPROVED AS TO FORM:

BY: _____

County Counsel

ATTEST:

BY: _____

Clerk, Board of Supervisors

EXHIBIT A

South Placer Wastewater Capacity Allocation And Cost Responsibility Model Assumptions

NOTE: This Exhibit is intended for informational purposes only. In the event of any conflict between this Exhibit and the Second Amended and Restated Funding Agreement relating to the South Placer Regional Wastewater Facilities ("Funding Agreement"), the Funding Agreement shall control.

MODEL SUMMARY

The following text and tables work through the methods used to develop the Proportionate Shares for the Participants. Table 1 presents the individual treatment plant capacities, total treatment capacities, and total treatment plant cost allocations.

Table 1 Treatment Plant Capacity and Cost Allocations					
Participant	DC WWTP (MGD)	PG WWTP (MGD)	Total Capacity (MGD)	Total Cost (Million \$)	Cost Percentage (%)
Roseville	5.72	6.94	12.66	114.73	63.16%
SPMUD	3.00	2.41	5.41	41.04	22.59%
County	2.78	0.15	2.93	25.87	14.24%
Totals	11.50	9.50	21.00	181.64	100%

Table 2 presents the UV capacity and cost allocations for all of the Participants.

Table 2 UV Capacity and Cost Allocations			
Participant	UV Capacity (MGD)	UV Cost (Million \$)	Cost Percentage (%)
Roseville	20.24	39.27	61.33%
SPMUD	8.12	15.76	24.61%
County	4.64	9.00	14.06%
Totals	33.00	64.03	100%

Table 3 presents the total debt liabilities, which include the recycled water cost, and the resulting Proportionate Shares.

Table 3 Proportionate Shares Based on Total Debt Liability ¹				
Participant	Treatment & UV Cost (Million \$)	Recycled Water Cost (Million \$)	Total Debt Liability (Million \$)	Proportionate Share (%)
Roseville	154.00	13.10	167.10	64.57%
SPMUD	56.80	0.00	56.80	21.95%
County	34.87	0.00	34.87	13.48%
Totals	245.67	13.10	258.77	100%

Notes:

1. Total Debt Liability of \$258.77M includes recycled water costs.

**SECOND AMENDED AND RESTATED
AGREEMENT REGARDING THE OPERATION AND USE
OF THE SOUTH PLACER REGIONAL WASTEWATER FACILITIES**

Dated January 1, 2019

TABLE OF CONTENTS

1.	<u>Definitions</u>	<u>3</u>
2.	<u>Operation and Maintenance of Regional Wastewater Facilities</u>	<u>4</u>
3.	<u>Charges for Regional Operation and Maintenance Costs</u>	<u>5</u>
4.	<u>Inflow and Infiltration; Maintenance of Participant Systems</u>	<u>6</u>
	a. <u>Inflow and Infiltration Requirement</u>	<u>6</u>
	b. <u>Participant System Evaluation</u>	<u>6</u>
	c. <u>Long Term Participant System Rehabilitation and Maintenance</u>	<u>6</u>
	d. <u>Construction Specifications</u>	<u>6</u>
5.	<u>Backup Power and Wet Well Capacity</u>	<u>6</u>
6.	<u>High Water Alarms</u>	<u>6</u>
7.	<u>Unauthorized Wastewater Discharges</u>	<u>6</u>
8.	<u>Flow Monitoring Equipment</u>	<u>6</u>
9.	<u>Ordinance Modification; Compliance with Discharge Permits</u>	<u>7</u>
10.	<u>Industrial Pretreatment Program</u>	<u>7</u>
11.	<u>Tax Exemption</u>	<u>7</u>
12.	<u>Major Dischargers</u>	<u>7</u>
13.	<u>Moratorium</u>	<u>8</u>
14.	<u>City/County Provisions</u>	<u>8</u>
	a. <u>Linda Creek Raw Water Bypass</u>	<u>8</u>
	b. <u>Dry Creek - West Placer Community Plan Area Wastewater Facilities</u>	<u>8</u>
	c. <u>Reclaimed Water</u>	<u>8</u>
	d. <u>Sabre City Plant</u>	<u>10</u>
15.	<u>Indemnity</u>	<u>10</u>
16.	<u>Term and Termination</u>	<u>11</u>
17.	<u>Amendments</u>	<u>11</u>

18.	<u>Rights of Participants and Third Parties</u>	11
19.	<u>Notices</u>	11
20.	<u>Counterparts</u>	12

**SECOND AMENDED AND RESTATED
AGREEMENT REGARDING THE OPERATION AND USE
OF THE SOUTH PLACER REGIONAL WASTEWATER FACILITIES**

THIS SECOND AMENDED AND RESTATED AGREEMENT REGARDING THE OPERATION AND USE OF THE SOUTH PLACER REGIONAL WASTEWATER FACILITIES (the “**Operations Agreement**” or “**Agreement**”) is made effective as of the 1st day of January 31, 2019, by and among the **SOUTH PLACER WASTEWATER AUTHORITY**, a joint powers agency (“**Authority**”), the **CITY OF ROSEVILLE**, a charter city duly organized and existing under the laws of the State of California (the “**City**”), the **SOUTH PLACER MUNICIPAL UTILITY DISTRICT**, a municipal utility district duly organized and existing under the laws of the State of California (the “**District**”), and the **COUNTY OF PLACER**, a political subdivision duly organized and existing under the laws of the State of California (the “**County**”).

RECITALS

- A. WHEREAS, effective October 1, 2000, the Participants entered into that certain “Joint Exercise of Powers Agreement for the South Placer Wastewater Authority” (the “**JPA Agreement**”), which JPA Agreement created the Authority; and
- B. WHEREAS, concurrently herewith, the Participants and the Authority entered into that certain Second Amended and Restated Funding Agreement Relating to the South Placer Regional Wastewater Facilities (the “**Funding Agreement**”); and
- C. WHEREAS, effective October 1, 2000, the parties hereto entered into the first Agreement regarding the Operation and Use of the South Placer Wastewater Facilities (the “**Original Operations Agreement**”), which Original Operations Agreement provided for (1) the operation and maintenance of Regional Wastewater Facilities, and (2) the ongoing funding necessary for the foregoing; and
- D. WHEREAS, the parties hereto amended and restated the Original Operations Agreement on October 1, 2012 to (i) conform the provisions of the Agreement to the provisions of the Funding Agreement, (ii) include the additional wastewater treatment service areas added by the District and the City, and (iii) modify the procedures to govern future changes to the service areas; and
- E. WHEREAS, the parties hereto desire to amend and restate the October 1, 2012 Operations Agreement to (i) conform the provisions of this Agreement to the provisions of the Funding Agreement, (ii) include the additional wastewater treatment service areas added by the County, District, and the City, (iii) amend specific language within the Reclaimed Water Section 14.c, and (iv) update miscellaneous information. The parties intend that this Agreement shall supersede and replace the Original Operations

Agreement and the October 1, 2012 Operations Agreement, and that this Agreement, the JPA Agreement and the Funding Agreement, shall supersede and replace the Other Superseded Agreements (defined below), except for Sections 5 through 13 of the Settlement Agreement (defined below).

AGREEMENT

NOW THEREFORE, the parties hereto agree as follows:

1. Definitions. Words and phrases used in this Agreement shall have the following meanings. Words and phrases used in common with the Funding Agreement shall have the meanings ascribed to them in the Funding Agreement, as the same may be amended from time to time. The current definitions are set forth in **Exhibit D**, which Exhibit will automatically be deemed to have been amended upon any future amendments to the Funding Agreement.

2011 Bonds is defined in the Funding Agreement.

Average Dry Weather Flow means the average daily wastewater flow into the Regional Wastewater Facilities, measured from July 1st through September 30th of each year.

Bonds is defined in the Funding Agreement.

Community Plan Area means the Dry Creek - West Placer Community Plan Area depicted on **Exhibit "B,"** attached hereto and incorporated herein.

Discharge Permits means, collectively, the National Pollutant Discharge Elimination System Waste Discharge Requirements for the City of Roseville, issued by the Regional Water Quality Board, (a) on May 1, 2014 (RS-2014-0051, expires May 2, 2019), for the Pleasant Grove Plant (Order No. CA0084573), and (b) on May 1, 2014 (RS-2014-0049, expires May 2, 2019), for the Dry Creek Plant (Order No. CA0079502), and any amendments thereto.

Dry Creek Plant is defined in the Funding Agreement.

Event of Default is defined in the Funding Agreement.

Fiscal Year is defined in the Funding Agreement.

Funding Agreement is defined in Recital B.

Indenture is defined in the Funding Agreement.

Inflow and Infiltration, or I&I, means direct and indirect discharges (other than normal authorized wastewater discharges) to the collection system serving Regional Wastewater Facilities. Such discharges include, without limitation, excessively leaky joints and manholes, illegal storm drain connections and manholes, service laterals, and wastewater lines and joints located in the flood plain and in areas of high groundwater that are not watertight.

Other Superseded Agreements is defined in the Funding Agreement.

Parity Bonds is defined in the Funding Agreement.

Parity Bonds Instrument is defined in the Funding Agreement.

Participant is defined in the Funding Agreement.

Participant System or Participant's System is defined in the Funding Agreement.

Pleasant Grove Plant is defined in the Funding Agreement.

Proportional Volumetric Share is defined in the Funding Agreement.

Reclaimed Water is defined in the Funding Agreement.

Regional Connection Fees is defined in the Funding Agreement.

Regional Operation and Maintenance Costs is defined in the Funding Agreement

Regional Wastewater Facilities is defined in the Funding Agreement.

Related Regional Infrastructure is defined in the Funding Agreement.

Regional Water Quality Board means the California Regional Water Quality Control Board, Central Valley Region.

Trustee is defined in the Funding Agreement.

User means any person or entity that discharges water or waste into a Participant System and/or the Regional Wastewater Facilities, and is subject to regulation under the provisions of Roseville Municipal Code Chapter 14.26 (entitled "Industrial Wastewater"), or similar ordinances enacted by the District and the County.

2. Operation and Maintenance of Regional Wastewater Facilities.

a. The City shall operate and maintain the Regional Wastewater Facilities for the mutual benefit of, and provide wastewater treatment services to, the "Current Service Area" depicted on **Exhibit "A,"** attached hereto and incorporated herein, which area is within the jurisdictional boundaries of the City, District, and County, so long as the District and County pay to the City their proportionate shares of the amounts required to be paid under this Agreement and the Funding Agreement. Following completion of the Dry Creek Shed Study and adoption of the corresponding environmental approvals, the areas studied in the Dry Creek Shed Study will be included in the wastewater treatment service area for Regional Wastewater Facilities and **Exhibit "A"** will automatically be amended to include those areas. Future additions to the wastewater treatment service area boundaries may be made by any Participant, subject to Section 2.c, below. Upon any such change in the service area boundaries, **Exhibit "A"** will automatically be amended to reflect the change.

b. The City shall perform, and operate and maintain the Regional Wastewater Facilities in compliance with, all of the covenants of the Authority relating to the “Enterprise,” set forth in Article V of the Indenture.

c. Each Participant shall have the right to (1) maintain connections between such Participant’s System and the Regional Wastewater Facilities at all locations existing as of the date first above written, and (2) establish new connections to the Regional Wastewater Facilities as needed, subject to the City’s prior written approval of the location of such connection, which approval shall not be unreasonably withheld.

3. Charges for Regional Operation and Maintenance Costs.

a. Each Participant’s responsibility for Regional Operation and Maintenance Costs shall be based upon its Proportional Volumetric Share. The apportionment of the costs of administration of the Industrial Pretreatment Program for non-permitted Users shall be equitably allocated by future agreement among the Participants.

b. During the month of June of each year, the City shall provide each Participant with an estimate of the Regional Operation and Maintenance Costs for the following Fiscal Year. Thereafter, the City shall bill the District and the County quarterly, in advance, for their respective shares of the estimated Regional Operation and Maintenance Costs, which shares shall be in proportion to the Proportional Volumetric Share of each, as measured during the immediately preceding Fiscal Year.

c. (1) Within one hundred eighty (180) days after the close of each Fiscal Year, the City shall submit to each Participant a detailed statement of actual Regional Operation and Maintenance Costs, and the actual Proportional Volumetric Share of each Participant, for the Fiscal Year then ended. If the amount advanced for estimated Regional Operation and Maintenance Costs by any Participant is less than that Participant’s share of actual Regional Operation and Maintenance Costs (based on that Participant’s actual Proportional Volumetric Share), the City shall include the difference in a subsequent quarterly invoice for payment by that Participant. If the amount advanced for estimated Regional Operation and Maintenance Costs by any Participant is more than that Participant’s share of actual Regional Operation and Maintenance Costs (based on that Participant’s actual Proportional Volumetric Share), the City shall remit such excess amounts to that Participant, or credit that Participant’s account, at the City’s election.

(2) Each Participant may, at its sole cost and expense, inspect and/or audit the City’s books and records concerning Regional Operation and Maintenance Costs, and the City shall cooperate reasonably with any such inspection and/or audit.

d. Each Participant shall pay Regional Operation and Maintenance Costs within sixty (60) days after receipt of City’s invoice therefor. Interest shall accrue on any delinquent

amounts at the rate of return paid by the Local Agency Investment Fund plus one percent (1%), commencing one hundred eighty (180) days after receipt of the City's invoice.

4. Inflow and Infiltration; Maintenance of Participant Systems.

a. Inflow and Infiltration Requirement. The maximum allowable amount of I&I on any given day for any Participant shall be 2.5 times the Average Dry Weather Flow of that Participant.

b. Participant System Evaluation. The Participants shall evaluate their respective Participant Systems periodically for I&I to determine those areas that need specific attention or repair. Participant System analysis may be accomplished by any reasonably effective method, including, without limitation, smoke testing, system flow monitoring and videotaping.

c. Long Term Participant System Rehabilitation and Maintenance. Once the Participant Systems have been evaluated, and areas needing improvement have been identified, each Participant shall develop a Participant System rehabilitation program that will lower the amount of maximum daily I&I for that Participant to below 2.5 times that Participant's Average Dry Weather Flow.

d. Construction Specifications. The Participants shall meet and develop region-wide wastewater construction specifications to ensure that all new wastewater infrastructure is constructed to stringent standards that will reduce I&I, as required herein. Pressure testing of transmission mains and vacuum testing of manholes are a minimum requirement that must be contained in the specifications of any construction contracts let by the Participants with respect to Participant Systems and/or Regional Wastewater Facilities.

5. Backup Power and Wet Well Capacity. Each Participant shall install and maintain adequate backup power sources, and/or wet well capacity, at all pump stations to prevent overflow during power outages and pump failures.

6. High Water Alarms. Each Participant shall install and maintain functional high water alarm and notification systems at each pump station.

7. Unauthorized Wastewater Discharges. Each Participant shall report any unauthorized discharges of wastewater to the Regional Water Quality Board within one (1) business day after the discovery of such discharge.

8. Flow Monitoring Equipment. Each Participant shall, at its sole cost, maintain flow monitoring equipment at each major connection point between such Participant's System and the Regional Wastewater Facilities. Such equipment shall be capable of measuring peak wet weather flows as well as dry weather flows, and ultimate as well as interim flows, and data therefrom shall be reported to the City. Flow estimates may be used for smaller connection points, provided all Participants agree on the methodology used to estimate the flow. The methodology currently used to measure, estimate, and report flows from the County is attached

hereto as **Exhibit E** for reference. Otherwise, the applicable Participant shall install portable flow monitoring equipment semi-annually for two one-week periods, once during the wet season (January 1st through March 31st) and once during the dry season (July 1st through September 30th).

9. Ordinance Modification; Compliance with Discharge Permits.

a. The Participants shall adopt all applicable provisions of ordinances, statutes, rules and regulations, established by the City, regulating the use of, and discharge of waters and wastes into, the Regional Wastewater Facilities, including all applicable provisions of Roseville Municipal Code Chapters 14.12, 14.16, 14.26, and all later applicable amendments thereto, within ninety (90) days after receipt of the City's written request therefor. The Participants have met and determined the applicability of provisions of the foregoing City ordinances, statutes, rules and regulations, and adopted the same in accordance with this Agreement. The Participants have met and evaluated existing ordinances to (1) incorporate provisions enforcing I&I reductions, and (2) ensure uniform methods of categorizing and calculating the Regional Connection Fee. The City will notify the other Participants of any proposed changes to such ordinances, statutes, rules and regulations, and invite the other Participants to participate in the formulation and drafting of any such changes to be adopted by the City which are applicable to the use of, and discharge of waters and wastes into, the Regional Wastewater Facilities, and are to be adopted by the Participants. I

b. Each Participant shall operate and maintain its Participant System in compliance with the requirements of the Discharge Permits and other applicable laws and regulations, and shall reasonably agree to amend this Agreement from time to time as necessary to comply with the requirements of the Discharge Permits or other applicable laws and regulations. Each Participant shall cooperate with, and assist, the other Participants, as reasonably necessary to comply with the Discharge Permits, including, without limitation, making its Participant System available for any studies and inspections required by the Discharge Permits.

10. Industrial Pretreatment Program. The Agreement for Industrial Waste Pretreatment Program, made by and among the Participants effective August 19, 1988, a copy of which is attached hereto as **Exhibit C**, is hereby incorporated into this Agreement as if set forth in full.

11. Tax Exemption. No Participant shall levy any tax or assessment, or any similar charge, on any real or personal property, or interest therein, that lies within such Participant's jurisdictional boundaries and is part of the Regional Wastewater Facilities, or another Participant's System.

12. Major Dischargers. For the purpose of assuring the availability of adequate regional wastewater treatment capacity, when the Regional Wastewater Facilities have reached seventy-five percent (75%) of their treatment capacity, no Participant shall permit, or agree to permit, any commercial or industrial applicant or entity whose Average Dry Weather Flow discharge during the useful life of the applicant's project is estimated to be Four Hundred Thousand (400,000) gallons per day or greater, to connect to that Participant's System, or otherwise provide

wastewater treatment service, without first obtaining the written consent of the Authority and a majority of the Participants. Such consent shall not unreasonably be withheld. Permission to connect is deemed to occur at the time a Participant gives an applicant a notice of willingness to serve, or otherwise authorizes an applicant to connect to that Participant's System, whether this occurs at the issuance of a construction permit, or the collection of the Regional Connection Fee, or prior thereto. The City shall promptly provide written notification to the Authority, the District, and the County, when the Regional Wastewater Facilities have reached seventy-five percent (75%) of capacity.

13. Moratorium. At such time as insufficient capacity remains in the Regional Wastewater Facilities to treat additional flows, the Authority shall impose a moratorium on additional connections, pending the expansion of treatment capacity. Any moratorium necessitated by an exhaustion of treatment capacity shall apply equally and simultaneously to all Participants.

14. City/County Provisions. The following provisions bind, and inure to the benefit of, the City and the County only:

a. Linda Creek Raw Water Bypass. The City shall provide a maximum of 0.8 cfs of supplemental flow to Linda Creek to replace discharge from the abandoned County SMD #2 wastewater treatment plant, provided that the County shall reimburse the City for the cost of such water, including wheeling, metering, and maintenance costs. Supplemental flow shall consist of a raw water bypass at the City's water treatment plant on Barton Road. The City reserves the right to temporarily discontinue the raw water bypass during any period that stage three (or higher) drought restrictions are in effect pursuant to Roseville Municipal Code Chapter 14.09. The City shall bill the County quarterly for supplemental water costs, with payment due within sixty (60) days after any billing.

b. Dry Creek - West Placer Community Plan Area Wastewater Facilities.

(1) The County shall cause to be constructed within the Community Plan Area such Participant System facilities as are appropriate to provide wastewater service, and shall operate and maintain said facilities.

(2) Wastewater shall be received at the Dry Creek Plant by force main. The County's Participant System for the Community Plan Area shall connect to the Dry Creek Plant at the headworks facility located at the northeast portion of the Dry Creek Plant site.

c. Reclaimed Water. The City and the County agree that the use of reclaimed water is encouraged in all areas and is subject to the availability of the reclaimed water distribution system while complying with all state and local reclaimed water regulations.

(1) Pursuant to the Recycled Water Systems Evaluation Final Report (RMC, July 2016), the available reclaimed water is anticipated to be adequate to serve the projected demands in unincorporated Placer County within the SPWA service area.

(2) If the City receives a request for reclaimed water from a customer within their City limits that would reduce the amount of reclaimed water available to unincorporated Placer County projects below what is contemplated in Chapter 2 of the Recycled Water Systems Evaluation Final Report (RMC, July 2016), the City of Roseville will notify Placer County of this request. The County, or its agent, will then be granted the opportunity to reserve that capacity for a County project prior to the City granting that capacity to the other entity. However, the following projects in western Placer County were entitled prior to the date of this Agreement and are guaranteed reclaimed water capacity to meet their respective demands as described in their respective entitled environmental documents: Placer Vineyards Specific Plan, Riolo Vineyards Specific Plan, and Regional University Specific Plan.

(3) It is agreed that the City will be the retailer of reclaimed water within the City limits and the County, or its agent, will be the retailer outside of the City limits.

15. Indemnity. Each Participant (the “Indemnitor”) agrees to hold harmless, defend and indemnify the other Participants, their officers, agents and employees, from and against any and all liabilities, claims, or damages of any nature, including, without limitation, personal injury, including death, or property damage, resulting from the negligent actions or inaction of the Indemnitor, its officers, agents, or employees, under the terms of this Agreement, including, without limitation, accidental wastewater discharges.

16. Term and Termination. This Agreement shall be effective as of the date first above written and shall remain in effect (a) for the full useful life of any and all Regional Wastewater Facilities, or (b) until such time as no Bonds remain outstanding, whichever is later. The expiration or sooner termination of the JPA Agreement shall not cause this Agreement to expire or terminate.

17. Amendments. This Agreement may be amended only by the unanimous written agreement of the Participants. So long as any Bonds are outstanding and unpaid, or funds are not otherwise set aside for the payment or redemption thereof in accordance with the terms of said Bonds and the documentation relating thereto, this Agreement shall not be amended, modified or otherwise revised, changed or rescinded, unless the Participants have first complied with the procedures required to amend the indenture for said Bonds.

18. Rights of Participants and Third Parties. The Trustee, and Authority’s credit enhancement provider, if any, shall have the right, as third-party beneficiaries of this Agreement, to initiate and maintain legal proceedings to enforce this Agreement to the extent provided for in the applicable Bond Documents. Except as provided in the foregoing sentence, nothing in this Agreement, express or implied, is intended to confer any rights or remedies under, or by reason of, this Agreement on any person other than the parties hereto and their respective permitted successors and assigns. If an Event of Default occurs hereunder, the parties hereto, the Trustee, and Authority’s credit enhancement provider, if any, shall have the right to take whatever action it, or they, deem(s) necessary or advisable to ensure that such defaulting party complies with the provisions hereof, including, without limitation, bringing an action in law or in equity. In any action brought by any party to enforce the terms of this Agreement, the prevailing party shall be

entitled to recover its reasonable attorney's fees. Any action arising out of this Agreement shall be brought in Placer County, California, regardless of where else venue may lie.

19. Notices. Any notices to parties required by this Agreement shall be delivered or mailed, U.S. first class, postage prepaid, addressed as follows:

SOUTH PLACER WASTEWATER
AUTHORITY
2005 Hilltop Cir.
Roseville, CA 95747
Attention: Executive Director

With a copy to:
Authority's General Counsel
Sloan Sakai Yeung & Wong,LLP
555 Capitol Mall, Suite 600
Sacramento, CA 95814
Attention: Osman I. Mufti

CITY OF ROSEVILLE
Environmental Utilities Department
2005 Hilltop Cir.
Roseville, CA 95747
Attention: Environmental Utilities Director

With a copy to:
Roseville City Attorney
311 Vernon St.
Roseville, CA 95678
Attention: City Attorney

Finance Department
311 Vernon St., Room 206
Roseville, CA 95678
Attention: Finance Director

SOUTH PLACER MUNICIPAL UTILITY
DISTRICT
5807 Springview Dr.
Rocklin, CA 95677
Attention: General Manager

With a copy to:
District's General Counsel
Hill Rivkins Brown & Associates
11140 Fair Oaks Boulevard, Suite 100
Fair Oaks, CA 95628
Attention: Adam Brown

COUNTY OF PLACER
Department of Public Works
Environmental Engineering Division
11476 "C" Avenue
Auburn, CA 95603
Attention: Director

With a copy to:
Placer County Counsel
175 Fulweiler Avenue
Auburn, CA 95603
Attention: County Counsel

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

20. Counterparts. This Agreement may be executed in any number of counterparts, and by different parties in separate counterparts, each of which, when executed and delivered, shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the South Placer Wastewater Authority, the City of Roseville, the South Placer Municipal Utility District and the County of Placer have each caused their duly authorized officers to execute this Agreement effective as of the date first written above.

SOUTH PLACER WASTEWATER AUTHORITY

BY: _____
Kenneth Glotzbach
Executive Director

ATTEST:

BY: _____

Secretary, Board of Directors

APPROVED AS TO LEGAL FORM:

BY: _____
Osman I. Mufti
Authority's General Counsel

CITY OF ROSEVILLE

BY: _____
Dominick Casey
City Manager

ATTEST:

BY: _____
Sonia Orozco
City Clerk

APPROVED AS TO FORM:

BY: _____
Robert R. Schmitt
City Attorney

APPROVED AS TO SUBSTANCE:

BY: _____
Richard D. Plecker
Environmental Utilities Director

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

BY: _____
Herb Niederberger
General Manager

APPROVED AS TO FORM:

BY: _____
Adam Brown
District Counsel

ATTEST:

BY: _____
Joanna Belanger
Secretary to the Board of Directors

COUNTY OF PLACER

BY: _____

Chair, Board of Supervisors

APPROVED AS TO FORM:

BY: _____

County Counsel

ATTEST:

BY: _____

Clerk, Board of Supervisors

EXHIBIT A

Service Area

EXHIBIT B

Dry Creek - West Placer Community Plan Area

EXHIBIT C

Agreement for Industrial Waste Pretreatment Program

EXHIBIT D

Funding Agreement Definitions (as of January 31, 2019)

2011 Bonds means the following Authority bonds issued in 2011: (i) South Placer Wastewater Authority Wastewater Revenue Refunding Bonds, Series 2011A (Variable Rate Demand Bonds); (ii) South Placer Wastewater Authority Wastewater Revenue Refunding Bonds, Series 2011B (Variable Rate Demand Bonds); (iii) South Placer Wastewater Authority Wastewater Revenue Refunding Bonds, Series 2011C; and (iv) South Placer Wastewater Authority Wastewater Revenue Refunding Bonds, Series 2011D (SIFMA Index Bonds).

2011 Bond Debt Service means Debt Service due on the 2011 Bonds.

2011 Bond Documents means the Indenture, this Agreement, the Official Statement and other ancillary documents relating to credit enhancement, liquidity, and other matters relating to the 2011 Bonds, including the purchase of the 2011 Bonds.

Aggregate Rate Stabilization Fund Draw means, for any Computation Period, the amount actually withdrawn from the Rate Stabilization Fund to pay Debt Service during such Computation Period.

Authority is defined in the preamble.

Available Local Connection Fees means Local Connection Fees that may be used to pay Debt Service. A Participant assessing Local Connection Fees shall, on a case-by-case basis, determine whether such Local Connection Fees are so usable.

Average Dry Weather Flow means the average daily wastewater flow into the Regional Wastewater Facilities, measured from July 1st through September 30th of each year.

Bond Documents means the 2011 Bond Documents and any Parity Bonds Instrument(s).

Bond Redemptions means funds sent by the Authority to the Trustee accompanied by irrevocable instructions to the Trustee that such funds are to be applied to the redemption of Bonds in accordance with the optional redemption provisions of the Indenture and any Parity Bonds Instrument.

Bonds means, collectively, the 2011 Bonds and any Parity Bonds, issued and at any time outstanding under the Indenture or any Parity Bonds Instrument, respectively.

Capital Costs means both direct and incidental costs of the planning, permitting, design, acquisition and construction of Regional Wastewater Facilities, including, without limitation, the following: (a) site acquisition, including, without limitation, administration, surveys, appraisals,

legal fees, costs of litigation, and title insurance; (b) engineering costs, including, without limitation, administration, investigation, tests, design, survey, construction supervision, and inspection; (c) construction costs, including, without limitation, Bond interest during construction; (d) preliminary project costs paid, and advance payments made, by the City, the County, or the District; (e) Debt Service and issuance costs on Bonds; (f) reserve requirements for Bonds; (g) capital reserve requirements relating to Regional Wastewater Facilities; and (h) administrative costs, including, without limitation, legal fees, consultant fees, and costs of Participant personnel working on the acquisition and construction of Regional Wastewater Facilities.

City is defined in the preamble.

Computation Period means a Fiscal Year, unless another period of time is required by any applicable Bond Document.

County is defined in the preamble.

Debt Service means, for any Computation Period, the sum of (a) the interest accruing on all Bonds during such Computation Period, assuming that all Bonds are retired as scheduled, plus (b) the principal amount (including principal due as sinking fund installment payments) allocable to all Bonds in such Computation Period, calculated as if such principal amounts were deemed to accrue daily during such Computation Period in equal amounts from, in each case, each payment date for principal or the date of delivery of such Bonds (provided that principal shall not be deemed to accrue for greater than a 365-day period prior to any payment date), as the case may be, to the next succeeding payment date for principal; provided, that the following adjustments shall be made to the foregoing amounts in the calculation of Debt Service:

(1) with respect to any such Bonds bearing or comprising interest at other than a fixed interest rate, the rate of interest used to calculate Debt Service shall be (A) with respect to such Bonds then outstanding, one hundred ten percent (110%) of the greater of (I) the daily average interest rate on such Bonds during the twelve (12) calendar months next preceding the date of such calculation (or the portion of the then current Computation Period that such Bonds have borne interest) or (II) the most recent effective interest rate on such Bonds prior to the date of such calculation and (B) with respect to such Bonds then proposed to be issued, the average of the Revenue Bond Index published in *The Bond Buyer* over the prior 12 months, or a comparable index if the Revenue Bond Index is no longer published;

(2) with respect to any such Bonds having twenty percent (20%) or more of the aggregate principal amount thereof due in any one Computation Period, Debt Service shall be calculated for the Computation Period of determination as if the interest on and principal of such Bonds were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of thirty (30) years from the date of such Bonds; provided, however, that the full amount of such Bonds shall be included in

Debt Service if the date of calculation is within 24 months of the actual maturity of the payment;

(3) with respect to any such Bonds or portions thereof bearing no interest but which are sold at a discount and which discount accretes with respect to such Bonds or portions thereof, such accreted discount shall be treated as due when scheduled to be paid;

(4) Debt Service shall not include interest on Bonds which is to be paid from amounts constituting capitalized interest; and

(5) if an interest rate swap agreement is in effect with respect to, and is payable on a parity with, any Bonds to which it relates, no amounts payable under such interest rate swap in excess of debt service payable under such Parity Bonds Instrument shall be included in the calculation of Debt Service unless the sum of (A) the interest payable on such Bonds, plus (B) the amounts payable by the Authority or the Participant under such interest rate swap agreement, less (C) the amounts receivable by the Authority or the Participant under such interest rate swap agreement, are greater than the interest payable on such Bonds, in which case the amount of such payments to be made that exceed the interest to be paid on such Bonds shall be included in such calculation, and for this purpose, the variable amount under any such interest rate swap agreement shall be determined in accordance with the procedure set forth in Subsection (1) of this definition.

Debt Service Fund means the fund of that name created under the Indenture, or an equivalent fund created under any Parity Bonds Instrument, as applicable.

District is defined in the preamble.

Dry Creek Plant means the regional wastewater treatment plant owned and operated by the City for the mutual benefit of the Participants and known as the “Dry Creek Wastewater Treatment Plant.”

EDU’s means “equivalent dwelling units,” which is the measure by which City, District, and County calculate their Regional Connection Fees. The Participants shall coordinate the definition of EDU’s in their respective codes and ordinances, such that Regional Connection Fees collected are equivalent with regards to land use types, size, and density of structures.

Enterprise Fund means, (a) as to the City, the Operational and Rehabilitation Funds maintained by the City; (b) as to the County, the following funds maintained by the County: (1) Sewer Maintenance District No. 2, Fund 503, Subfund 2; and (2) CSA 28, Zone 2A3, Sunset Sewer, Fund 502, Subfund 2; (c) CSA 28, Zone 173, Dry Creek, Fund 502, Subfund 55; and (d) as to the District, the Enterprise Fund maintained by the District.

Event of Default means:

(a) Default in the due and punctual payment of any amounts required to be paid hereunder by a party hereto, when and as the same shall become due and payable; or

(b) Default by a party in the observance of any other covenants, agreements or conditions on its part in this Agreement, or in any Bond Document, and such default shall have continued for a period of thirty (30) days after that party shall have been given notice in writing of such default by the Trustee, or any other party hereto; provided, however, that if any such default is not reasonably curable within such thirty (30) day period, the applicable party shall not be deemed to be in default if such party commences to cure the default within such thirty (30) day period and diligently pursues such cure to completion.

Fiscal Year means the period of time beginning on July 1st of any year and ending on June 30th of the following year, or any other twelve (12) month period agreed to in writing by all of the Participants.

Indenture means, collectively and individually, the Wastewater Revenue Bond Indenture, and the First, Second, Third and Fourth Supplemental Wastewater Revenue Bond Indentures, each dated as of April 1, 2011, between the Authority and the Trustee, under which the 2011 Bonds were issued.

Individual Rate Stabilization Fund Draw means, as to each Participant, for any Computation Period, the amount actually withdrawn from the account created for such Participant in the Rate Stabilization Fund to pay such Participant's Proportionate Share of Debt Service during such Computation Period.

Interest Payment Date means any date on which interest is payable on the 2011 Bonds under the terms of the Indenture and any Parity Bonds Instrument.

JPA Agreement is defined in Recital A.

Local Connection Fees means connection fees imposed and collected by a Participant, pursuant to the applicable provisions of the Roseville Municipal Code, District ordinances, or County ordinances, as applicable, for the purpose of funding expansions or modifications of, and/or improvements to, the Participant's System.

MGD means millions of gallons per day.

Minimum Level means, when used to describe the amount contained in the Rate Stabilization Fund, an amount equal to the lesser of: (a) Debt Service due in the two (2) Fiscal Years occurring immediately after the calculation is made, and (b) the amount required to redeem or retire all Bonds.

Operations Agreement means that certain Agreement Regarding the Operation and Use of the South Placer Regional Wastewater Facilities made by and among the Authority and the Participants of even date herewith, as amended by the Amended and Restated Agreement Regarding the Operation and Use of the South Placer Regional Wastewater Facilities dated of even date herewith.

Other Superseded Agreements means, collectively, the following agreements between the parties and/or their predecessors: (i) Agreement Relating to the Construction and Operation of a Regional Sewage Treatment Plant between the City and Rocklin-Loomis Municipal Utility District (the District's predecessor), dated as of July 5, 1973, and amended on October 15, 1975, June 17, 1981, and May 6, 1987 (collectively, the "Dry Creek Agreements"); (ii) Agreement for Sewer Services Regarding Placer County Sewer Maintenance District No. 2; Placer County Service Area No. 28, Zone 2, A-3; Placer County Service Area No. 28, Zone 55; and the Dry Creek-West Placer Community Plan Area between the City and the County, dated January 17, 1996 (the "Roseville/Placer County Agreement"); (iii) Preliminary Agreement Between and Among the City of Roseville, the South Placer Municipal Utility District and the County of Placer Regarding the Pleasant Grove Wastewater Treatment Plant, between the City and the County, dated May 19, 1998, and a separate agreement between the City and the District bearing the same title and containing substantially the same provisions, dated October 21, 1998 (collectively, the "Preliminary Agreement"); and (iv) the Settlement Agreement among the City, the County and the District, in settlement of the litigation entitled *City of Roseville vs. South Placer Municipal Utility District*, Sacramento County Superior Court Case No. 98AS02099 (the "Settlement Agreement").

Parity Bonds means all bonds, notes or other obligations (including without limitation long-term contracts, loans, sub-leases or other legal financing arrangements) of the Authority, the proceeds of which are applied to the acquisition and construction of Regional Wastewater Facilities, payable from and secured by a pledge of and lien upon any of the Participant Net Revenues, and issued or incurred pursuant to the Indenture.

Parity Bonds Instrument means the resolution, trust indenture or installment sale agreement adopted, entered into or executed and delivered by the Authority, and under which Parity Bonds are issued.

Participant means, individually, the City, the County, or the District. Participants means, collectively, the City, the County and the District.

Participant Gross Revenues means, for any Computation Period, all amounts received for, arising from, and all other income and revenues derived by a Participant from, the ownership or operation of such Participant's System and such Participant's use of Regional Wastewater Facilities, excluding Regional Connection Fees and Local Connection Fees other than Available Local Connection Fees.

Participant Net Revenues means, with respect to each Participant, such Participant's Gross Revenues less such Participant's Operation and Maintenance Costs, for any Computation Period.

Participant Operation and Maintenance Costs or Participant's Operation and Maintenance Costs means, for any given period, the reasonable and necessary costs (both direct and incidental) of operating and maintaining the facilities which comprise a Participant's System during such period, as well as the Participant's share of Regional Operation and Maintenance Costs, calculated on sound accounting principles, including (among other things) the reasonable expenses of management and repair and other expenses necessary to maintain and preserve such facilities in good repair and working order, and reasonable amounts for administration, overhead, insurance, taxes (if any), labor, materials, water, electricity, natural gas, chemicals, employee bonds, vehicles, communications equipment, preventive maintenance, sludge disposal, environmental remediation, engineering services, analytical testing services, rents, right-of-way charges, recycled water operations costs, legal judgments and assessments, other support services, and other similar costs, but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor, debt service and amortization of intangibles or other book-keeping entries of a similar nature.

Participant Parity Obligations means, as to each Participant, all bonds, notes or other obligations (including without limitation long-term contracts, loans, sub-leases or other legal financing arrangements), payable from Participant Net Revenues on a parity with the Participant's obligation to pay its Proportionate Share of Debt Service.

Participant System or Participant's System means, as to each Participant, the facilities of such Participant (excluding Regional Wastewater Facilities, if any, owned by such Participant) for the collection, transmission and disposal of wastewater to or through the Regional Wastewater Facilities, together with necessary pipes, pumps, valves and machinery and lands, easements and rights of way therefor; and other works, properties or structures necessary or convenient for the collection, transmission and disposal of wastewater, including all additions, betterments, extensions and improvements to such facilities or any part thereof.

Paying Participant is defined in Subsection 9.f(3).

Phase I Capacity means the wastewater treatment capacity actually provided by the first phase of the Pleasant Grove Plant (9.5 MGD). On the date the Pleasant Grove Plant begins wastewater treatment operations, the Participants' usage of Phase I Capacity shall be zero, notwithstanding the diversion of wastewater from the Dry Creek Plant, as set forth below. From and after that date, all increases in the Participants' usage of the wastewater treatment capacity of the Regional Wastewater Facilities shall be deemed to be usage of Phase I Capacity, until the entire amount of Phase I Capacity is used.

Pleasant Grove Plant means the regional wastewater treatment plant owned and operated by the City for the mutual benefit of the Participants and known as the "Pleasant Grove Wastewater Treatment Plant."

Proportionate Share means the percentage allocations among the Participants determined in accordance with Section 12.

Proportional Volumetric Share means the proportion of total yearly wastewater volume entering the Regional Wastewater Facilities that is attributable to the City, the District or the County, as applicable. The City shall determine, using information supplied by all Participants, the total yearly wastewater volume and each Participant's Proportional Volumetric Share on a Fiscal Year basis.

Rate Covenant Debt Service means, as to each Participant, such Participant's Proportionate Share of Debt Service, less the sum of (a) such Participant's Individual Rate Stabilization Fund Draw, and (b) any amounts paid on behalf of such Participant pursuant to Section 9.f(3).

Rate Stabilization Fund means the fund into which all Regional Connection Fees are deposited. The Rate Stabilization Fund may be held by the City in trust for the benefit of the Authority, in which event references in this Agreement to payments made, or received, by the Authority, shall be deemed to refer to payments made, or received, by the City on the Authority's behalf.

Reclaimed Water means treated wastewater that can be used for other purposes such as irrigation. Reclaimed Water is interchangeable with Recycled Water.

Recycled Water means treated wastewater that can be used for other purposes such as irrigation. Recycled Water is interchangeable with Reclaimed Water.

Regional Connection Fees means the connection fees imposed and collected by the Participants, pursuant to the applicable provisions of the Roseville Municipal Code, District ordinances, and County ordinances, for the purpose of funding expansions or modifications of, and/or improvements to, Regional Wastewater Facilities. If any Participant contributes additional amounts pursuant to Subsection 10.c in lieu of enacting and enforcing the minimum Regional Connection Fee recommended by the Authority, such additional amounts shall be deemed to be Regional Connection Fees for purposes of this Agreement.

Regional Operation and Maintenance Costs means, for any given period, the reasonable and necessary costs (both direct and incidental) of operating and maintaining Regional Wastewater Facilities during such period, calculated on sound accounting principles, including (among other things) the reasonable expenses of management and repair and other expenses necessary to maintain and preserve Regional Wastewater Facilities in good repair and working order, and reasonable amounts for administration (including, without limitation, costs of administration of the Participants' industrial pretreatment programs by the City, but only to the extent such costs are not chargeable to significant industrial users pursuant to Roseville Municipal Code Chapter 14.26), overhead, insurance, taxes (if any), labor, materials, water, electricity, natural gas, chemicals, employee bonds, vehicles, communications equipment,

improvements, replacements and rehabilitations, preventive maintenance, sludge disposal, environmental remediation, engineering services, analytical testing services, rents, right-of-way charges, legal judgments and assessments (including, without limitation, enforcement actions of the California Regional Water Quality Control Board), and other similar costs. Credit items, such as all salvage value of Regional Wastewater Facilities, and revenue from the sale of sludge or other products, except for reclaimed and recycled water, shall be credited first to Regional Operation and Maintenance Costs and then to each of the Participants based on their Proportional Volumetric Share.

Regional Wastewater Facilities means the Pleasant Grove Plant, the Dry Creek Plant, any other regional treatment plants constructed by the Authority or any of the Participants in the future to facilitate wastewater collection, conveyance, treatment, recycling, discharge, and disposal services collectively to all of the Participants, and all Related Regional Infrastructure.

Related Regional Infrastructure shall mean trunk sewers, interceptor lines, force mains, pump stations, and all other wastewater infrastructure, constructed in conjunction with the Pleasant Grove Plant, the Dry Creek Plant, and/or other regional wastewater treatment plants constructed in the future, as appropriate and necessary to facilitate wastewater collection, conveyance, treatment, recycling, discharge, and disposal services collectively to all of the Participants. "Related Regional Infrastructure" shall not include trunk sewers, interceptor lines, force mains, pump stations, or any other wastewater infrastructure that (a) facilitate such services to only one or two of the Participants, or (b) are otherwise covered by other agreements providing for the apportionment of construction, operation and maintenance costs therefor, except for the agreements that are expressly superseded by this Agreement and the Operations Agreement.

Reserve Account means the account of that name created under the Indenture, or an equivalent account created under any Parity Bonds Instrument, as applicable.

Reserve Requirement has the meaning given thereto in the Indenture, or any Parity Bonds Instrument, as applicable.

Sub-Minimum Level means, for each Participant, an amount equal to the product of the Minimum Level multiplied by such Participant's Proportionate Share.

Trustee means the Bank of New York Mellon Trust Company, N.A., which was appointed as Trustee under the Indenture, and any successor thereto. The term "Trustee" shall also mean trustee(s) under any Parity Bonds Instrument(s), as applicable.

Underfunded Participant is defined in Subsection 9.f(3).

User Charges means rates, fees and charges levied against customers for use of a Participant's System and the Regional Wastewater Facilities, exclusive of Regional Connection Fees and Local Connection Fees.

EXHIBIT E

Methodology for Estimating County Flows

RESOLUTION NO. 19-37

APPROVING THE SECOND AMENDED AND RESTATED AGREEMENT REGARDING
THE OPERATION AND USE OF THE SOUTH PLACER REGIONAL WASTEWATER
FACILITIES AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF
OF THE CITY OF ROSEVILLE FOLLOWING SOUTH PLACER WASTEWATER
AUTHORITY BOARD APPROVAL

WHEREAS, the Second Amended and Restated Agreement Regarding the Operation and Use of the South Placer Regional Wastewater Facilities has been reviewed by the City Council; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Roseville that said amendment is hereby approved and that the City Manager is authorized to execute it on behalf of the City of Roseville following South Placer Wastewater Authority Board Approval.

PASSED AND ADOPTED by the Council of the City of Roseville this ____ day of _____, 20__, by the following vote on roll call:

AYES COUNCILMEMBERS:

NOES COUNCILMEMBERS:

ABSENT COUNCILMEMBERS:

MAYOR

ATTEST:

City Clerk



COUNCIL COMMUNICATION

CC #: 9752

File #: 1008

Title: Sierra Vista Specific Plan (San Fernando Drive) - Developer/Developer Reimbursement Agreement

Contact: Marc Stout 916-774-5339 mstout@roseville.ca.us

Meeting Date: 1/16/2019

Item #: 6.10.

RECOMMENDATION TO COUNCIL

Staff recommends City Council approve a developer/developer reimbursement agreement between the City, DF Properties, Inc. (DF Properties) and John Mourier Construction, Inc. (JMC) for the construction of public improvements identified in the Sierra Vista Specific Plan, and adopt a resolution authorizing the City Manager to execute said agreement.

BACKGROUND

Within the Sierra Vista Specific Plan, San Fernando Drive will be a public roadway that adjoins property owned by DF Properties and JMC. More specifically, this roadway will adjoin JMC's large lot parcel JM-21 and DF Properties large lot parcel DF-42. As such, each of the adjoining owners has agreed to cost share in the construction of the public infrastructure for San Fernando Drive.

Staff coordinated with DF Properties and JMC to develop a scope of work, an engineer's cost estimate and fair share contributions for the San Fernando infrastructure work. It was then agreed upon by all parties that a Developer/Developer Reimbursement Agreement would be used to memorialize the agreed upon scope and cost.

Since all the San Fernando Drive infrastructure is a developer obligation, the City's limited role in this agreement will be in the capacity of a financial intermediary to facilitate reimbursements to the developer that ultimately constructs these public improvements.

FISCAL IMPACT

The actions requested as part of this item will have no impact to the City's General Fund. All costs associated with the public infrastructure will be Developer paid.

ECONOMIC DEVELOPMENT / JOBS CREATED

Note: A national economic development study has shown that one (1) job is created for every \$92,000.00 invested in public projects.

ENVIRONMENTAL REVIEW

The public infrastructure improvements being proposed with this agreement are within the scope of the previously approved Environmental Impact Report for the Sierra Vista Specific Plan. No additional analysis is required to meet the California Environmental Quality Act (CEQA).

Respectfully Submitted,

Marc Stout, City Engineer

Mike Isom, Development Services Director



Dominick Casey, City Manager

ATTACHMENTS:

Description

Resolution No. 19-26

Developer/Developer Reimbursement Agreement

RESOLUTION NO. 19-26

APPROVING A REIMBURSEMENT AGREEMENT, BY AND BETWEEN DF PROPERTIES, INC., JOHN MOURIER CONSTRUCTION, INC., AND THE CITY OF ROSEVILLE, AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE

WHEREAS, a Reimbursement Agreement for the Baseline Marketplace project, by and between DF Properties, Inc., John Mourier Construction, Inc., and the City of Roseville, has been reviewed by the City Council; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Roseville that said agreement is hereby approved and that the City Manager is authorized to execute it on behalf of the City of Roseville; and

PASSED AND ADOPTED by the Council of the City of Roseville this ____ day of _____, 2019, by the following vote on roll call:

AYES COUNCILMEMBERS:

NOES COUNCILMEMBERS:

ABSENT COUNCILMEMBERS:

MAYOR

ATTEST:

City Clerk

DEVELOPER A / DEVELOPER B
REIMBURSEMENT AGREEMENT

Project: Baseline Marketplace

THIS AGREEMENT is made this ____ day of _____, 20__ (“Effective Date”) by and between DF Properties Inc., a California corporation, the developing party known hereafter as “DEVELOPER A” and John Mourier Construction Inc., a California corporation, the reimbursing party known hereafter as “DEVELOPER B” and the City of Roseville, a municipal corporation (“CITY”); and

W I T N E S S E T H:

WHEREAS, DEVELOPER A intends to construct and install certain roadway improvements; and

WHEREAS, DEVELOPER B is responsible for reimbursement for a portion of such improvements as described herein; and

WHEREAS, CITY shall act only in the limited capacity of financial intermediary to facilitate such reimbursement; and

WHEREAS, this Agreement assumes that DEVELOPER A will proceed with developing the Project (as defined below) prior to DEVELOPER B developing the real property referenced in the tentative subdivision map for Parcel JM-21, (A.K.A. Lot 26 of the Villages at Sierra Vista, Book DD of Maps, Page 26) (the “DEVELOPER B Property”); and

WHEREAS, if DEVELOPER B proceeds to develop the DEVELOPER B Property prior to DEVELOPER A developing the Project, then DEVELOPER B's obligations to construct 21 feet of the right of way for San Fernando Drive shall be governed by the terms of the Condition #64 of Tentative Map for the DEVELOPER B Property; and

WHEREAS, DEVELOPER B's entering into this Agreement satisfies DEVELOPER B's obligation to enter into a reimbursement agreement as required by Condition #64 of the Tentative Map for the DEVELOPER B Property; and

WHEREAS, if DEVELOPER B proceeds to develop the DEVELOPER B Property prior to DEVELOPER A developing the Project, then the parties' obligations under this Agreement shall terminate and be of no further force or effect; and

NOW, THEREFORE, the parties agree as follows:

1. Development of Project. DEVELOPER A is currently developing a project known as Baseline Marketplace ("Project"). As a condition of developing the Project, CITY requires that DEVELOPER A install certain public improvements in excess of the capacity necessary to serve the Project, to the future benefit of DEVELOPER B.
2. Improvements. The proposed improvements for which reimbursement under this Agreement will be provided (the "Improvements") are as shown on Exhibit "A", and described more fully within Exhibit "B", both of which are attached hereto and incorporated herein by reference. DEVELOPER A agrees to construct and install the Improvements to the satisfaction of the City Engineer of CITY. CITY agrees to accept the Improvements and to maintain them upon satisfactory completion per the terms of the Improvement Plans for the Project, at San Fernando Drive, following the one-year warranty period.

3. Request for and Amount of Reimbursement. The total reimbursement amount shall be based upon the line items identified on the City Engineer's estimate, which is attached hereto as part of Exhibit "A", and from the final actual improvement quantities and unit costs based upon supporting documents submitted from DEVELOPER A to DEVELOPER B and the City following construction of the Improvements in accordance with the Improvement Plans. The total reimbursement amount that DEVELOPER A shall be entitled to receive and that DEVELOPER B shall be obligated to pay, shall include an annual increase based on the Construction Cost Index (CCI) from the date of acceptance by the CITY of the completed Improvements until the date of payment thereof to the CITY. In the event the increase of the reimbursement amount referenced in the preceding sentence covers a period of less than one (1) year, such increase shall be prorated based upon the number of months covered by the period, divided by twelve (12) months.

4. CITY Collection of Reimbursement. Prior to the final approval of the Improvement Plans for the DEVELOPER B Property, DEVELOPER B shall pay the reimbursement amount described in Section 3 above to CITY. In the event there exists a dispute regarding the cost or type of improvements to be reimbursed, DEVELOPER B shall submit the undisputed amount. DEVELOPER A and DEVELOPER B shall in good faith seek to resolve the dispute, and following resolution of such dispute, DEVELOPER B shall submit the remaining reimbursement amount to CITY for distribution to DEVELOPER A. CITY shall not be obligated to mediate or otherwise participate in the resolution of such dispute. Within sixty (60) days of collection, CITY shall distribute any reimbursement amount collected from DEVELOPER B to DEVELOPER A. CITY shall only be obligated to reimburse DEVELOPER A the reimbursement amount actually collected. No interest shall be paid, nor shall any interest

accrue on the amount to be reimbursed as held by CITY. CITY shall not be responsible for any transaction costs or fees associated with the performance of this Agreement.

5. Limitations. This Agreement shall not be construed to limit the right of CITY to enlarge, relocate, alter or extend the Improvements, nor shall it be construed as a grant to DEVELOPER A or the owner of any of the properties shown on Exhibit "A" of any right to any specific capacity in or to the Improvements. CITY has no obligation to verify actual costs and shall not, under any theory, be liable to either DEVELOPER A or DEVELOPER B, or any assignee of either, for any cause of action. DEVELOPER A and DEVELOPER B hereby agree to hold harmless CITY, its officers, agents, volunteers, and employees from any claims, suits or actions of every name, kind and description brought forth, or on account of, any injury, damage, or breach while engaged in the performance of obligations or exercise of rights created by this Agreement. CITY's function is purely limited to the explicit terms described herein and shall not be considered or made a party to any action or dispute related hereto. Nothing herein is intended to waive or modify any other obligations concerning warranty of work, storm water (SWPPP) responsibilities, or any other law, rule, regulation, condition, permit, terms, or requirement concerning or relating to the improvement work, and work associated and related thereto. All necessary conditions, as they may exist, relating to the Improvements, from permits to construction standards remain unchanged, as the only purpose of this Agreement is facilitate the reimbursement of costs between DEVELOPER A and DEVELOPER B. The terms of this paragraph survive termination of this Agreement.

6. Sale, lease, assignment, or Disposition of Land. The limited terms and obligations stated herein are personal and nothing, but for the reasons stated herein, shall

eliminate or alter the terms and obligations of DEVELOPER A or DEVELOPER B, including sale, lease, assignment, and/or disposition of the subject property.

7. Binding. Each and every provision of this Agreement shall be binding and inure to the benefit of the successors in interest of the parties hereto.

8. Notice. It shall be DEVELOPER A's responsibility to keep CITY apprised of DEVELOPER A's address during the term of this Agreement. In the event CITY is unable to locate DEVELOPER A at the time that any reimbursement amount(s) are actually collected, CITY shall hold such reimbursement amount for the benefit of DEVELOPER A for a period of one (1) year. Upon the expiration of this Deadline, any reimbursement amount not reimbursed to DEVELOPER A shall escheat to DEVELOPER B and DEVELOPER B shall be free and clear of any obligation contemplated herein to DEVELOPER A.

Any notices to parties required by this Agreement shall be delivered personally or mailed, U.S. first class Postage prepaid, addressed as follows:

CITY OF ROSEVILLE

City of Roseville
ATTN: City Engineer
311 Vernon Street
Roseville, CA 95678

DEVELOPER A

DF Properties, Inc.
ATTN: Jeff Ronten
2130 Opportunity Drive, Ste. 140
Roseville, CA 95678

with a copy to:

Nicholas Alexander
NG Alexander Real Estate
Development LLC
1700 Eureka Road, Ste. 110
Roseville, CA 95661

DEVELOPER B

John Mourier Construction, Inc.
1430 Blue Oaks Boulevard, #190
Roseville, CA 95747-7143

Either party may amend its address for notice by giving notice to the other party and CITY in writing.

9. Assignment. The obligations of DEVELOPER A and DEVELOPER B under this agreement are assignable and shall not cease or terminate based on transfer, sale, lease, assignment, or other disposition of the subject properties. DEVELOPER A and DEVELOPER B shall each have the right, upon prior written notice to the City and the other party, to assign all or any portion of their rights and obligations under this Agreement.

10. Expiration. This Agreement shall expire upon the earlier to occur of (i) when reimbursement amount is transferred from CITY to DEVELOPER A pursuant to paragraph number 4, or (ii) ten (10) years after the Effective Date.

11. Integration. This is an integrated Agreement containing all of the considerations, understandings, promises and covenants exchanged between the parties.

12. Attorney's Fees; Venue. In any action to enforce the provisions of this Agreement, the prevailing party shall be entitled to its reasonable attorney's fees. Any action arising out of this Agreement shall be brought in Placer County, California regardless of where else venue may lie.

IN WITNESS WHEREOF, the CITY OF ROSEVILLE, a municipal corporation, has caused this Agreement to be executed in duplicate by its City Manager and attested to by its City Clerk under the authority of Resolution No. _____, adopted by the Council of the City of Roseville on the ____ day of _____, 20____, and DEVELOPER A, and DEVELOPER B have caused this Agreement to be executed.

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

CITY OF ROSEVILLE, a
municipal corporation

BY: _____
Dominic Casey
City Manager

ATTEST:

BY: _____
SONIA OROZCO
City Clerk

APPROVED AS TO FORM:

BY: _____
ROBERT R. SCHMITT
City Attorney

APPROVED AS TO SUBSTANCE:

BY:  _____
MIKE ISOM
Development Services Director

DF PROPERTIES INC., a
California corporation
Developing party (DEVELOPER A)

BY:  _____
its: PRESIDENT

and

BY:  _____
its: EXEL. VP/CFO

JOHN MOURIER CONSTRUCTION INC.,
a California corporation
Reimbursing party (DEVELOPER B)

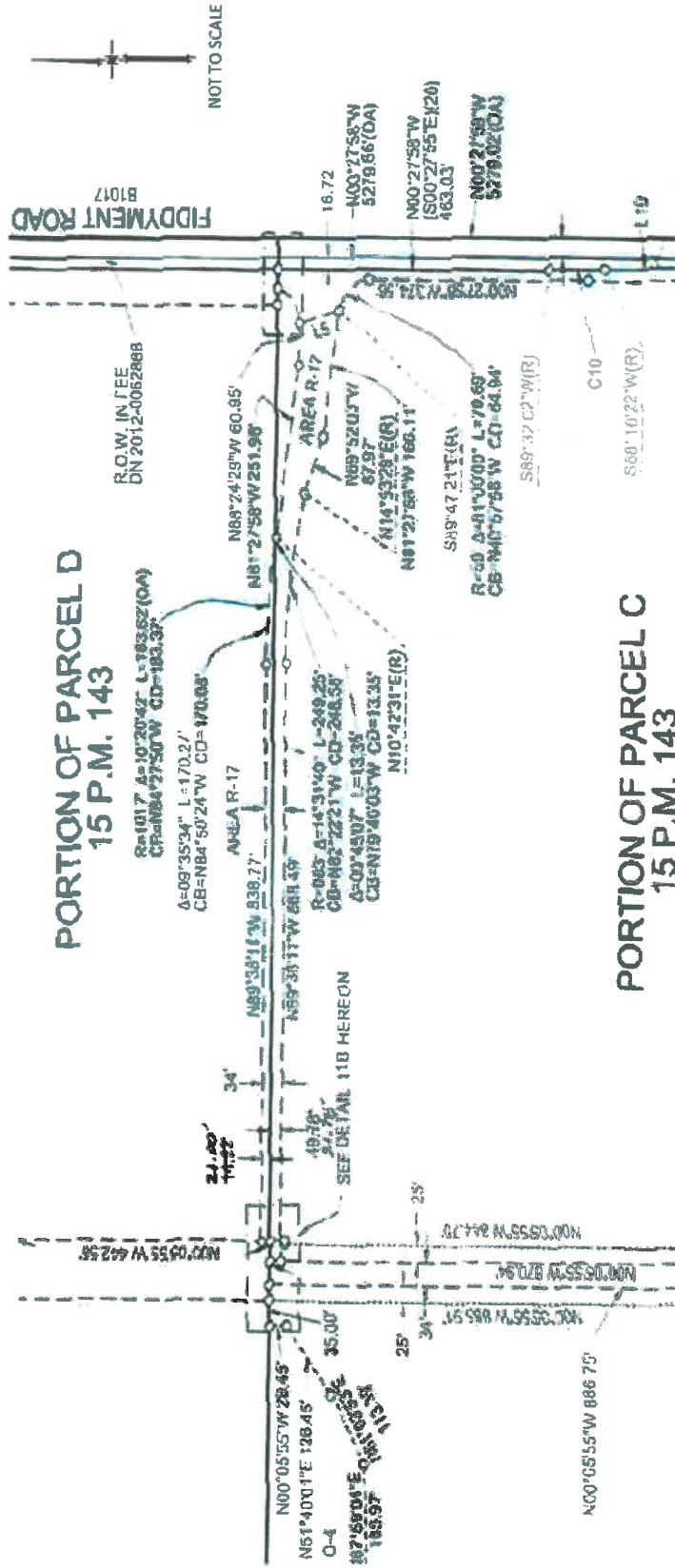
BY:  _____
its: President

and

BY: _____
its: _____

EXHIBIT “A”

PROPOSED IMPROVEMENTS AREA R-17



PRELIMINARY QUANTITIES BASED ON MACKAY & SOMPS PLANS DATED MAY 2016

STREET	JMC				DF PROPERTIES				JMC	DF
	ITEM	DESCRIPTION	QUANTITY	UNIT PRICE	AMOUNT	QUANTITY	UNIT PRICE	AMOUNT	AMOUNT	AMOUNT
	1	MOBILIZATION ¹	1 JOB	\$2,500.00	\$2,500.00	1 JOB	\$2,500.00	\$2,500.00	\$1,250.00	\$1,250.00
	2	CLEAR AND GRUB	0.47 AC	\$1,200.00	\$564.00	1.1 AC	\$1,200.00	\$1,320.00	\$564.00	\$1,320.00
	3	EROSION CONTROL	0.47 AC	\$8,000.00	\$3,760.00	1.1 AC	\$8,000.00	\$8,800.00	\$3,760.00	\$8,800.00
	4	STABILIZED CONST. ENTRANCE ¹	1 EA	\$7,500.00	\$7,500.00	1 EA	\$7,500.00	\$7,500.00	\$3,750.00	\$3,750.00
	5	EXCAVATION	500 CY	\$4.50	\$2,250.00	2,119 CY	\$4.50	\$9,535.50	\$2,250.00	\$9,535.50
	6	5"AC, 15"AB PAVEMENT	4,688 SF	\$6.75	\$31,644.00	31,450 SF	\$6.75	\$212,287.50	\$31,644.00	\$212,287.50
	7	VERTICAL CURB & GUTTER	919 LF	\$35.00	\$32,165.00	1,561 LF	\$35.00	\$54,635.00	\$32,165.00	\$54,635.00
	8	SIGNS & STRIPING ¹	1,028 LF	\$12.00	\$12,336.00	1,028 LF	\$12.00	\$12,336.00	\$6,168.00	\$6,168.00
	9	STREET LIGHTS ¹	8 EA	\$5,000.00	\$40,000.00	8 EA	\$5,000.00	\$40,000.00	\$20,000.00	\$20,000.00
	10	SURVEY MONUMENTS ¹	2 EA	\$750.00	\$1,500.00	2 EA	\$750.00	\$1,500.00	\$750.00	\$750.00
	SUB TOTAL					(1561 X 3X 1) +(31450 X 1.67)/27 =2119 CY				
	DRAIN Sta. 11+18-20+28									
	ITEM	DESCRIPTION	QUANTITY	UNIT PRICE	AMOUNT	QUANTITY	UNIT PRICE	AMOUNT	AMOUNT	AMOUNT
	1	12"RCP CL 4 ²	367 LF	\$76.00	\$27,892.00	367 LF	\$76.00	\$27,892.00	\$599.68	\$27,292.32
	2	42"RCP CL 4 ²	610 LF	\$175.00	\$106,750.00	610 LF	\$175.00	\$106,750.00	\$2,295.13	\$104,454.88
	3	360" SD MANHOLE ²	3 EA	\$8,450.00	\$25,350.00	3 EA	\$8,450.00	\$25,350.00	\$545.03	\$24,804.98
	4	48" SD MANHOLE ²	1 EA	\$5,850.00	\$5,850.00	1 EA	\$5,850.00	\$5,850.00	\$125.78	\$5,724.23
	SUB TOTAL					6 EA	\$3,850.00	\$23,100.00	\$496.65	\$22,603.35
						\$188,942.00				
	Contributing acreage					2.15%				
	JM-21 shed 0.47 Acres/21.9 Acres = 2.15%					97.85%				
	DF-42 shed 21.43 Acres/21.9 Acres = 97.85%									

NOTES

1. COST SPLIT 50%
2. TOTAL STORM DRAIN UTILITY TO BE SPLIT PER CONTRIBUTING WATERSHED AREA; JMC = 2.15% & DF = 97.85%
3. EACH DEVELOPER TO PAY THEIR ENVIRONMENTAL MITIGATION SEPARATELY
4. ACTUAL CONSTRUCTION AND COSTS ARE TO BE COMPLETED AND PAID BY DF PROPERTIES

TOTAL	JMC	DF
10% CONTINGENCY	\$106,363.25	\$503,375.75
CONSTRUCTION TOTAL	\$10,636.33	\$50,337.57
5% PLAN CHECK & INSPECTION	\$116,999.58	\$553,713.32
4% MANAGEMENT	\$5,849.98	\$27,685.67
4% ENGINEERING/CONST. STAKING	\$4,679.98	\$22,148.53
GRAND TOTAL	\$132,209.52	\$625,696.05

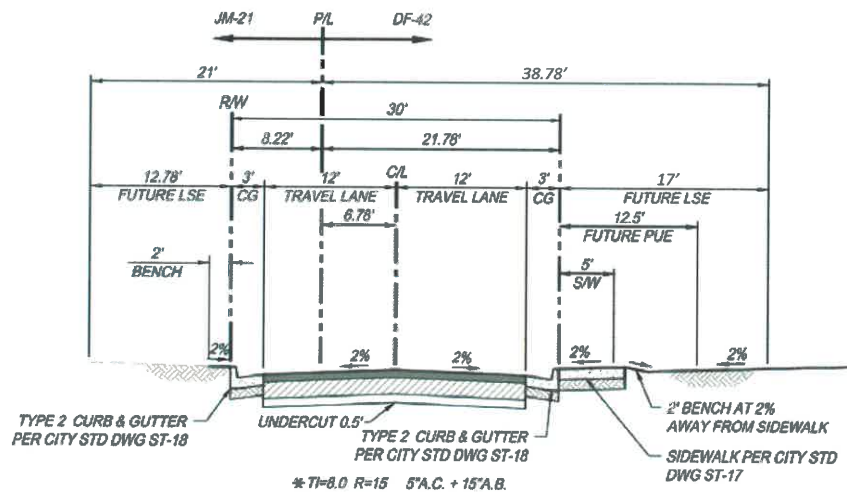
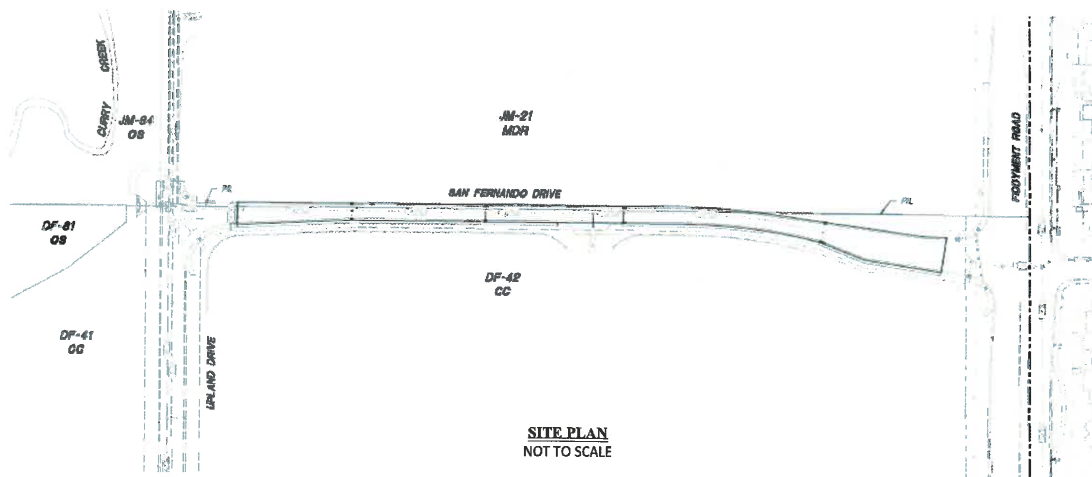
EXHIBIT “B”

EXHIBIT B

2/15/2018

IMPROVEMENT PLANS FOR: **BASELINE MARKETPLACE** **SAN FERNANDO DRIVE**

5000 BASELINE ROAD
CITY OF ROSEVILLE, CALIFORNIA



* TI=8.0 R=15 5'A.C. + 15'A.B.

TYPICAL SECTION
NOT TO SCALE



COUNCIL COMMUNICATION

CC #: 9751

File #: 1008

Title: Sierra Vista Specific Plan (Bramblewood Way) - Reimbursement Agreement

Contact: Marc Stout 916-774-5339 mstout@roseville.ca.us

Meeting Date: 1/16/2019

Item #: 6.11.

RECOMMENDATION TO COUNCIL

Staff recommends City Council approve a Developer Reimbursement Agreement between the City and John Mourier Construction, Inc. (JMC) for the construction of required public improvements identified in the Sierra Vista Specific Plan, and adopt a resolution authorizing the City Manager to execute said agreement.

BACKGROUND

Within the Sierra Vista Specific Plan, Bramblewood Way will be a public roadway that bisects property owned by DF Properties, Inc. (DF Properties) and JMC. More specifically, this roadway will be bisected by JMC large lot parcel JM-4 and DF Properties large lot parcels DF-1 and DF-20. As such, the two property owners will be required to contribute fair share costs for the construction of public infrastructure associated with Bramblewood Way.

DF Properties has a Condition of Approval on their small lot tentative map for DF-1 which requires that they reimburse the property owner of JM-4 for fair share infrastructure costs associated with Bramblewood Way prior to improvement plans being approved for the DF-1 subdivision. This is assuming the owner of JM-4 has already constructed public improvements associated with Bramblewood Way that require reimbursement.

Though the owner of parcel DF-1 is already conditioned to contribute a fair share contribution to the construction of the Bramblewood Way infrastructure, this Reimbursement Agreement with JMC, the current owner of JM-4, helps to memorialize this obligation. This reimbursement agreement between the City and JMC states in general terms that the City will make its best efforts to ensure that JMC is reimbursed from the DF-1 and DF-20 property owners for their fair share of infrastructure improvements, as outlined in Exhibit A and B of the agreement.

FISCAL IMPACT

The actions requested as part of this item will have no impact to the City's General Fund. All

costs associated with the public infrastructure will be Developer paid.

ECONOMIC DEVELOPMENT / JOBS CREATED

No jobs will be provided by this action. However, jobs will be created once developers establish contracts with contractors for the roadway improvements.

ENVIRONMENTAL REVIEW

The public infrastructure improvements being proposed with this agreement are within the scope of the previously approved Environmental Impact Report for the Sierra Vista Specific Plan. No additional analysis is required to meet the California Environmental Quality Act (CEQA).

Respectfully Submitted,

Marc Stout, City Engineer

Mike Isom, Development Services Director



Dominick Casey, City Manager

ATTACHMENTS:

Description

Resolution No. 19-25

Reimbursement Agreement

Exhibit A

Exhibit B

RESOLUTION NO. 19-25

APPROVING A REIMBURSEMENT AGREEMENT BY AND BETWEEN THE CITY OF ROSEVILLE AND JOHN MOURIER CONSTRUCTION, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE

WHEREAS, a Reimbursement Agreement regarding Sierra Vista Village JM-04B – Phase 2, by and between the City of Roseville and John Mourier Construction, Inc., has been reviewed by the City Council; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Roseville that said agreement is hereby approved and that the City Manager is authorized to execute it on behalf of the City of Roseville; and

PASSED AND ADOPTED by the Council of the City of Roseville this ____ day of _____, 2018, by the following vote on roll call:

AYES COUNCILMEMBERS:

NOES COUNCILMEMBERS:

ABSENT COUNCILMEMBERS:

MAYOR

ATTEST:

City Clerk

REIMBURSEMENT AGREEMENT

Sierra Vista Village JM-04B – Phase 2
(Project Name)

THIS AGREEMENT is made this _____ day of _____, 20__

(“Effective Date”) by and between the City of Roseville, a municipal corporation (“CITY”) and John Mourier Construction, Inc., a California corporation (“DEVELOPER”), and

W I T N E S S E T H:

1. Development of Project. DEVELOPER is currently developing a project known as Sierra Vista Village JM-04B – Phase 2 (the “Project”). As a condition of developing the Project, CITY requires that DEVELOPER install certain public improvements, including Bramblewood Way, as more fully described herein and in the exhibits attached hereto, in excess of the capacity necessary to serve the Project.

2. Improvements. The public improvements are as shown on Exhibit “A” attached hereto and incorporated herein by reference (the “Improvements”). DEVELOPER agrees to install the Improvements to the satisfaction of the City Engineer of CITY. CITY agrees to accept the Improvements once constructed, and to maintain them upon satisfactory completion, following the one-year warranty period.

3. Collection of Reimbursement Amount. CITY agrees to collect reimbursement of proportioned amounts from the parcel owners of DF-1 and DF-20 as shown on Exhibit “B,” attached hereto and incorporated herein by reference (the “Benefiting Property”), in accordance with Condition #19 of the SVSP DF Properties Tentative Map, prior to the City’s final approval

of improvements plans for Parcels DF-1 and DF-20, respectively, to the extent CITY is reasonably able to do so. Such reimbursement amount shall be based upon the line items identified on the estimate which is attached hereto as part of Exhibit "B", and from the final actual improvement quantities and unit costs based upon supporting documents submitted by DEVELOPER to the City following completion of the construction of the Improvements. DEVELOPER shall also be entitled to receive, to the extent it is collected, an annual increase in the reimbursement amount based on the Construction Cost Index (CCI) from the date of acceptance by the City of the completed Improvements until the date of payment thereof to the City. In the event the increase of the reimbursement amount referenced in the preceding sentence covers a period of less than one (1) year, such increase shall be prorated based upon the number of months covered by the period, divided by twelve (12) months. The parties agree that such amount is the reasonable value of the Improvements installed by DEVELOPER in excess of the capacity necessary to serve the Project.

4. Payment of Reimbursement. CITY shall, if such reimbursement amount(s) are collected, pay to DEVELOPER the reimbursement amount(s) that are actually collected within sixty (60) days of the City's receipt thereof. If no reimbursement amount is collected within a ten (10) year period from the Effective Date, CITY shall be under no obligation to make any payment to DEVELOPER. CITY shall only be obligated to reimburse DEVELOPER the amount of reimbursement actually collected during the ten (10) year period. No interest shall be paid on the reimbursement amount received by the City, or shall accrue on the amount to be reimbursed.

5. Limitations. This Agreement shall not be construed to limit the right of CITY to enlarge, relocate, alter or extend the Improvements, nor shall it be construed as a grant to

DEVELOPER or the owner of any of the Benefitted Properties of any right to any specific capacity in or to the Improvements.

6. Binding. Each and every provision of this Agreement shall be binding and inure to the benefit of the successors in interest of the parties hereto.

7. Notice. It shall be DEVELOPER's responsibility to keep CITY apprised of DEVELOPER's address during the term of this Agreement. In the event CITY is unable to locate DEVELOPER at the time that any reimbursement amounts are actually collected, CITY shall hold such reimbursement amounts for the benefit of DEVELOPER or its successor or assignee until the expiration of this Agreement. Upon the expiration of this Agreement, any reimbursement amount not reimbursed to DEVELOPER shall escheat to CITY and CITY shall be free and clear of any obligation to DEVELOPER.

8. Assignment. The obligations of DEVELOPER under this agreement are assignable and shall not cease or terminate based on transfer, sale, lease, assignment, or other disposition of the subject properties. DEVELOPER shall have the right, upon prior written notice to the City and the other party, to assign all or any portion of their rights and obligations under this Agreement.

9. Expiration. This Agreement shall expire upon the earlier to occur of (i) when the reimbursement amount is transferred from CITY to DEVELOPER pursuant to paragraph 4, or (ii) ten (10) years after the Effective Date. After such expiration, all of the rights and entitlements of DEVELOPER shall be null and void.

10. Integration. This is an integrated Agreement containing all of the considerations, understandings, promises and covenants exchanged between the parties.

10. Attorney's Fees; Venue. In any action to enforce the provisions of this Agreement, the prevailing party shall be entitled to its reasonable attorney's fees. Any action arising out of this Agreement shall be brought in Placer County, California regardless of where else venue may lie.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the CITY OF ROSEVILLE, a municipal corporation, has caused this Agreement to be executed in duplicate by its City Manager and attested to by its City Clerk under the authority of Resolution No. _____, adopted by the Council of the City of Roseville on the ____ day of _____, 20__, and DEVELOPER has caused this Agreement to be executed.

CITY OF ROSEVILLE, a
municipal corporation

JOHN MOURIER CONSTRUCTION, INC.,
a California Corporation

BY: _____
DOMINICK CASEY
City Manager

BY: 
its: President

ATTEST:

and

BY: _____
SONIA OROZCO
City Clerk

BY: _____
its: _____

APPROVED AS TO FORM:

BY: _____
ROBERT R. SCHMITT
City Attorney

APPROVED AS TO SUBSTANCE:

BY: 
MARC STOUT
City Engineer

EXHIBIT B

SIERRA VISTA- BRAMBLEWOOD WAY FRONTAGE IMPROVEMENTS

JOB #14-07-027
JOB #17-05-019

Shared frontage with DF-20/DF-1 STA. 0+00-10+02.91
No Dry Utilities to provided to DF-1 lots
PRELIMINARY QUANTITIES BASED ON JM-4 PH. 1 & 2 PLANS

12/18/2018

STREET

ITEM	DESCRIPTION	QUA. TOTAL	JMC QUA.	DF-1 QUA.	DF-20 QUA.	UNIT PRICE	JMC COST	DF-1 COST	DF-20 COST
1	MOBILIZATION	1 JOB	0.5 JOB	0.25 JOB	0.25 JOB	\$5,000.00	\$2,500.00	\$1,250.00	\$1,250.00
2	CLEAR AND GRUB	1 JOB	0.5 JOB	0.25 JOB	0 JOB	\$2,500.00	\$1,250.00	\$625.00	\$625.00
3	2" AC TOP LIFT ¹	11,695 SF	3,832 SF	3,931.5 SF	3,931.5 SF	\$1.40	\$5,364.80	\$5,504.10	\$5,504.10
4	STRIPING ²	1 JOB	0.5 JOB	0.25 JOB	0.25 JOB	\$5,000.00	\$2,500.00	\$1,250.00	\$1,250.00
5	STREET SIGNS	4 EA	4 EA	0 EA	0 EA	\$500.00	\$2,000.00	\$0.00	\$0.00
6	EROSION CONTROL	1 JOB	0.50 JOB	0.25 JOB	0.25 JOB	\$4,000.00	\$2,000.00	\$1,000.00	\$1,000.00
SUB TOTAL							\$15,614.80	\$9,629.10	\$9,629.10

SEWER SYSTEM ²

ITEM	DESCRIPTION	QUA. TOTAL	JMC QUA.	DF-1 QUA.	DF-20 QUA.	UNIT PRICE	JMC COST	D1-F COST	DF-20 COST
1	10" VCP(JMC 94.3%, DF-1 5.7%)	113 LF	107 LF	6 LF	0 LF	\$100.00	\$10,655.90	\$644.10	\$0.00
2	6" VCP (JMC 65.2%, DF-1 34.8%)	830 LF	541.16 LF	288.84 LF	0 LF	\$68.00	\$36,798.88	\$19,641.12	\$0.00
3	48" SMH (JMC 65.2%, DF-1 34.8%)	3 EA	1.95 EA	1.05 EA	0 EA	\$9,500.00	\$18,525.00	\$9,975.00	\$0.00
4	4" SEWER SERVICE	23 EA	15 EA	8 EA	0 EA	\$1,500.00	\$22,500.00	\$12,000.00	\$0.00
SUB TOTAL							\$88,479.78	\$42,260.22	\$0.00

WATER SYSTEM ^{3 & 5}

ITEM	DESCRIPTION	QUA. TOTAL	JMC QUA. 50%	DF-1 QUA. 50%	DF-20 QUA. 0%	UNIT PRICE	JMC COST	D1-F COST	DF-20 COST
1	12" PVC C900 CL 200	747 LF	373.5 LF	373.50 LF	0 LF	\$94.00	\$35,109.00	\$35,109.00	\$0.00
2	12" DIP CL 150	88 LF	44 LF	44 LF	0 LF	\$120.00	\$5,280.00	\$5,280.00	\$0.00
3	12" DIP CL 150 & CONC. CAP	147 LF	74 LF	73.5 LF	0 LF	\$150.00	\$11,025.00	\$11,025.00	\$0.00
4	2" BLOW OFF VALVE	1 EA	0.5 EA	0.5 EA	0 EA	\$2,950.00	\$1,475.00	\$1,475.00	\$0.00
5	12" VALVE	3 EA	1.5 EA	1.5 EA	0 EA	\$3,950.00	\$5,925.00	\$5,925.00	\$0.00
6	FIRE HYDRANT ASSEMBLY	3 EA	1.5 EA	1.5 EA	0 EA	\$9,250.00	\$13,875.00	\$13,875.00	\$0.00
7	CONNECT TO EX. 12" WM	1 JOB	0.5 JOB	0.5 JOB	0 JOB	\$5,000.00	\$2,500.00	\$2,500.00	\$0.00
SUB TOTAL							\$75,189.00	\$75,189.00	\$0.00

NOTES

- 2"AC,14"AB PAVEMENT SECTION WAS CONSTRUCTED AS STORM DRAIN ACCESS ROAD WITH CFD 2A
- UTILITY COST SPLIT TO BE PRO RATA SHARE BASED ON PARTICIPATING UNITS AT PLAN APPROVAL. 6" SEWER STUB TO DF-20 HAS BEEN REMOVED.
- WATER COST TO BE SPLIT 50-50 BETWEEN DEVELOPERS
- DRAIN OUTFALL CONSTRUCTED WITH CFD 2A, EACH DEVELOPER BUILDS DRAIN INLETS ON THEIR FRONTAGE
- EACH DEVELOPER INSTALLS THEIR WATER SERVICES, PER MARC STOUT, WATER SERVICES FOR DF-1 WILL BE BUILT WHEN THEY COMPLETE THEIR FRONTAGE IMPROVEMENTS
- DF-1 AND DF-20 WILL SPLIT THE REIMBURSEMENT AMOUNT PER THE AGREEMENT
- THE CURRENT EDU COUNT IS AS FOLLOWS: JM-4 132 units , DF-1 116 units
- ANY CONNECTIONS TO THE JM4 DRY UTILITIES BY THE DENIO PROPERTY WILL REQUIRE THE REIMBURSEMENT PAID BY THE DENIO PROPERTY TO INCLUDE A PRO-RATA SHARE OF THE DRY UTILITY SYSTEM.

TOTAL	\$179,283.58	\$127,078.32	\$9,629.10
10% CONTINGENCY	\$17,928.36	\$12,707.83	\$962.91
CONSTRUCTION TOTAL	\$197,211.94	\$139,786.15	\$10,592.01
5% PLAN CHECK & INSPECTION	\$9,860.60	\$6,989.31	\$529.60
4% MANAGEMENT	\$7,888.48	\$5,591.45	\$423.68
4% ENGINEERING/CONST. STAKING	\$7,888.48	\$5,591.45	\$423.68
GRAND TOTAL	\$222,849.49	\$157,958.35	\$11,968.97



COUNCIL COMMUNICATION

CC #: 9757

File #: 0400-04-09-1

Title: Resolution to Vacate Approvals for Fiddymment Plaza Project

Contact: Shelby Vockel 916-746-1347 svockel@roseville.ca.us

Meeting Date: 1/16/2019

Item #: 6.12.

RECOMMENDATION TO COUNCIL

Pursuant to the Peremptory Writ of Mandate issued by the Placer County Superior Court on December 5, 2018, staff recommends that the City Council adopt a resolution vacating and setting aside Resolution No. 17-430 adopted on October 4, 2017 which approved the Fiddymment Plaza project and vacating and setting aside the City's determinations that the project qualifies for a categorical exemption as an in-fill development pursuant to Section 15332 of the California Environmental Quality Act (CEQA) and Section 305 of the City of Roseville CEQA Implementing Procedures.

BACKGROUND

The Fiddymment Plaza project site is located at 4701 Fiddymment Road, on 1.38 acres within the West Roseville Specific Plan (WRSP) area. In 2014, as a part of the WRSP Specific Plan Amendment (SPA) 3 project, the property was rezoned from Single Family Residential/Development Standards (R1/DS) to Community Commercial (CC). The property is surrounded by residential development to the north, south, and east, and Fiddymment Rd. borders the site to the west. A park site and residential homes are located to the west of Fiddymment Rd. A 50-foot wide public right-of-way easement is located adjacent to the site on the east side, as this location was originally anticipated to accommodate Fiddymment Rd. The alignment of Fiddymment Rd. was later reconfigured to a location west of the subject parcel. To date, the right-of-way has been partially improved with landscaping adjacent to the Crocker Ranch residential subdivision and an eight-foot wide sidewalk.

Entitlement History

An application for a Design Review Permit was submitted to the City of Roseville Planning Division on September 28, 2016 to allow the construction of a 10,306 square-foot mixed-use building, consisting of 7,606 square feet of retail, 2,700 square feet of restaurant space, and a 3,310 square-foot gas station canopy with five fuel bays/ ten gas pumps for the project known as Fiddymment Plaza. Access to the project site was proposed from Fiddymment Road and Angus Road, and the site plan included a parking lot with 53 parking spaces. An analysis conducted by City staff concluded that the proposed project was exempt from CEQA review under an exemption known as the in-fill development exemption.

The applicant hosted a neighborhood meeting on April 11, 2017 to present the project to nearby

neighbors. Approximately six of the twenty neighbors in attendance expressed opposition to the gas station component of the project due to concerns of crime, proximity to the casino, alcohol sales, hours of operation, noise, compatibility with the neighborhood, and views of the buildings from adjacent residential areas. Based on the level of interest and the concerns raised by neighbors, the Design Review Permit (which is an entitlement typically reviewed by the City's Design Committee) was forwarded to the Planning Commission for formal action.

On August 10, 2017, the Planning Commission approved (4 Yes – 1 No) the Design Review Permit (DRP) for the Fiddymment Plaza project. In the Planning Commission staff report, City staff concluded that the proposed gas station is a principally permitted use in the Community Commercial (CC) zone, and that the appropriate entitlement for review was the DRP. The requested entitlement was found to be consistent with the City's General Plan, Zoning Ordinance, West Roseville Specific Plan (WRSP), and the Community Design Guidelines, and the Planning Commission approved the project based on the required four findings of fact for a DRP.

Following the Planning Commission's approval, neighbors from the Diamond Creek and Westpark neighborhoods (represented by Michele Threlkel) filed an appeal of the Planning Commission's approval. The appeal was based on concerns related to inadequate noticing, increased traffic, air quality impacts, and incompatibility with the surrounding residential neighborhoods. The Council Communication detailing the City's response to the appeal is included as Attachment 1. After conducting a public hearing, the City Council denied the appeal and upheld the Planning Commission's approval of the Fiddymment Plaza project. The City Council's action was memorialized in Resolution No. 17-430 which is attached to this staff report as Attachment 2.

Lawsuit – Michele Threlkel, et al. vs. City of Roseville, et al.

A coalition of neighbors to the project, represented by Michele Threlkel (hereinafter "Petitioners"), subsequently filed a lawsuit called a Petition for Writ of Mandate to challenge the City Council's approval of the project. The Petition argued that the City's approval was invalid on three counts, including California Environmental Quality Act (CEQA) violations, violations to the Roseville Municipal Code, and violations to Planning and Zoning Laws. The court ruled that the project was consistent with the General Plan and the Community Design Guidelines, and that there were no violations of the Roseville Municipal Code or State Planning and Zoning laws during the approval process. Accordingly, the court ruled in favor of the City on the second and third causes of action. However, regarding the first cause of action for CEQA violations, the court determined that the City had violated CEQA by failing to provide substantial evidence to support its determination that the project would not have significant air quality impacts and was, therefore, was exempt from CEQA under Section 15332 for small in-fill development projects. Under CEQA Section 15332, certain in-fill projects qualify for a categorical exemption to CEQA. The in-fill development exemption may be used if a project meets five factors. One of the factors that must be shown is that approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality. Petitioners argued that the City had failed to prove that there would not be any significant effects to air quality due to the gas station's close proximity to residential neighborhoods. City staff's position was that since the property owner needed to obtain a permit from the Placer County Air Pollution Control District ("PCAPCD") in order to dispense gasoline, the City could rely upon the District's permitting process to avoid air quality impacts. Although the court held that the City could legitimately rely upon the PCAPCD's regulations, the court faulted the City for not identifying the District's applicable rules or regulations relied upon for its determination. Accordingly, the court issued an order called a Peremptory Writ of Mandate (see Attachment 3) instructing the City Council within 60 days to vacate and set aside Resolution No. 17-430 adopted on October 4, 2017 and to vacate and set aside the City's determinations that the project qualifies for a categorical exemption as an in-fill development under CEQA. Pursuant to the Peremptory Writ, the City may not reapprove the project unless and until the City has complied with CEQA and the CEQA Guidelines.

Finally, it is important to note what the court did not rule. The court did not prohibit the project from

being reapproved. The court did not rule that the City must prepare an Environmental Impact Report ("EIR") in order to reapprove the project. The court also did not rule that the City was prohibited from relying upon the in-fill exemption again. The court's ruling was narrowly focused on the justification for using the in-fill exemption. Introduction of more evidence into a new record to justify the exemption, including the rules and regulations of the PCAPCD, is allowable.

Current Status

Following adoption of this resolution, the prior project approvals for the Fiddymment Plaza project will be null and void. Any projects proposed on the project site moving forward will require new entitlements. The applicants for Fiddymment Plaza have indicated to City staff that they intend to submit a new Design Review Permit application to allow a new gas station and convenience store, similar to what was previously approved. If a new project is submitted, it will be subject to the entitlement review process and heard by the Planning Commission. The Planning Commission's determination may be appealed to the City Council.

The PCAPCD approved a permit on May 21, 2018 authorizing the construction of a new gas station facility, with a temporary permit to operate. The approved permit expires on August 9, 2019, and includes 48 conditions of approval. In the event that the facility is constructed, the PCAPCD permit requires that emissions produced during the construction and initial operation of the facility be within regulatory standards.

FISCAL IMPACT

There is no fiscal impact related to adoption of this resolution. Time and materials costs associated with entitlement processing and the subsequent legal action were reimbursed to the City by the developer.

ECONOMIC DEVELOPMENT / JOBS CREATED

No jobs will be created as a result of adoption of this resolution.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment (CEQA Guidelines §15061(b)(3)). Adoption of this resolution in compliance with a court order does not include the potential for a significant environmental effect, and therefore is not subject to CEQA.

Respectfully Submitted,

Shelby Vockel, Associate Planner

Mike Isom, Development Services Director

A handwritten signature in blue ink, consisting of several overlapping loops and a final horizontal stroke.

Dominick Casey, City Manager

ATTACHMENTS:

Description

Resolution No. 19-34

Attachment 1 - October 4, 2017 Council Communication, #8802

Attachment 2 - Resolution No. 17-430

Attachment 3 - Peremptory Writ of Mandate

RESOLUTION NO. 19-34

VACATING AND SETTING ASIDE RESOLUTION NO. 17-430
ADOPTED ON OCTOBER 4, 2017 WHICH APPROVED THE FIDDYMENT PLAZA
PROJECT AND VACATING AND SETTING ASIDE THE CITY'S DETERMINATIONS
THAT THE PROJECT QUALIFIES FOR A CATEGORICAL EXEMPTION AS AN IN-FILL
DEVELOPMENT PURSUANT TO SECTION 15332 OF THE CALIFORNIA
ENVIRONMENTAL QUALITY ACT AND SECTION 305 OF THE CITY OF ROSEVILLE
CEQA IMPLEMENTING PROCEDURES

WHEREAS, the Fiddymment Plaza project site is located at 4701 Fiddymment Road on 1.38 acres within the West Roseville Specific Plan area; and

WHEREAS, an application for a Design Review Permit was submitted to the City on September 28, 2016 to allow the construction of a 10,306 square-foot mixed-use building, consisting of 7,606 square feet of retail, 2,700 square feet of restaurant space, and a 3,310 square-foot gas station canopy with five fuel bays/ten gas pumps for the project known as Fiddymment Plaza ("Project"); and

WHEREAS, an analysis conducted by City staff concluded that the proposed Project was exempt from the California Environmental Quality Act ("CEQA") pursuant to Section 15332 of CEQA known as the in-fill development exemption and pursuant to Section 305 of the City of Roseville CEQA Implementing Procedures; and

WHEREAS, on August 10, 2017, the Planning Commission approved the Design Review Permit for the Project; and

WHEREAS, following the Planning Commission's approval, neighbors from the Diamond Creek and Westpark neighborhoods filed an appeal of the Planning Commission's approval based on concerns related to inadequate noticing, increased traffic, air quality impacts and incompatibility with the surrounding residential neighborhoods; and

WHEREAS, after conducting a public hearing on October 4, 2017, the City Council denied the appeal and upheld the Planning Commission's approval of the Project; and

WHEREAS, the City Council's action was memorialized in Resolution No. 17-430 which denied the appeal of the Planning Commission's approval, adopted four findings of fact for the Design Review Permit, and approved the Design Review Permit; and

WHEREAS, on November 9, 2017, a coalition of neighbors to the Project, represented by Michele Threlkel, filed a Petition for a Writ of Mandate in Placer County Superior Court to challenge the City Council's approval of the Project; and

WHEREAS, on November 9, 2018, the Court issued a ruling finding that although the Project was consistent with the General Plan and the Community Design Guidelines, and although there were no violations of the Roseville Municipal Code or State Planning and Zoning laws, the City had violated CEQA by failing to provide substantial evidence to support its

determination that the Project would not have significant air quality impacts and was, therefore, exempt from CEQA under Section 15332 for in-fill development projects; and

WHEREAS, accordingly, on December 5, 2018, the Court issued a Peremptory Writ of Mandate (“Peremptory Writ”) instructing the City Council within 60 days to vacate and set aside Resolution No. 17-430 adopted on October 4, 2017 and to vacate and set aside the City’s determinations that the Project qualifies for a categorical exemption as an in-fill development project under CEQA; and

WHEREAS, pursuant to the Peremptory Writ, the City may not reapprove the Project unless and until the City has complied with CEQA and the CEQA Guidelines.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Roseville hereby vacates and sets aside Resolution No. 17-430 adopted on October 4, 2017 which approved the Fiddyment Plaza Project and vacates and sets aside the City’s determinations that the Project qualifies for a categorical exemption as an in-fill development pursuant to Section 15332 of the California Environmental Quality Act and Section 305 of the City of Roseville CEQA Implementing Procedures.

PASSED AND ADOPTED by the Council of the City of Roseville this ____ day of _____, 20__, by the following vote on roll call:

AYES COUNCILMEMBERS:

NOES COUNCILMEMBERS:

ABSENT COUNCILMEMBERS:

MAYOR

ATTEST:

City Clerk

CC ATTACHMENT 1



COUNCIL COMMUNICATION

CC #: 8802

File #: 0400-08 & 0400-04-09-1

Title: Fiddymment Plaza Commercial Project Appeal
Contact: Wayne Wiley 916-774-5283 wwiley@roseville.ca.us

Meeting Date: 10/4/2017

Item #: 9.2.

RECOMMENDATION TO COUNCIL

City staff recommends that the City Council deny the appeal of the Planning Commission's approval of the Fiddymment Plaza Commercial Project, and that the City Council adopt the four (4) findings of fact for the Design Review Permit and approve the Design Review Permit subject to one hundred (100) conditions of approval. This recommendation is made because the Project is a principally permitted use and the four findings of fact for a Design Review Permit can be made.

A Resolution which embodies the above recommendations is provided by City staff for City Council approval.

BACKGROUND

On August 10, 2017 the Planning Commission, by a vote of 4-1, approved a Design Review Permit (DRP) to allow the construction of a 10,306 square-foot mixed-use building consisting of 7,606 square feet of retail, 2,700 square feet of restaurant and a 3,310 square-foot gas station canopy with five fuel bays/ten pumps. The Planning Commission staff report is included as Attachment 1 to provide background information and an evaluation of the requested DRP entitlement. In summary, the staff report concludes that the proposed gas station is a principally permitted use in the Community Commercial (CC) zone and that the property owner has a right to develop the site as proposed with approval of a DRP. Further, the requested entitlement has been found consistent with the City's General Plan, Zoning Ordinance, West Roseville Specific Plan (WRSP), Community Design Guidelines and the required four Findings of Fact for a DRP.

Following the Planning Commission's approval, on August 21, 2017, neighbors from the Diamond Creek and Westpark neighborhoods (represented by Michele Threlkel) filed an appeal of the Planning Commission's approval based on concerns related to inadequate noticing, increased traffic, air quality impacts and incompatibility with the surrounding residential homes. The appeal of the Fiddymment Plaza project is now before the City Council, and based on the Planning Commission's approval and findings, staff recommends that the City Council deny the appeal and uphold the Planning Commission's action by approving the DRP.

As background for Council, the project site is located on the corner of Fiddymment Road and Angus Road near the northern City boundary limits and has a land use and zoning designation of CC. In 2014, as part of the West Roseville Specific Plan Amendment 3 project (SPA 3), the property was rezoned from Single Family Residential/Development Standards (R1/DS) to CC based on the unique shape of the property and to accommodate commercial development that would provide more neighborhood serving uses for the area. As part of that process, several neighborhood meetings were held and notices were mailed to residents of the community prior to the Planning Commission's recommendation and City Council's approval of the SPA 3 project on April 16, 2014.

Based on the summary provided above and the analysis provided in the Planning Commission staff report (see Attachment 1), the following section provides responses to the concerns raised at the Planning Commission hearing and noted within the appeal letter dated August 28, 2017.

OUTSTANDING ISSUES**Issues Raised at Planning Commission Hearing**

At the Planning Commission hearing five residents addressed the Commission regarding the proposed project (four in opposition and one in support). Concerns were raised regarding the notification process, proximity of the project to Harrigan Greens Park, air quality issues, traffic and security. A brief summary of each item is provided below followed by staff's response.

Concerns regarding the lack of public notification for the project were raised and residents noted that they were not informed of the neighborhood meeting and/or the Planning Commission meeting.

In response, a project notice was mailed to the Westpark Neighborhood Association, Fiddymment Farm Neighborhood Association and RCONA Board upon initial filing of the application with the City. The applicant also mailed a notice to residents within 300' of

CC ATTACHMENT 1

the project site informing them of an April 15th Fiddymment Farm Neighborhood Association meeting to discuss the project (twenty residents attended that meeting). On July 18, 2017, staff emailed the Neighborhood Associations and interested residents revised project plans and information on the public hearing. A notice of the Planning Commission hearing was then published in the Press Tribune on July 27, 2017, and distributed to the RCONA Board, nearby Neighborhood Associations, and residents within 300' of the project site.

Questions regarding restrictions on alcohol sales within a certain distance of sensitive receptors were raised.

The City does not regulate the sale of alcohol for principally permitted uses, but the current zoning designation allows for alcohol sales with the appropriate license. The Department of Alcohol Beverage and Control (ABC) monitors the sale of alcohol beverages and the applicant is required to apply and receive approval of an ABC license prior to selling any alcoholic beverages at the site. Staff has reached out to the Department of ABC and confirmed that a notice will be sent to residents located within 500' of the site and a notice will be posted onsite once an application is filled. In addition, the Roseville Police Department will receive notice that an ABC license has been requested and will have an opportunity to recommend operational restrictions. During this time, concerns from residents may also be forwarded to the Department of ABC for consideration.

Concerns regarding traffic associated with the use combined with existing traffic patterns was raised.

The Engineering Division noted that the proposed use will generate approximately 27 PM peak hour trips which is less than the 61 PM peak hour trips allocated for the site based on the City's Traffic Model.

Environmental concerns were raised regarding the gas station component in close proximity to a park, school, and residential development.

Per the California Environmental Quality Act (CEQA) the project site is exempt per Section 15332 pertaining to Infill development projects on a site of five acres or less. No additional local requirements would pertain to the project, as State and County regulations permit and monitor the sale of gasoline. A notice of the proposed project was sent to the Placer County Air Pollution Control District (PCAPCD). In response, PCAPCD noted that they did not have any special comments, but if the project was approved, the applicant would need to submit a permit application to PCAPCD for the proposed gas station. The PCAPCD has its own permitting process to ensure gas stations meet all air quality regulatory requirements.

Issues Raised in Appeal Letter

Following the Planning Commission meeting, the project approval was appealed by Michele Threlkel on behalf of residents in the surrounding communities. The appeal included a petition (see Attachment 2) signed by 77 residents addressing the following issues.

The project is inconsistent with the second Finding of Fact which states that the project shall be harmonious, efficient and safe.

As provided in the General Plan, the CC land use is conditionally compatible with residential development. Accordingly, the site has been designed to reduce impacts on the nearby residential homes through building orientation, landscaping, and the use of enhanced architecture that is compatible with the neighborhood. Additionally, the applicant has agreed to operational measures that will limit potential criminal activity (i.e. restricting access behind the building, installing appropriate lighting and security cameras and limiting hours of operation). Finally, through compliance with the PCAPCDs requirements for gas stations, air quality impacts will not pose an unsafe condition for the surrounding homes.

It is noted that the site is too small to handle traffic generated by the use and is not consistent with the General Plan's suggested 5-25 acre size for commercial sites.

As proposed, the driveway off of Angus Road will provide approximately 200' of stacking and will ensure an appropriate distance for the potential queuing of vehicles entering the site. The internal circulation pattern will consist of a two-way drive aisle along the front of the commercial building and a drive aisle around the western portion of the gas station and under the canopy that will help facilitate traffic around the site. The internal circulation pattern will also provide the required approach to the trash enclosures and will be configured to allow emergency vehicles access throughout the site. In addition, pedestrian access will be rerouted around the project frontage and a new eight-foot wide sidewalk will be constructed along Fiddymment Road to tie into the existing sidewalk on Angus Road. As noted in the DRP analysis, the project will provide the appropriate vehicular and pedestrian circulation consistent with the Community Design Guidelines, WRSP, and Zoning Ordinance. Furthermore, although the General Plan suggests a 5-25 acre site based on large scale commercial development, the size of the subject site (totaling approximately 1.3 acres) does not preclude development and is similar in size to other CC properties located throughout the City that are less than the suggested 5 acres. The General Plan also states that "appropriate areas for community commercial land use are the corners of, and adjacent to, arterials." Fiddymment Road is an arterial roadway. Accordingly, a gas station on the 1.3 acre site is appropriate and consistent with the General Plan.

The site design conflicts with the Community Design Guidelines that recommends gas station canopies be located away from intersections.

Based on the unique shape of the subject parcel, the current site layout is the most effective use of space in allowing appropriate circulation, and vehicle and pedestrian access. While the City's Design Guidelines discourage fuel canopies on corners of

CC ATTACHMENT 1

prominent intersections, this is a guideline that is not necessarily applicable to all intersections. In addition, the proposed site configuration is not unlike several other gas station locations within the City that currently have fuel canopies adjacent to intersections. As proposed, the gas station canopy and pumps are situated to provide the greatest separation between the proposed use and all surrounding homes. As designed, the homes to the south and west are separated from the use by a two lane and four lane roadway, respectively. In conclusion, the City's Design Guidelines are the framework to use when evaluating projects; however, deviations to the guidelines are permitted through the approval of a DRP.

The proximity of the gas station to the park is unique to the proposed location and is not harmonious with the development of the area and will create an unsafe environment.

The proposed gas station is located over 350' from the nearest property line of the park site with Fiddymment Road acting as a buffer. Furthermore, the Zoning Ordinance does not prohibit specific uses from locating within proximity to park sites.

The CEQA exemption of the project is not valid due to potential significant effects related to traffic noise and air quality.

See Environmental Review Section below.

SUMMARY EVALUATION

The proposed use is principally permitted and is consistent with the General Plan's land use designation of CC. Furthermore, the project is consistent with the Zoning Ordinance standards related to maximum building height, parking, permitted uses and compliance with the City's Community Design Guidelines. In addition, special attention has been paid to the building layout and architectural design to ensure compatibility with the surrounding neighborhood and compliance with the applicable development standards. A review of the proposed site layout and building design has determined that the project complies with the Community Design Guidelines, West Roseville Specific Plan, and Zoning Ordinance. As such, the Planning Commission has found that the project is consistent with the following four required Findings of Fact.

- 1. The project, as approved, preserves and accentuates the natural features of the property, such as open space, topography, trees, wetlands and watercourses, provides adequate drainage for the project, and allows beneficial use to be made of the site for development.*
- 2. The project site design, as approved, provides open space, access, vehicle parking, vehicle, pedestrian and bicycle circulation, pedestrian walks and links to alternative modes of transportation, loading areas, landscaping and irrigation and lighting which results in a safe, efficient and harmonious development and which is consistent with the applicable goals, policies and objectives set forth in the General Plan, WRSP, and Community Design Guidelines.*
- 3. The building design, including the materials, colors, height, bulk, size and relief, and the arrangement of the structures on the site, as approved, is harmonious with other development and buildings in the vicinity and which is consistent with the applicable goals, policies and objectives set forth in the General Plan, WRSP, and Community Design Guidelines.*
- 4. The design of the public services, as approved, including, but not limited to trash enclosures and service equipment are located so as not to detract from the appearance of the site, and are screened appropriately and effectively using construction materials, colors and landscaping that are harmonious with the site and the building designs.*

FISCAL IMPACT

The development of the site with a 10,000 sq ft commercial building and 10 pump gas station will not result in negative impacts to the City's General Fund. All costs associated with development of the site will be borne by the project applicant.

ECONOMIC DEVELOPMENT / JOBS CREATED

The project will generate construction jobs and several part time service industry jobs once the project is operational.

ENVIRONMENTAL REVIEW

The project is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) per Section 15332 pertaining to Infill development projects and pursuant to Section 305 of the City of Roseville CEQA Implementing Procedures. The section 15332 categorical exemption applies to Infill development meeting the following conditions:

a) The project is consistent with the applicable general plan designation and all applicable general plan polices as well as with applicable zoning designation and regulations.

The project site has a land use and zoning designation of CC which principally permits the proposed use. Furthermore, as noted herein the project is consistent with the Zoning Ordinance standards and Community Design Guidelines.

b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.

As noted in the background section of this report, the site totals approximately 1.3 acres and is surrounded by developed residential subdivisions to the east, south and west.

CC ATTACHMENT 1

c) The project has no value as habitat for endangered, rare or threatened species

The project site has been rough graded and no endangered/threatened species or special habitat exists onsite.

d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.

As noted above, the project will generate fewer trips than anticipated by the City's Traffic Model and air quality impacts related to gas stations are governed by PCAPCD. The project was circulated to PCAPCD and no special comments were submitted. The Subsequent Environmental Impact Report (SEIR) for SPA 3 included air quality mitigation measures that the project must meet. Additionally, the nearest homes back up to the site or the adjacent roadway and will be setback from the gas station a minimum of 125'. These homes will also be screened by landscaping and a six foot tall masonry wall further reducing noise impacts. Staff does not anticipate any noise impacts or significant air quality impacts to the adjoining properties beyond those customarily associated with traffic from the nearby roadways. However, consistent with City policy the project will be required to comply with the City's Noise Ordinance to ensure minimal impacts on the nearby homes, and the proposed gas station will be required to secure an annual permit to operate, through PCAPCD, ensuring the required local, state, and federal standards are adhered to as it relates to air quality impacts.

e) The site can be adequately served by all required utilities and public services.

Backbone infrastructure is available to the site from Fiddymment Road. Additionally, the project has been reviewed and commented on by all applicable service providers.

Respectfully Submitted,

Wayne Wiley, Associate Planner

Kevin Payne, Development Services Director



Rob Jensen, City Manager

ATTACHMENTS:

Description

[Resolution No. 17-430](#)

[Attachment 2 - Appeal Letter 1](#)

[Attachment 1 - PC Staff Report, Attachments & Exhibits](#)

[Attachment 3 - Supplemental Appeal Letter](#)

RESOLUTION NO. 17-430

DENYING THE APPEAL FROM THE
AUGUST 10, 2017 APPROVAL BY THE PLANNING COMMISSION,
ADOPTING THE FOUR FINDINGS OF FACT FOR THE DESIGN REVIEW PERMIT
AND APPROVING THE DESIGN REVIEW PERMIT

WHEREAS, in 2014, as part of the West Roseville Specific Plan Amendment 3 project (SPA 3 Project), the property located on the corner of Fiddymment Road and Angus Road was rezoned from Single Family Residential/Development Standards to Community Commercial; and

WHEREAS, as part of that process, several neighborhood meetings were held and notices were mailed to residents of the community prior to the Planning Commission's recommendation and the City Council's approval of the SPA 3 Project; and

WHEREAS, on August 10, 2017, the Planning Commission held a public hearing on the Fiddymment Plaza Commercial Project located on the corner of Fiddymment Road and Angus Road within the SPA 3 Project area; and

WHEREAS, the Fiddymment Plaza Commercial Project is a 10,306 square-foot mixed-use project consisting of retail, restaurant and gas station uses; and

WHEREAS, on August 10, 2017, the Planning Commission voted 4-1 to approve a Design Review Permit to allow construction of the Fiddymment Plaza Commercial Project after finding that the project was consistent with the following four Findings of Fact:

1. The project, as approved, preserves and accentuates the natural features of the property, such as open space, topography, trees, wetlands and watercourses, provides adequate drainage for the project, and allows beneficial use to be made of the site for development.
2. The project site design, as approved, provides open space, access, vehicle parking, vehicle, pedestrian and bicycle circulation, pedestrian walks and links to alternative modes of transportation, loading areas, landscaping and irrigation and lighting which results in a safe, efficient and harmonious development and which is consistent with the applicable goals, policies and objectives set forth in the General Plan, West Roseville Specific Plan, and Community Design Guidelines.
3. The building design, including the materials, colors, height, bulk, size and relief, and the arrangement of the structures on the site, as approved, is harmonious with other development and buildings in the vicinity and which is consistent with the applicable goals, policies and objectives set forth in the General Plan, West Roseville Specific Plan, and Community Design Guidelines.

4. The design of the public services, as approved, including, but not limited to trash enclosures and service equipment are located so as not to detract from the appearance of the site, and are screened appropriately and effectively using construction materials, colors and landscaping that are harmonious with the site and the building designs.

WHEREAS, following the Planning Commission's approval, neighbors from the Diamond Creek and Westpark neighborhoods filed an appeal of the Planning Commission's approval based on concerns related to inadequate noticing, increased traffic, air quality impacts, and incompatibility with the surrounding residential homes; and

WHEREAS, a review of the proposed site layout and building design has determined that the Fiddymment Plaza Commercial Project complies with the General Plan, West Roseville Specific Plan, Community Design Guidelines, and Zoning Ordinance; and

WHEREAS, the Fiddymment Plaza Commercial Project is also a principally permitted use in the Community Commercial zone and the property owner has the right to develop the site as proposed with approval of a Design Review Permit; and

WHEREAS, the Fiddymment Plaza Commercial Project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15332 pertaining to in-fill development projects and pursuant to Section 305 of the City of Roseville Implementing Procedures; and

WHEREAS, after holding a hearing on October 4, 2017, staff recommends that the City Council deny the appeal of the Planning Commission's approval of the Fiddymment Plaza Commercial Project because it is a principally permitted use and because the four (4) Findings of Fact for a Design Review Permit can be made; and

WHEREAS, staff also recommends that the City Council adopt the four (4) Findings of Fact for the Design Review Permit and approve the Design Review Permit subject to one hundred (100) conditions of approval.

NOW, THEREFORE, BE IT RESOLVED, that the Council of the City of Roseville hereby denies the appeal of the Planning Commission's August 10, 2017 approval of the Fiddymment Plaza Commercial Project; and

BE IT FURTHER RESOLVED that the four (4) Findings of Fact for the Design Review Permit are hereby adopted and the Design Review Permit is hereby approved, subject to one hundred (100) conditions of approval.

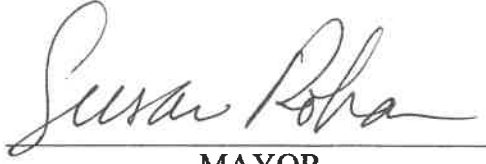
PASSED AND ADOPTED by the Council of the City of Roseville this 4th day of October, 2017, by the following vote on roll call:

CC ATTACHMENT 2

AYES COUNCILMEMBERS: Gore, Alvord, Herman, Allard, Rohan

NOES COUNCILMEMBERS: None

ABSENT COUNCILMEMBERS: None


MAYOR

ATTEST:


City Clerk

FILED
Superior Court of California
County of Placer

DEC 05 2018

Jake Chatters
Executive Officer & Clerk
By K Zaragoza, Deputy

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF PLACER

MICHELE THRELKEL and PETITIONERS)
OF WEST ROSEVILLE, an unincorporated)
association;)

Petitioner)

v.)

CITY OF ROSEVILLE; CITY COUNCIL OF)
THE CITY OF ROSEVILLE; and DOES 1 to 20,)

Respondents)

DHILLON & SON ENTERPRISES, INC., a)
California Corporation; and DOES 21-40)

Case No. SCV 0040328

**PEREMPTORY WRIT
OF MANDATE**

Judgment having been entered in this action ordering a Peremptory Writ of Mandate be
issued from Court:

YOU ARE HEREBY COMMANDED AND ORDERED to comply with the following

1. Within 60 days from service of this writ of mandate, Respondents City of
Roseville and City Council of the City of Roseville shall vacate and set aside Resolution No.
17-430 adopted on October 4, 2017 and Respondents' determinations that the project qualifies
for a categorical exemption as an infill development under CEQA.

1 2. Respondents and their agents shall not reapprove the Project unless and until
2 Respondents have complied with CEQA and the CEQA Guidelines.

3 3. Respondents, Real Parties in Interest and their respective agents shall suspend any
4 and all activities relating to the Project that could result in adverse change or alteration to the
5 physical environment until this Court determines that Respondents have taken the actions
6 specified herein to bring their approval of the Project into compliance with CEQA.

7 4. Respondents shall file a return to the peremptory writ of mandate within 90 days of
8 service.

9 5. Respondents and their agents shall file a supplemental return to the writ of
10 mandate after they have reapproved the Project, or after they have determined not to reapprove
11 the Project. The Court shall retain jurisdiction over Respondents' proceedings by way of the
12 return to the peremptory writ of mandate until the Court has determined that Respondents have
13 complied with CEQA.

14 Dated: December 2, 2018

K. Zaragoza

Clerk of the Superior Court

17 **LET THE FORGOING WRIT ISSUE**

18 DATED: December 2, 2018

Charles Wachob

The Honorable Charles D. Wachob
Judge of the Superior Court

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PROOF OF SERVICE

I am employed in the County of Yolo; my business address is 417 Mace Blvd, Suite J-334, Davis, California; I am over the age of 18 years and not a party to the foregoing action. On November 29, 2018, I served a true and correct copy of

PEREMPTORY WRIT OF MANDATE

X (by mail) on all parties in said action listed below, in accordance with Code of Civil Procedure §1013a(3), by placing a true copy thereof enclosed in a sealed envelope in a United States mailbox in the City of Davis, California.

___ (by overnight delivery service) via Federal Express to the person at the address set forth below:

___ (by personal delivery) by personally delivering a true copy thereof to the person and at the address set forth below:

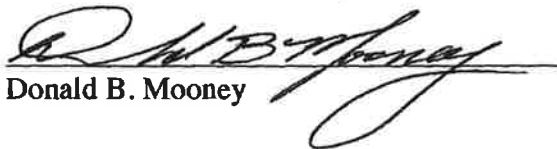
___ (by facsimile transmission) to the person at the address and phone number set forth below:

Kate A. Wheatley
Taylor & Wiley
500 Capitol Mall, Suite 1150
Sacramento, CA 95814

*Representing Respondents City of
Roseville and City Council of the City
of Roseville; and Real Parties in
Interest*

Robert Schmitt
Michelle M. Sheidenberger
City of Roseville
311 Vernon Street
Roseville, CA 95678

I declare under penalty of perjury that the foregoing is true and correct. Executed on November 29, 2018, at Davis, California.


Donald B. Mooney



COUNCIL COMMUNICATION

CC #: 9750
File #: 0721-05

Title: Royer Park to Harding Blvd. Bike Trail Segment 3 - Notice of Completion
Contact: Cathy Gosalvez 916-746-1300 cgosalvez@roseville.ca.us

Meeting Date: 1/16/2019
Item #: 6.13.

RECOMMENDATION TO COUNCIL

Staff recommends that City Council accept the Royer Park to Harding Blvd. Bike Trail Segment 3 project as complete and adopt a resolution to authorize the Acting Public Works Director to execute the Notice of Completion.

BACKGROUND

The Harding Boulevard to Royer Park Bikeway is identified in the Bicycle Master Plan as a priority project. This Class I bikeway is located along the north side of Dry Creek and will connect the Miner's Ravine Bike Trail to Royer Park (see attached map.) Project construction has been phased into three segments due to funding and right-of-way challenges.

Segment 1 provided a Class 1 Bikeway connection from the Miner's Ravine Trail at Harding Boulevard to East Street. This segment also included the construction of the Dry Creek Bridge, located immediately to the west of the Harding Boulevard Bridge. Construction of this segment was completed in November 2008.

Segment 2 continued the Class 1 Bikeway from East Street to Folsom Road, providing an important connection between the Miners Ravine Bike Trail and the downtown area. Construction of Segment 2 was completed in November 2010.

Segment 3 provides a Class 1 Bikeway connection from Folsom Road to the bike trail that was constructed at the rear of relocated Fire Station No. 1 on Lincoln Street. Construction of Segment 3 was completed in October 2018.

The Department of Public Works has made the final inspection of the Royer Park to Harding Blvd. Bike Trail Segment 3 project and has found the work to be completed in accordance with the improvement plans and City Specifications and is now ready for acceptance. As required by the Specifications and Faithful Performance Bond, the Contractor shall guarantee the installation of all improvements for a period of twelve months from the date of the Notice of Completion.

FISCAL IMPACT

On May 2, 2018, following a competitive bidding process, the project was awarded to the lowest responsive bidder, Biondi Paving, Inc., in the amount of \$582,655.00. The final construction cost was \$579,425.07, a decrease of \$3,229.93 under the bid amount. The cost savings was a result of quantity changes in the construction bid items.

The project is funded with local transportation funds. No General Fund resources were used for this project.

ECONOMIC DEVELOPMENT / JOBS CREATED

Federal guidelines suggest there is one job created for every \$92,000.00 in direct government spending. Based on that figure, this project provided 6.3 jobs.

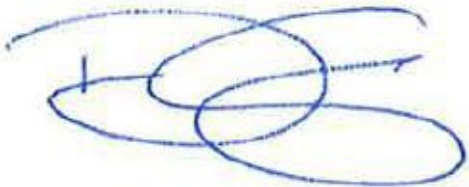
ENVIRONMENTAL REVIEW

The Council action of accepting the Royer Park to Harding Blvd. Bike Trail Segment 3 Project improvements as complete will not result in a direct or reasonably foreseeable indirect physical change in the environment (CEQA Guidelines §15060(b)(3)). Adoption of the Royer Park to Harding Blvd. Bike Trail Segment 3 Project Notice of Completion does not include the potential for a significant environmental effect, and therefore is not subject to CEQA.

Respectfully Submitted,

Cathy Gosalvez, Assistant Engineer

Jason Shykowski, Acting Public Works Director

A handwritten signature in blue ink, consisting of several overlapping loops and a horizontal line, likely belonging to Dominick Casey.

Dominick Casey, City Manager

ATTACHMENTS:

Description

Resolution No. 19-24

Notice of Completion

Location Map

RESOLUTION NO. 19-24

ACCEPTING THE PUBLIC WORK KNOWN AS THE ROYER PARK TO HARDING BLVD.
BIKE TRAIL SEGMENT 3 PROJECT, APPROVING THE “NOTICE OF COMPLETION”,
AND AUTHORIZING THE ACTING PUBLIC WORKS DIRECTOR TO EXECUTE SAID
NOTICE ON BEHALF OF THE CITY OF ROSEVILLE

BE IT RESOLVED by the City Council of the City of Roseville as follows:

1. The “Notice of Completion” on file in the City Clerk’s Department relative to that public work known as the Royer Park to Harding Blvd. Bike Trail Segment 3 Project, has been approved and the public work accepted.
2. The Acting Public Works Director is hereby authorized and directed to execute said Notice on behalf of the City of Roseville.

PASSED AND ADOPTED by the Council of the City of Roseville this ____ day of _____, 2019, by the following vote on roll call:

AYES COUNCILMEMBERS:

NOES COUNCILMEMBERS:

ABSENT COUNCILMEMBERS:

MAYOR

ATTEST:

City Clerk

AFTER RECORDING RETURN TO:
CITY CLERK
311 VERNON STREET
ROSEVILLE, CA 95678

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN that the public work known as the Royer Park to Harding Blvd. Bike Trail Segment 3 Project was completed and accepted by the City of Roseville on January 16, 2019. The location is indicated on the attached map, marked as Exhibit "A" and incorporated herein by this reference.

The general contractor on said project was Biondi Paving, Inc.

The surety on said project was Great American Insurance Company.

JASON SHYKOWSKI
Acting Public Works Director
City of Roseville

ATTEST:

SONIA OROZCO, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF PLACER)

I, JASON SHYKOWSKI, being first duly sworn, depose and say: I am the Acting Public Works Director of the City of Roseville, a municipal corporation in the State of California, owner of the property described in the above Notice. I am duly authorized to make this verification for and on behalf of the City of Roseville. I have read the Notice of Completion and know its contents and the facts stated therein are true.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

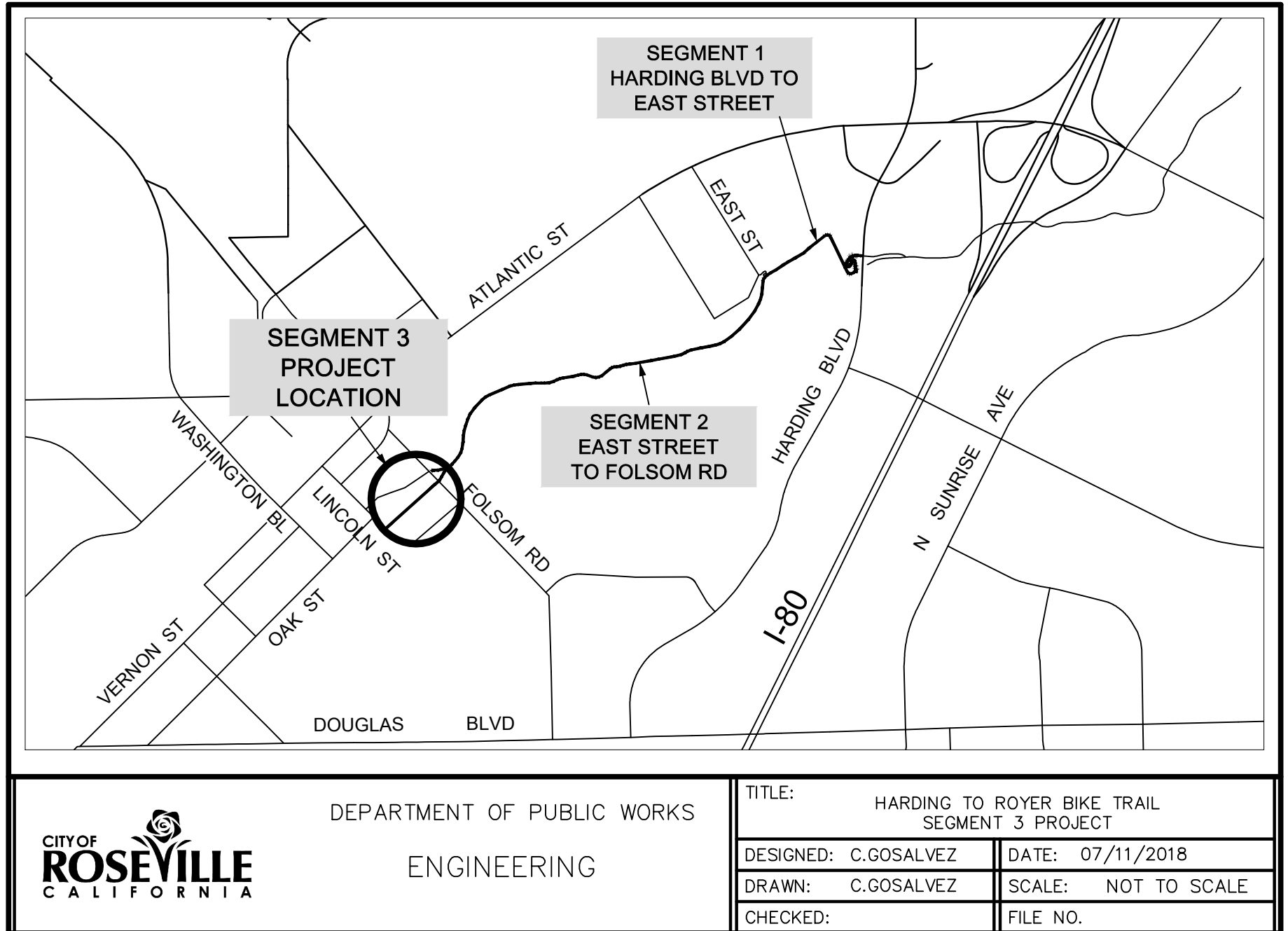
JASON SHYKOWSKI
Acting Public Works Director
City of Roseville

State of California)
County of Placer)

Subscribed and sworn to (or affirmed) before me on this ____ day of _____, 2019,
by JASON SHYKOWSKI proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Notary Public in and for said County and State

EXHIBIT A



DEPARTMENT OF PUBLIC WORKS

ENGINEERING

TITLE: HARDING TO ROYER BIKE TRAIL SEGMENT 3 PROJECT	
DESIGNED: C.GOSALVEZ	DATE: 07/11/2018
DRAWN: C.GOSALVEZ	SCALE: NOT TO SCALE
CHECKED:	FILE NO.



COUNCIL COMMUNICATION

CC #: 9743

File #: 0702

Title: Golf Maintenance Services Agreement Amendment
Contact: Rob Nakamura 916-774-5135 rnakamura@roseville.ca.us

Meeting Date: 1/16/2019

Item #: 6.14.

RECOMMENDATION TO COUNCIL

Recommend City Council adopt a resolution to approve the First Amendment to Golf Maintenance Services Agreement between the City of Roseville and Brightview Golf Maintenance, Inc., and authorize the City Manager to execute it. This amendment adjusts pricing by \$23,200.00 annually, increasing the agreement to \$8,523,200.00 effective February 1, 2019.

BACKGROUND

On December 16, 2015, the City entered into an agreement with Valleycrest Golf Course Maintenance which became Brightview Golf Maintenance, Inc. in January of 2017. The agreement allows for annual pricing adjustments based on uncontrollable circumstances including, but not limited to, fuel price increases, changes to workers' compensation rates, and prevailing wage changes. Annual increases shall not exceed five percent (5%) in any one year. The City and Brightview Golf have agreed to increase pricing by 1.6% effective February 1, 2019 based on reported increases to the Employment Cost Index (ECI) and the Consumer Price Index (CPI). Annual pricing was not adjusted in 2017 or 2018.

FISCAL IMPACT

The golf maintenance services agreement is funded within the golf course operations fund. This fund is currently being subsidized by the General Fund because golf expenses, including debt service, continue to exceed revenue. This annual adjustment will increase expenses by \$9,666.00 for the remainder of FY2018-19. The annual impact for the remainder of the agreement's term is \$23,200.00. The current agreement expires on December 31, 2020.

ECONOMIC DEVELOPMENT / JOBS CREATED

To provide golf course maintenance at both facilities, Brightview Golf Maintenance employs up to nine (9) full time and thirteen (13) part time employees. Additionally, seasonal employees support both golf properties during Spring and Summer months.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment (CEQA Guidelines §15061(b)(3)). The Brightview Golf Maintenance Service Agreement does not include the potential for a significant environmental effect, and therefore is not subject to CEQA.

Respectfully Submitted,

Rob Nakamura, Recreation Superintendent

Dion Louthan, Parks, Recreation & Libraries Director



Dominick Casey, City Manager

ATTACHMENTS:

Description

Resolution No. 19-17

Brightview Agreement

RESOLUTION NO. 19-17

APPROVING A FIRST AMENDMENT TO GOLF MAINTENANCE SERVICES AGREEMENT, BY AND BETWEEN THE CITY OF ROSEVILLE AND BRIGHTVIEW GOLF MAINTENANCE, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE

WHEREAS, a First Amendment to Golf Maintenance Services Agreement, by and between the City of Roseville and BrightView Golf Maintenance, Inc., has been reviewed by the City Council; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Roseville that said amendment is hereby approved and that the City Manager is authorized to execute it on behalf of the City of Roseville.

PASSED AND ADOPTED by the Council of the City of Roseville this ____ day of _____, 20__, by the following vote on roll call:

AYES COUNCILMEMBERS:

NOES COUNCILMEMBERS:

ABSENT COUNCILMEMBERS:

MAYOR

ATTEST:

City Clerk

**FIRST AMENDMENT TO
GOLF MAINTENANCE SERVICES AGREEMENT**

THIS FIRST AMENDMENT TO AGREEMENT is made and entered into this ____ day of _____, 20__, by and between the City of Roseville, a municipal corporation ("CITY"), and BrightView Golf Maintenance, Inc., a California corporation ("CONTRACTOR"); and

W I T N E S S E T H:

WHEREAS, CITY and ValleyCrest Golf Course Maintenance, Inc. entered into a Golf Maintenance Services Agreement dated December 16, 2015 ("Agreement") regarding Golf Course Maintenance Services ("Project"); and

WHEREAS, after execution of the Agreement and with CITY's consent, the Agreement was assigned from ValleyCrest Golf Maintenance, Inc. to CONTRACTOR; and

WHEREAS, the parties desire to make adjustments to maintenance standards and pricing as set forth herein.

NOW, THEREFORE, the parties agree as follows:

1. The first paragraph of Section 3 of the Agreement is amended to read as follows:
"Compensation for the Work for the term of this Agreement shall not exceed eight million five hundred twenty-three thousand, two hundred dollars (\$8,523,200.00) subject to adjustments for changes in the Work as may be directed in writing by CITY pursuant to Section 6. In lieu of providing an annual Faithful Performance Bond, CONTRACTOR agrees to provide \$4,500.00 worth of annual course improvements at no cost to CITY."

2. Exhibit "B" and Exhibit "C", attached hereto, an incorporated herein by reference, supercede the original Exhibit "B" and Exhibit "C" of the Agreement.

3. All other provisions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the City of Roseville, a municipal corporation, has authorized the execution of this First Amendment to Agreement in duplicate by its City Manager and attested to by its City Clerk under the authority of Resolution No. _____, adopted by the Council of the City of Roseville on the ____ day of _____, 20__, and CONTRACTOR has caused this First Amendment to Agreement to be executed.

CITY OF ROSEVILLE, a
municipal corporation

BRIGHTVIEW GOLF MAINTENANCE
INC., a California corporation

BY: _____
DOMINICK CASEY
City Manager

BY: Gregory A. Pieschala
its: President
And

ATTEST:

BY: _____
its: _____

BY: _____
SONIA OROZCO
City Clerk

APPROVED AS TO FORM:

BY: _____
ROBERT R. SCHMITT
City Attorney

APPROVED AS TO SUBSTANCE:

BY:  _____
DION LOUTHAN
Parks, Recreation & Libraries Director

EXHIBIT “B”

EXHIBIT B
Revised Effective February 1, 2019

Maintenance Standards
Woodcreek & Diamond Oaks Golf Courses
Grounds Maintenance Operations

Greens Complex: *Includes putting surface, surrounds, collars, approaches, and greenside bunkers. Green surfaces shall be smooth and actively growing as well as weed, disease, and stress free. Quality mowing patterns shall be visible. All other turf shall be even, lush green, and be cleanly edged. Minor weed patches may be present. The entire complex shall be safe, clean, firm enough for all traffic, free of standing water, presentable, and playable. Greenside bunkers shall be raked, cleanly edged, and debris free. All amenities shall be clean and in "like new" condition. Greens maintenance programs and strategies shall be presented to and agreed upon by the City.*

Greens Maintenance

- Greens shall be maintained in a manner that results in a stimp reading range of 8.5 – 10.0 with a monthly average of 9.0
- Turf height shall be maintained at a height acceptable to industry standard and in a manner that results in an average stimp reading of 9.0
- Mowing shall occur at minimum of 5 times per week or as needed to maintain an average stimp reading of 9.0. Greens shall be prepped for play daily as conditions allow including but not limited to mowing, rolling, or removing excess moisture.
- Mowing shall occur on Saturday and Sunday as conditions allow.
- 98% turf coverage is acceptable
 - 2% weed infestation shall be acceptable (excludes Poa Annua)
 - 0% bare or scalped area shall be acceptable
- Pin locations shall be changed daily
- Cups, Flags, and Sticks shall always be clean, in good repair, and presentable with a minimum of 3 complete flag change outs per year and 2 complete cup and pin change outs per year
- All grass clippings and debris shall be removed whenever present
- Aerate a minimum of once annually at each golf course to relieve compaction and increase the exchange of air and water within the soil profile. Core aerate and fill.
- Inspect thatch layer regularly and remove as needed for plant health and playability
- Regular verti-cutting and topdressing shall occur for thatch control, playability, and overall plant health
- Test soil annually. Submit copies of reports to City upon completion.
- Additional soil testing will occur if deemed necessary
- Irrigate for consistent soil moisture to achieve plant health, playability, and usability
 - No wet areas
 - No dry areas
 - Firm enough for foot and mower traffic
 - Apply wetting agents to assist in uniform soil moisture
 - Hand water as needed
- Inspect daily for insects, disease, and stress, and respond to outbreaks within 24 hours and before damage occurs

Collar and Approach Maintenance

- Turf shall be maintained at a maximum height of .675"
- Mowing will occur a minimum of 3 times per week during the growing season and as needed to maintain a uniform playing surface in the off season (November – March)
- 90% turf coverage shall be acceptable for Approaches
 - Up to 10% weed infestation shall be acceptable (excludes Poa Annua)

- Up to 5% bare area shall be acceptable
- 98% turf coverage is acceptable for Collars
 - 2% weed infestation shall be acceptable (excludes Poa Annua)
 - 0% bare or scalped area shall be acceptable
- Remove grass clippings if organic biomass may impact plant health or playability
- Remove debris as discovered
- Edging of sprinkler heads and drainage boxes shall occur monthly or as needed to ensure crisp edges
- Core Aerate a minimum of once annually to relieve compaction and increase the exchange of air and water within the soil profile. Core aerate and fill.
- Additional aerification may be required in high use areas to maintain turf health and shall occur as needed
- Inspect thatch layer regularly and remove as needed for plant health and playability
- Irrigate for consistent soil moisture to achieve plant health, playability, and usability
 - No wet areas
 - No dry areas
 - Firm enough for foot and mower traffic
 - Apply wetting agents to assist in uniform soil moisture
 - Hand water as needed
- Inspect daily for insects, disease, and stress, and respond to outbreaks within 24 hours
- Tee marker locations to be changed daily to challenge golfers and to spread wear and turf stress.

Surrounds Maintenance

- Turf shall be maintained at a maximum height of 2.25"
- Mowing shall occur a minimum of twice weekly
- 90% turf coverage shall be acceptable
 - Up to 10% weed infestation shall be acceptable (excludes Poa Annua)
 - Up to 5% bare area shall be acceptable
- Remove grass clippings if organic biomass may impact plant health or playability
- Remove debris as discovered
- Edging of yardage markers, sprinkler heads, drainage boxes, and/or plaques shall occur monthly or as needed to ensure crisp edges
- Aerate a minimum of once annually to relieve compaction and increase the exchange of air and water within the soil profile
- Additional aerification may be required in high use areas to maintain turf health and shall occur as needed
- Inspect thatch layer regularly and remove as needed
- Test soil and water annually. Submit copies of reports to City upon completion.
- Additional testing will occur if deemed necessary
- Irrigate for consistent soil moisture to achieve plant health, playability, and usability
 - No wet areas
 - Dry areas should be limited to less than 10% of the total area
 - Firm enough for foot and mower traffic
 - Hand water as needed
- Inspect daily for insects, disease, and stress, and respond to outbreaks within 24 hours

Tee Complex: Tee surfaces shall be level and actively growing, as well as, weed free with teeing markers properly located. Quality mowing patterns shall be visible. All turf areas shall be even, lush green, and be cleanly edged. The entire complex shall be safe, clean, firm enough for all traffic, free of standing water, presentable, and playable. All amenities shall be clean and in "like new" condition.

Tee Maintenance

- Turf shall be maintained at a maximum height of .675"
- Mowing will occur a minimum of 3 times per week during the growing season and as needed to maintain a uniform teeing surface in the off season (November – March)
- Turf Coverage – Par 4's and 5's – Woodcreek Oaks Golf Course
 - 90% turf coverage shall be acceptable
 - Up to 5% weed infestation shall be acceptable (excludes Poa Annua)
 - Up to 5% bare area shall be acceptable
- Turf Coverage – Par 4's and 5's – Diamond Oaks Golf Course
 - 80% turf coverage shall be acceptable
 - Up to 20% weed infestation shall be acceptable (excludes Poa Annua)
 - Up to 5% bare area shall be acceptable
- Turf Coverage – Par 3's – Woodcreek Oaks Golf Course
 - 60% turf coverage shall be acceptable
 - Up to 10% weed infestation shall be acceptable (excludes Poa Annua)
 - Up to 35% bare area shall be considered acceptable
- Turf Coverage – Par 3's – Diamond Oaks Golf Course
 - 60% turf coverage shall be acceptable
 - Up to 20% weed infestation shall be acceptable (excludes Poa Annua)
 - Up to 35% bare area shall be considered acceptable
- All bare areas must be covered in a sand and seed mixture
- Divots on Par 3's shall be filled with sand and seed daily
- Divots on Par 4's and 5's shall be filled weekly
- Tee Markers shall be moved daily
- Warm season turf shall be over seeded annually to ensure quality surfaces
- Remove grass clippings and debris if it may impact plant health or playability
- Edging of yardage markers and/or plaques shall occur monthly or as needed to ensure crisp edges
- Tee amenities shall always be clean, in good repair, and presentable
- Aerate a minimum of twice annually to relieve compaction and increase the exchange of air and water within the soil profile
- Inspect thatch layer regularly and remove as needed for plant health
- Test soil annually. Submit copies of reports to City upon completion.
- Additional soil testing will occur if deemed necessary
- Irrigate for consistent soil moisture to achieve plant health, playability, and usability
 - No wet areas
 - No dry areas
 - Firm enough for foot and mower traffic
 - Apply wetting agents to assist in uniform soil moisture
 - Hand water as needed
- Inspect daily for insects, disease, and stress, and respond to outbreaks within 24 hours

Fairways: Fairway turf shall be even, green, tightly mowed with visible quality patterns, and be cleanly edged. Minor weed patches and stress may be present. The fairway shall be safe, clean, firm enough for all traffic, free of standing water and stress, presentable, and playable. All amenities shall be clean and in "like new" condition.

Fairway Maintenance

- Turf shall be maintained at a maximum height of .875"
- Mowing will occur a minimum of 3 times per week during the growing season and as need to maintain a uniform playing surface during the off season (November – March)
- 90% turf coverage shall be acceptable

- Up to 10% weed infestation shall be acceptable (excludes Poa Annua)
 - Up to 5% bare area shall be acceptable
- Remove grass clippings if organic biomass may impact plant health or playability
- Remove debris as discovered
- Edging of yardage markers, sprinkler heads, drainage boxes, and/or plaques shall occur monthly or as needed to ensure crisp edges
- Core Aerate a minimum of once annually to relieve compaction and increase the exchange of air and water within the soil profile
- Additional aerification may be required in high use areas to maintain turf health and shall occur as needed
- Inspect thatch layer regularly and remove as needed for plant health and playability
- Test soil annually Submit copies of reports to City upon completion.
- Additional soil testing will occur if deemed necessary
- Irrigate for consistent soil moisture to achieve plant health, playability, and usability
 - Wet areas should be limited to less than 10% of the total area
 - Dry areas should be limited to less than 10% of the total area
 - Total wet/dry areas combined shall not exceed 15% of the total fairway area
 - Firm enough for foot and mower traffic
 - Apply wetting agents, as needed, to assist in uniform soil moisture
- Inspect daily for insects, disease, and stress, and respond to outbreaks within 48 hours or before damage occurs
- Divots shall be filled with seed and sand mix weekly or more frequently as needed during peak season 200 yard in to the green

Rough Maintenance

- Turf shall be maintained at a maximum height of 2.25"
- Mowing shall occur a minimum of once weekly
- 80% turf coverage shall be acceptable
 - Up to 20% weed infestation shall be acceptable (excludes Poa Annua)
 - Up to 5% bare area shall be acceptable
- Remove grass clippings if organic biomass may impact plant health or playability
- Remove debris as discovered
- Edging of yardage markers, sprinkler heads, drainage boxes, and/or plaques shall occur monthly or as needed to ensure crisp edges
- Core Aerate a minimum of once annually to relieve compaction and increase the exchange of air and water within the soil profile
- Additional aerification may be required in high use areas to maintain turf health and shall occur as needed
- Inspect thatch layer regularly and remove as needed
- Test soil and water annually. Submit copies of reports to City upon completion.
- Additional testing will occur if deemed necessary
- Irrigate for consistent soil moisture to achieve plant health, playability, and usability
 - Wet areas should be limited to less than 10% of the total area
 - Dry areas should be limited to less than 10% of the total area
 - Total wet/dry areas combined shall not exceed 15% of the total rough area
 - Firm enough for foot and mower traffic
- Inspect routinely for insects and disease and respond to outbreaks that pose a serious threat to the overall condition of the golf course

Bunkers & Surrounds: *All bunkers shall be presentable and playable, free of debris and standing water, and cleanly edged. Rakes shall be appropriately placed and be in "like new" condition. Bunker surrounds (3'*

radius around bunker edges) shall be even, lush green, tightly mowed and cleanly edged around bunker faces. The entire complex shall be safe, clean, and firm enough for all traffic

Bunker Maintenance

- 90% turf coverage shall be acceptable for bunker surrounds
 - Up to 10% weed infestation shall be acceptable
 - Up to 5% bare area shall be acceptable
- Bunkers shall be raked a minimum of 5 times per week
- Bunkers shall be raked on Saturday and Sunday
- Remove dirt and organic debris as it is discovered
- Ensure a minimum sand depth of 2" along on faces, slopes, and edges and a minimum of 4" throughout the rest of the bunker surface
- Edging of bunkers shall occur monthly or as needed in order to ensure crisp edges
- Wear areas around the perimeter of bunkers shall be repaired within 30 days of discovery
- Bunker rakes shall be clean, in good repair, and presentable
- Bunker rakes shall be placed a maximum of 45' apart with a minimum of 2 rakes for every bunker. The Golf Superintendent and Golf Professional may jointly increase the maximum distance for specific bunkers if deemed appropriate by both parties.
- Removal of standing water inside green side bunkers shall be initiated immediately upon discovery
- Removal of standing water inside all other bunkers shall be initiated within 24 hours of discovery
- Storm damage repair shall occur within 5 days of the completion of the storm event
- Annual bunker audits shall occur to ensure proper depth of sand

Landscape Maintenance (Golf Course plantings, Clubhouse, Parking Lots, Streetscapes)

- Lawns shall be maintained at a maximum height of 2.25"
- Mowing shall occur a minimum of once weekly
- 95% turf coverage shall be acceptable
 - Up to 5% weed infestation shall be acceptable (excludes Poa Annua)
 - Up to 2% bare area shall be acceptable
- Edging shall occur monthly or as needed to ensure crisp edges
- Prune / Trim shrubs, groundcover, and ornamental grasses as dictated by species
- Shrubs along fences and walls shall be maintained 1' below the top of the wall or fence
- Remove organic biomass upon discovery
- Remove debris upon discovery
- Apply fertilizer to plant species only if plant health dictates
- All landscape areas shall be 98% weed free
- Aerate as needed
- Remove hazardous debris from pathways immediately upon discovery
- Remove sand, dirt, and organic debris from paths within 24 hours of discovery
- Repair / replace fading, indistinct, or broken instructional/directional signage within 7 days of discovery
- Inspect regularly for insects and diseases. Respond to outbreaks within 48 hours
- All surfaces shall be maintained with the appropriate cover material. ie: bark, rock, etc.
- Dead plants shall be removed immediately upon discovery
- Removed plants shall be replaced with 30 days of removal
- Landscape bark shall be maintained to a minimum of 2" deep
- Landscape bark shall be replenished as needed to maintain minimum depth

Tree Maintenance

- A minimum 8' overhead clearance shall be maintained over all cart paths, walkways, and bridges and parking lots; when clearance pruning is performed the tree needs to be pruned on the other side to assure the tree is balanced.

- Tree Pruning shall occur per the City of Roseville's Tree Pruning standard and as directed by the City of Roseville Urban Forester including other tree maintenance work and Plant Health Care.
- All tree work must be coordinated with the Golf Course Superintendent to determine access points, day and time of work.
- Tree stakes and ties shall be routinely inspected, adjusted as needed and removed after the third growing season.
- Tree basins shall be kept weed free.
- Tree Planting must be coordinated and approved by City of Roseville Urban Forester and performed according to Parks & Recreation Construction standards and must meet the City of Roseville Tree Planting list. The Urban Forester must approve the tree species and planting locations prior to planting.
- Newly planted trees must be maintained and watered biweekly for at least three years to assure establishment. A drip system for watering the trees is highly recommended.

The following standards may be performed by contractor as agreed upon as "extra work":

- All tree work including tree removals shall be coordinated and approved by the City of Roseville Urban Forester.
- All Golf Course trees shall be pruned on a 5 year pruning cycle or as directed otherwise by the City of Roseville Urban Forester.
- A level II risk assessment of trees that overhang target areas such as pathways, greens, structures, bath rooms, resting areas and parking spots, maintenance roads, tees and greens shall be conducted by the contractor at least twice a year and as necessary; the level II risk assessment shall be conducted by an ISA certified Arborist with current Tree Risk Assessment Qualification, TRAQ.
- Trees shall be inspected on a regularly basis for dead, hazardous limbs, and hangers; over one inch in diameter. Branch removal shall take place immediately upon discovery.
- When performing tree pruning, tree maintenance, tree planting and plant healthcare the contractor shall have an ISA certified Arborist with current certification on site.
- Invasive roots that impact playability or threaten infrastructure shall be removed annually; root removal or root pruning must be approved by the City's Urban Forester.
- Stumps shall be ground within one week of tree removal and performed per City of Roseville pruning standards; all roots that present a tripping hazard must be traced, ground or removed. Wood shavings need to be removed and the stump hole must be backfilled with premium screened topsoil.
- Trees must be regularly inspected for insects and diseases. Response to diseases must be performed within 48 hours and approval must be obtained by City of Roseville Urban Forester.
- Dead trees must be removed within 7 days of discovery and shall be approved by City of Roseville Urban Forester. The tree shall be inspected for active wildlife nests prior to removal.
- Fallen trees must be immediately removed within an area of play.
- Fallen trees shall be removed within 5 days if within an area of non-play unless environmental conditions prevent such activity.

Restroom Maintenance – On Golf Course

- Restrooms shall be cleaned and stocked daily
- Floors will be swept and moped daily
- Walls will be spot cleaned daily
- Ceilings will be dusted weekly
- Toilets will be scrubbed and disinfected daily
- Sinks will be scrubbed and disinfected daily
- Trash will be emptied daily
- Doors and stalls will be cleaned daily
- Human waste shall be removed, and the area disinfected, immediately upon discovery
- There is to be at least one full roll of toilet paper in each dispenser at the conclusion of the cleaning service

- Paper towel machines shall have at least ½ roll remaining at the conclusion of the service
- Graffiti is to be removed immediately upon discovery and documented

Storm Cleanup

- Inspect drain covers before all forecasted rain events and immediately after rain events
- Remove debris and organic materials from drain covers upon discovery
- Maintain water inlet height at 100% of design standard
- Initiate all storm damage repairs within 2 days of the event
- Initiate repairs that restrict playability immediately

Irrigation System Maintenance and Management

- Fully inspect irrigation systems monthly
- Spot inspect irrigation system daily
- Initiate repairs to non-functioning systems upon discovery
- Ensure all control boxes are clean, in good repair, and presentable
- Ensure all valve box covers are clean, in good repair, and presentable
- Edging of sprinkler heads, valve boxes, etc. shall occur monthly or as needed to ensure crisp edges
- Pump stations shall be visited daily to ensure proper operation
- Pump stations shall be kept clean and free of debris at all times
- Pump stations to be inspected, tested, and serviced by trained professional annually prior to spring season
- Irrigation management shall conform to all City, State, and Federal guidelines for recreational water usage
- Every effort shall be made to ensure that the golf course is properly irrigated to maintain plant health and playability
- All broken or malfunctioning parts and components shall be replaced with like products
- Maintain the integrity of the entire irrigation system including the central control components and associated programs
- Maintain accurate and up to date records of system changes and operation

Litter Control

- Pick up litter and empty containers daily
- Organic litter shall be removed before impact to plant health or playability occurs
- At a minimum organic litter shall be removed bi-weekly for golf course aesthetics

Cart Path Maintenance

- Remove hazardous debris immediately upon discovery
- Remove sand, dirt, and organic debris from paths within 24 hours of discovery
- Repair / replace fading, indistinct, or broken instructional/directional signage within 14 days of discovery
- Edging of paths shall occur monthly or as needed to ensure crisp edges
- Yardage markers shall be clean, in good repair, and presentable
- Access restriction shall be routinely used to prevent wear patterns and damage from occurring along the edges of the paths

Site Amenity Maintenance

- Inspect tee markers, trash containers, ball washers, and other site amenities daily
- Site amenities shall always be clean, in good repair, and presentable
- Initiate repairs within 24 hours of discovery

Fence and Gate Maintenance / Access Restriction

- Inspect fences, gates, and bollards at least once monthly
- Initiate safety-related repairs immediately, and initiate other repairs within 5 days of discovery

- Access restriction (stake, rope, etc) shall be utilized to properly control and/or limit traffic
- Access restriction shall be maintained on a continual basis
- Components of access restriction shall always be clean, in good repair, and presentable

Sign Maintenance

- Golf Course signage, yardage markers, safety flags, etc shall always be clean, in good repair, and presentable at all times
- Inspect and clean monument signage weekly
- Initiate repairs / replacement of damaged or worn signs and markers within 5 days of discovery

Vandalism

- Initiate repairs immediately upon discovery for major incidents (safety or playability)
- Initiate repairs within 2 days for minor incidents
- Report, document, and photograph damage as necessary

Driving Range Maintenance

- Driving range tee shall be maintained at a maximum height of .675"
- Driving range tee and target green mowing shall occur a minimum of 2 times per week during the growing season and as need to maintain a uniform surface in the off season (November – March)
- Driving range turf mowing shall occur weekly
- Turf Coverage – Driving Range Tee
 - 75% turf coverage shall be acceptable
 - Up to 20% weed infestation shall be acceptable (excludes Poa Annua)
 - Up to 20% bare area shall be considered acceptable
- Turf Coverage – Driving Range Turf
 - 80% turf coverage shall be acceptable
 - Up to 20% weed infestation shall be acceptable (excludes Poa Annua)
 - Up to 5% bare area shall be acceptable
- All range tee bare areas shall be covered in a sand and seed mixture
- All divots shall be filled with sand and seed daily
- Location indicators shall be moved daily
- Teeing surface shall be over seeded annually
- Teeing surfaces shall be free of debris
- Remove grass clippings and debris if it may impact plant health or usability
- Edging of yardage markers and/or plaques shall occur monthly or as needed to ensure crisp edges
- Amenities shall always be clean, in good repair, and presentable
- Aerate the teeing surface a minimum of twice annually to relieve compaction and increase the exchange of air and water within the soil profile
- Aerate all other range turf annually to relieve compaction and increase the exchange of air and water within the soil profile
- Inspect thatch layer regularly and remove as needed for plant health
- Inspect tee area and target greens daily for insects, disease, and stress, and respond to outbreaks within 24 hours
- Specific day selection for the "pick" shall be determined by the Golf Course Superintendent and the Golf Professional on a semi-annual basis

FootGolf Course Maintenance

- Mow and maintain Footgolf Greens and Tees at agreed upon height
- Install replacement cups as needed to keep in good repair.
- Maintain turf around tee markers and FootGolf signage as needed
- Report FootGolf amenities in need of repair to Pro Shop
- *NOTE: Daily set up of flags and signage is the responsibility of the Pro Shop.*

Bridge Maintenance

- Inspect all bridges weekly
- Initiate safety-related repairs immediately, and initiate other repairs within 5 days of discovery
- Re-apply protective coating as dictated to protect construction materials used
- Remove hazardous debris immediately upon discovery
- Remove sand, dirt, and organic debris from paths within 24 hours of discovery

Facility Maintenance

- Office areas shall always be clean, orderly, and presentable to the public
- Break rooms and restrooms shall always be clean, orderly, and presentable to the public
- Non functional equipment shall be placed in a designated location
- All materials shall be properly stored
- All fuel tanks shall be inspected and permitted to comply with all local, State, and Federal laws, regulations, and guidelines
- Inspect all drains monthly. Remove debris to ensure proper drainage and flow as needed
- All doors shall be properly marked for hazardous materials
- All fire extinguishers shall be in place and properly charged at all times
- All debris and garbage shall be in proper disposal containers and routinely removed
- All tools, equipment, and supplies shall be neatly stored in their designated areas
- Employee safety and labor law materials shall be posted and easily accessible to all staff
- MSDS sheets and safety stations shall be easily accessible to all staff and shall be appropriately identified
- All doors and gates shall be secured at locked at the conclusion of every working day

Equipment Maintenance

- All carts and equipment shall be clean, in good working order, and presentable whenever on the golf course
- All non operational carts and equipment shall not be within plain view of guests
- All efforts shall be made to remove non operation equipment from the golf course immediately upon discovery

Golf Course Hazard Marking

- All hazards shall be staked with the appropriate color designation as outlined by the USGA
- All stakes shall be clean, in good repair and presentable at all times
- Broken, faded, or generally poor conditioned markers shall be repaired or replaced with 10 days of discovery

Wetland/Drainage Areas

- Maintenance of all wetland and drainage areas shall conform to all City, State, and Federal guidelines, regulations, and/or laws
- Unless otherwise restricted, vegetation in wetland and drainage areas shall lowered to a height of 6" or less annually
- Water flow shall be maintained per golf course design guidelines
- Inspect monthly for compliance
- Respond to all out of compliance items within 30 days of discovery or as legally required

Hardscapes (Parking Lots, Breeze Ways, Patios, etc)

- All patio areas shall be inspected and cleaned daily
- Pressure washing of non-parking lot areas shall be pressure washed seasonally
- Remove hazardous debris immediately upon discovery
- Remove sand, dirt, and organic debris from paths within 24 hours of discovery

- Inspect weekly for compliance

Lakes, Ponds, Creeks

- Aerifiers and fountains shall be kept operational at all times
- Lakes and ponds should be a minimum of 95% algae and aquatic weed free
- Inlets and overflows shall be free of debris at all times
- Repairs to non operational equipment shall be initiated within 48 hours of discovery
- Creeks shall be free of debris that poses a flood risk to private property or damage to private or public property
- Creeks shall be assessed monthly for debris and blockages
- All water edges shall be trimmed to blend to rough and surrounds.
- All discharges into waterways shall conform to all City, State, and Federal guidelines, regulations, and/or laws

Open Space / Preserve Maintenance

- See the City of Roseville "Open Space / Preserve Management Plan" for specific details and requirements
- All work in Open Space/Preserve areas must be coordinated and approved with the City of Roseville Open Space Superintendent to determine access points, methods and materials, day and time of work
- Contractor shall install fire breaks annually per City of Roseville Fire Department guidelines. See Exhibit C4, Fire break map
- Litter shall be removed as discovered
- Open Space signage: Appropriate signage and access restriction for each individual area should be present. Any vandalism or damage should be reported to Open Space Superintendent
- Vernal pools shall be identified and environmentally sensitive areas and access is restricted
- Grazing is utilized by the City in preserve areas. Contractor shall work with City to coordinate grazing plan
- Biological monitoring of vernal pools shall occur annually by City biological consultant

The following standards may be performed by contractor as agreed upon as "extra work":

- Seasonal mowing of non-golf areas shall occur in designated areas as agreed upon
- All tree work including tree removals in open space preserve areas shall be coordinated and approved by the City of Roseville Urban Forester. (See section on Tree Maintenance)
- Any trees that pose a high risk to people or property shall be removed within 24 hours. Removal needs to be approved by City of Roseville Urban Forester
- Dead trees must be removed within 7 days of discovery and shall be approved by City of Roseville Urban Forester. The tree shall be inspected for active wildlife nests prior to removal
- A level II risk assessment of Open Space/Preserve trees that overhang target areas such as fences, private property, greens, structures, bath rooms, resting areas and parking spots, maintenance roads, tees and greens shall be conducted by the contractor at least once a year and as necessary; the level II risk assessment shall be conducted by an ISA certified Arborist with current Tree Risk Assessment Qualification, TRAQ
- Open Space areas must be inspected twice a year for insects and diseases. Response to diseases must be performed within 48 hours and approval must be obtained by City of Roseville Open Space Superintendent
- Creek Maintenance shall be completed following the guidelines set forth in the City's MOU for Creek Maintenance with the California Department of Fish and Wildlife Service

Nursery Areas

- Nursery turf shall be maintained at a maximum height of ½" for Bentgrass and Bermuda and shall be maintained at a maximum of 1.5" for all other cool season turf varieties

- All bare areas must be covered in a sand/soil and seed mixture to ensure a uniform and presentable surface
- All areas of removal shall be prepared for new germination within 15 days of removal
- Remove grass clippings and debris if it may impact plant health
- Aerate annually to relieve compaction and increase the exchange of air and water within the soil profile
- Inspect thatch layer regularly and remove as needed for plant health
- Irrigate for consistent soil moisture to achieve plant health
 - No wet areas
 - No dry areas
 - Firm enough for foot and mower traffic
 - Apply wetting agents to assist in uniform soil moisture
 - Hand water as needed
- Inspect daily for insects, disease, and stress, and respond to outbreaks within 24 hours
- Every effort shall be made to ensure that the turf quality of the nursery area matches or exceeds that of the playable turf on the golf course

Fertility

- Fertility programs shall be utilized to meet the requirements of individual plants and promote health and aesthetics
- Annual fertility programs shall be developed based on soil, plant species, available water, environment, intended area use, and long term health of the plant

Rodent / Pest Control

- Rodent / Pest control programs shall be utilized to control damage to the golf course and to increase the playability of the golf course
- Annual rodent/pest control programs shall be developed based on species to be controlled, current damage being caused, potential damage to be caused, golf course conditioning, and golf course playability

ITEMS BELOW ARE MAINTAINED BY ANOTHER CONTRACTOR AND NOT THE RESPONSIBILITY OF THE GROUNDS MAINTENANCE CONTRACTOR.

Breezeway Restroom Maintenance

- Restrooms shall be cleaned and stocked daily
- Floors will be swept and moped daily
- Walls will be spot cleaned daily
- Mirrors shall be cleaned daily
- Ceilings will be dusted weekly
- Toilets will be scrubbed and disinfected daily
- Sinks will be scrubbed and disinfected daily
- Trash will be emptied daily
- Doors and stalls will be cleaned daily
- Deodorizers shall be refilled as needed
- Bulletin Boards shall be updated daily
- Human waste shall be removed, and the area disinfected, immediately upon discovery
- There is to be at least one full roll of toilet paper in each dispenser at the conclusion of the cleaning service
- Paper towel machines shall have at least ¾ roll remaining at the conclusion of the service

- Graffiti is to be removed immediately upon discovery and documented
- Cleaning logs shall be completed daily with the time of service and completed by whom

FootGolf Course Maintenance

- Daily set up of flags and signage

Driving Range Maintenance

- Driving range mats shall be utilized to ensure turf quality and minimum standards
- Driving range mats shall be clean, in good repair, and presentable
- Driving range mats in disrepair shall be repaired/removed/replaced within 48 hours of discovery
- Driving range light foot-candle levels will be maintained to preserve original design
- Repairs/bulb replacement will be initiated within 24 hours of discovery
- Repairs to ballasts, screens, netting, and other infrastructure shall be initiated within 48 hours of discovery
- Golf balls shall be removed from driving range tees and target greens daily
- The driving range shall be "picked" weekly. All golf balls shall be removed in order to prevent damage to mowing equipment, operators, and the general public

Open Space/Preserve Maintenance

- See the City of Roseville "Open Space / Preserve Management Plan" for specific details and requirements
- Biological monitoring of vernal pools shall occur annually
- Vernal pools shall be identified and environmentally sensitive areas and has access restricted

EXHIBIT “C”

**EXHIBIT C
AMENDED
February 1, 2019**

**FINANCIAL PROPOSAL
OPTION C – Grounds Maintenance Services**

Base Bid:

Diamond Oaks Golf Course	\$ 736,600.00
Woodcreek Golf Club	\$ 736,600.00
Total	\$1,473,200.00

Extra Work:

Labor	Rate per hour
Equipment Operator / Common Labor	\$22.00
Skilled Technician (Irrigation, Chemical Application, Etc.)	\$44.00
Supervision	\$60.00
Sod preparation and installation (per square foot)	\$1.00-\$2.50 based on variety

Mark up for parts not included in base bid:
N/A – no mark up will be applied to parts.



COUNCIL COMMUNICATION

CC #: 9749

File #: 0200

Title: Local Agency Investment Fund Investment Authority
Contact: Jacquie Clarizio 916-774-5323 jclarizio@roseville.ca.us

Meeting Date: 1/16/2019

Item #: 6.15.

RECOMMENDATION TO COUNCIL

Staff recommends the Council adopt a resolution to update the investment authority for the Local Agency Investment Fund (LAIF).

BACKGROUND

The Local Agency Investment Fund (LAIF) is a voluntary program managed by the State Treasurer's Office as an investment alternative for California's local governments and special districts. The City invests some of its pooled cash with LAIF to earn a market rate of return while maximizing safety and liquidity.

Currently the position classifications on file that can sign the LAIF Authorization Transfer of Funds is the City Manager and the Finance Director. With the recent reclassification of the Finance Director position to Chief Financial Officer, it became necessary to adopt this resolution.

FISCAL IMPACT

There is no fiscal impact as a result of this resolution.

ECONOMIC DEVELOPMENT / JOBS CREATED

No economic development or jobs were created.

ENVIRONMENTAL REVIEW

This informational report is not considered a project defined by the California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment (CEQA Guidelines 15061(b) (3).

Respectfully Submitted,

Jacquie Clarizio, Financial Analyst

Dennis Kauffman, Chief Financial Officer

A handwritten signature in blue ink, consisting of several overlapping loops and a horizontal line, positioned above a horizontal line.

Dominick Casey, City Manager

ATTACHMENTS:

Description

Resolution No. 19-23

RESOLUTION NO. 19-23

AUTHORIZING INVESTMENT OF MONIES IN THE
LOCAL AGENCY INVESTMENT FUND

WHEREAS, the Local Agency Investment Fund is established in the State Treasury under Government Code section 16429.1 et. seq. for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the City Council hereby finds that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein is in the best interests of the City of Roseville;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Roseville hereby authorizes the deposit and withdrawal of City of Roseville monies in the Local Agency Investment Fund in the State Treasury in accordance with Government Code section 16429.1 et seq. for the purpose of investment as provided herein;

BE IT FURTHER RESOLVED as follows:

Section 1. The following City of Roseville officers holding the title(s) specified herein below **or their successors in office** are each hereby authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund and may execute and deliver any and all documents necessary or advisable in order to effectuate the purposes of this resolution and the transactions contemplated hereby:

Dominick Casey

City Manager

(Signature)

Dennis Kauffman

Chief Financial Officer

(Signature)

PASSED AND ADOPTED by the Council of the City of Roseville this ____ day of _____, 20__, by the following vote on roll call:

AYES COUNCILMEMBERS:
NOES COUNCILMEMBERS:
ABSENT COUNCILMEMBERS:

ATTEST:

MAYOR

City Clerk



COUNCIL COMMUNICATION

CC #: 9736

File #: 0200

Title: Bond Opportunities for Land Development Program
Contact: Jeannine Thrash 916-774-5473 jthrash@roseville.ca.us
Dennis Kauffman 916-774-5313 dkauffman@roseville.ca.us

Meeting Date: 1/16/2019

Item #: 6.16.

RECOMMENDATION TO COUNCIL

It is recommended that Council approve the following resolution:

- Resolution Authorizing Use of the Bond Opportunities for Land Development (BOLD) Program; Authorizing the California Municipal Finance Authority to Accept Applications from Property Owners, Conduct Proceedings and Levy Special Taxes Within the Territory of the City of Roseville Pursuant to the Mello-Roos Community Facilities Act of 1982, as Amended; and Authorizing Related Actions

BACKGROUND

The Bond Opportunities for Land Development (BOLD) program is a new program that allows developers another option when considering community facilities district (CFD) financing for their infrastructure and impact fee costs. The process to form and implement a CFD can cost hundreds of thousands of dollars, thus making CFD financing more viable with large scale projects. BOLD creates a mechanism where many small projects can participate in spreading the bond issuance costs into one pooled bond issue. The pooled bond issue is facilitated by the California Municipal Finance Authority (CMFA) of which the City of Roseville (the City) is a member.

Any BOLD program financing within the City will be required to follow the City's adopted 'Goals and Policies Concerning Use of Mello-Roos Community Facilities Act of 1982 Policies and Procedures', as amended from time to time. The BOLD program is similar to the Statewide Community Infrastructure Program (SCIP) in which the City is currently participating. By participating in both SCIP and BOLD, the City is allowing developers more options to finance their infrastructure and impact fee costs.

FISCAL IMPACT

There will be no fiscal impact to the City. All costs associated with the BOLD program are the

responsibility of the participating developer.

ECONOMIC DEVELOPMENT / JOBS CREATED

The amount of jobs created by the BOLD program is unknown.

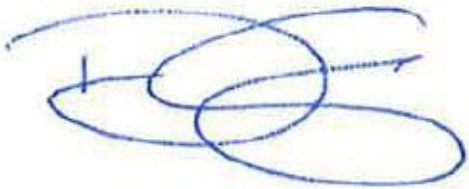
ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical changes in the environment (CEQA Guidelines §15061(B)(3)). Approval of this resolution does not include the potential for a significant environmental effect, and therefore is not subject to CEQA.

Respectfully Submitted,

Jeannine Thrash, Administrative Analyst

Dennis Kauffman, Chief Financial Officer



Dominick Casey, City Manager

ATTACHMENTS:

Description

Resolution No. 19-12

CITY COUNCIL OF THE CITY OF ROSEVILLE

RESOLUTION NO. 19-12

**RESOLUTION AUTHORIZING USE OF THE BOND OPPORTUNITIES FOR
LAND DEVELOPMENT (BOLD) PROGRAM; AUTHORIZING THE
CALIFORNIA MUNICIPAL FINANCE AUTHORITY TO ACCEPT
APPLICATIONS FROM PROPERTY OWNERS, CONDUCT PROCEEDINGS
AND LEVY SPECIAL TAXES WITHIN THE TERRITORY OF THE CITY OF
ROSEVILLE PURSUANT TO THE MELLO-ROOS COMMUNITY FACILITIES
ACT OF 1982, AS AMENDED; AND AUTHORIZING RELATED ACTIONS**

WHEREAS, the California Municipal Finance Authority (the "CMFA") is a joint exercise of powers authority the members of which include numerous cities, counties and other local agencies in the State of California (the "State"); and

WHEREAS, the City of Roseville (the "City") is a member of the CMFA and uses its services from time to time; and

WHEREAS, the CMFA has established the Bond Opportunities for Land Development Program (the "BOLD Program") to allow the financing of certain public facilities and development impact fees that finance public facilities (together, the "Improvements") levied by local agencies in the State through the levy of special taxes under the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"); and

WHEREAS, the BOLD Program is open to participation by the City of Roseville (the "City") to allow financing of Improvements to be owned by the City; and

WHEREAS, the City desires to allow the owners of property being developed within its jurisdiction ("Participating Developers") to participate in the BOLD Program and to allow the CFMA to conduct proceedings under the Act to form community facilities districts ("CFDs") under the Act, to levy special taxes within such CFDs, and to issue bonds secured by such special taxes under the Act to finance Improvements, provided that such Participating Developers voluntarily agree to participate and consent to the levy of such special taxes and the issuance of such bonds; and

WHEREAS, developers of land in the City may in the future elect to be Participating Developers, and the City of Roseville desires to approve that CMFA may conduct proceedings under the Act to form a CFD, levy special taxes within such CFD and issue bonds secured by such special taxes to finance Improvements to be owned by the City; and

WHEREAS, the City will not be responsible for the conduct of any proceedings under the Act for the formation of any CFD; the levy or collection of special taxes for any CFD or any required remedial action in the case of delinquencies in any special tax payments; or the issuance, sale or administration of any bonds issued in connection with the BOLD Program; and

WHEREAS, pursuant to Government Code Section 6586.5, the City needs to hold a public hearing to facilitate the BOLD participation and notice of a hearing was published at least five days prior to the adoption of this resolution at a public hearing, which was duly conducted by this Council concerning the significant public benefits of the BOLD Program relating to the financing of the Improvements;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ROSEVILLE RESOLVES
AS FOLLOWS:**

Section 1. The use of the BOLD Program in connection with the financing of Improvements is hereby authorized and approved.

Section 2. The City of Roseville hereby finds and declares that the issuance of bonds by the CMFA in connection with the BOLD Program will provide significant public benefits, including without limitation, savings in effective interest rate, bond preparation, bond underwriting and bond issuance costs and the more efficient delivery of local agency services to residential and commercial development within the City of Roseville.

Section 3. In connection with the issuance of bonds by the CFMA for the BOLD Program, a form of acquisition agreement, joint community facilities agreements or similar agreement will be required to be entered into, and the form of such agreement will be presented to this Council for approval at a future meeting.

Section 4. The appropriate officials and staff are hereby authorized and directed to allow BOLD Program participation available to all property owners who are subject to the payment of fees for new development and/or who are conditioned to install public improvements in connection with new development, and to advise such owners requesting participation in BOLD that the City has approved the BOLD Program; provided, that the CMFA shall be responsible for providing applications and processing of documentation and related materials at its own expense.

Section 5. This Resolution shall take effect immediately upon its adoption. The City Clerk is hereby authorized and directed to transmit a certified copy of this resolution to the Secretary of the CMFA.

* * * * *

I hereby certify that the foregoing resolution was duly and regularly adopted by the City Council of the City of Roseville, California, at a regularly scheduled meeting thereof, held on the ____ day of _____, 2019 by the following vote of the City Council:

AYES: COUNCILMEMBERS
NOES: COUNCILMEMBERS
ABSENT: COUNCILMEMBERS
ABSTAIN: COUNCILMEMBERS

ATTEST:

Mayor

City Clerk of the City of Roseville



COUNCIL COMMUNICATION

CC #: 9754

File #: 0400-04-09-1

Title: Villages at Sierra Vista - Funding, Construction and Acquisition Agreement

Contact: Jeannine Thrash 916-774-5473 jthrash@roseville.ca.us
Dennis Kauffman 916-774-5313 dkauffman@roseville.ca.us

Meeting Date: 1/16/2019

Item #: 6.17.

RECOMMENDATION TO COUNCIL

It is requested that the City Council adopt the following resolution:

- A Resolution Approving the Funding, Construction and Acquisition Agreement in Connection with Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities)

BACKGROUND

On May 2, 2018, the City Council adopted Resolution 18-119, which formed Villages at Sierra Vista Community Facilities District ("CFD") No. 1 (Public Facilities) and Future Annexation Area. The resolution being requested for approval pertains to the CFD's Funding, Construction and Acquisition Agreement. The purpose of the Acquisition Agreement between the City and John Mourier Construction, Inc. ("Owner") is to establish the mechanics and requirements for reimbursement to the Owner of costs incurred for the public facilities financed by CFD bond proceeds.

FISCAL IMPACT

Approving the Funding, Construction and Acquisition Agreement has no impact on the City's General Fund. The CFD will generate special taxes that will be paid by the property owners sufficient to pay the costs for debt service, CFD administration, and any authorized pay-as-you-go facilities.

ECONOMIC DEVELOPMENT / JOBS CREATED

Not applicable

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment (CEQA Guidelines §15061 (b)(3)). The adoption of this resolution does not include the potential for a significant environmental effect, and therefore is not subject to CEQA.

Respectfully Submitted,

Jeannine Thrash, Administrative Analyst

Dennis Kauffman, Chief Financial Officer

A handwritten signature in blue ink, consisting of several overlapping loops and a horizontal line, likely belonging to Dominick Casey.

Dominick Casey, City Manager

ATTACHMENTS:

Description

Resolution No. 19-29

Funding, Construction and Acquisition Agreement

CITY COUNCIL OF THE CITY OF ROSEVILLE

RESOLUTION NO. 19-29

**A RESOLUTION APPROVING FUNDING, CONSTRUCTION AND ACQUISITION
AGREEMENT IN CONNECTION WITH VILLAGES AT SIERRA VISTA COMMUNITY
FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)**

WHEREAS, on May 2, 2018, the City Council (the "City Council") of the City of Roseville (the "City") adopted a resolution entitled "A Resolution of Formation of the City Council of the City of Roseville to Form Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities) and Future Annexation Area" (the "Resolution of Formation"), and has formed the "City of Roseville Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities)" (the "CFD"), and City of Roseville Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities) (Future Annexation Area)", pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"); and

WHEREAS, the facilities to be provided as stated in the Resolution of Formation are set forth in Exhibit A attached thereto, and by this reference made a part hereof; and

WHEREAS, on November 28, 2018, the City Council adopted a resolution entitled "A Resolution of Consideration to Amend the Special Tax Formula and Authorized Facilities and Services of Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities)" which, among other things proposed an amendment to Exhibit A of the Resolution of Formation; and

WHEREAS, the City desires to provide for the acquisition of the facilities to be financed by the CFD in accordance with the provisions of the Act and to enter into an agreement for such purpose.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ROSEVILLE RESOLVES
AS FOLLOWS:**

1. As a part of the proceedings for the CFD, this City Council hereby approves a Funding, Construction and Acquisition Agreement (the "Agreement") by and between the City and John Mourier Construction, Inc., the form of which is attached hereto. The purpose of the Agreement is to provide for the acquisition of certain public facilities and payment of certain incidental expenses relating thereto, all of benefiting the property in the CFD, the issuance and sale of the bonds for the CFD financing, including incidental expenses, and to provide the terms of any reimbursement to owners of land within the CFD.

2. The City Council hereby approves the Agreement in the form presented to the City Council at this meeting. The Mayor, the City Manager, the Chief Financial Officer, the City Attorney or such other person or persons as any one of them may designate (collectively, the "Authorized Officers"), are each hereby authorized and directed to execute the Agreement and the City Clerk is hereby authorized to attest its execution, for and in the name and on behalf of the City and the CFD, in such form, together with any additions thereto or changes therein deemed necessary or advisable by the Authorized Officer, upon consultation with the City Attorney.

* * * * *

I hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Roseville, California, at a regularly scheduled meeting thereof, held on the ____ day of _____, 2019, by the following vote of the City Council:

AYES:	COUNCILMEMBERS
NOES:	COUNCILMEMBERS
ABSENT:	COUNCILMEMBERS
ABSTAIN:	COUNCILMEMBERS

Mayor

ATTEST:

City Clerk of the City of Roseville

**FUNDING, CONSTRUCTION AND ACQUISITION AGREEMENT
VILLAGES AT SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 1
(Public Facilities)**

This Funding, Construction and Acquisition Agreement ("**Agreement**") is entered into as of the ____ day of _____, 2019, by and between the **CITY OF ROSEVILLE**, a California charter city and municipal corporation (the "**City**"), and **JOHN MOURIER CONSTRUCTION, INC.** or its affiliated assignee ("**Owner**").

Recitals

A. On May 2, 2018, the City Council of the City adopted Resolution No. 18-119 entitled "RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROSEVILLE TO FORM VILLAGES AT SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)" with respect to Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities) (the "**District**") of the City pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "**Act**") and subsequently authorized the issuance of bonds to finance District authorized improvements for Phase 1 development within the District; and

B. Owner owns or controls all the real property in the District, which consists of approximately 682 acres within the corporate limits of the City in the "Sierra Vista Roseville Specific Plan" (the "**Specific Plan**") area, and shown on the map recorded in the Placer County Recorder's Office on March 26, 2018 in Book 3 at Page 77, as Document No. 2018-0019977 of Maps of Assessment and Community Facilities Districts (the "**Property**"). The Specific Plan sets forth a comprehensive land use plan and establishes detailed regulations, conditions and programs for development of the Property.

C. Owner proposes to make improvements to the Property (the development of the Property is defined herein as the "**Project**") as required by the Project Approvals (as defined below).

D. In 2010, the City Council of the City adopted an Ordinance approving a development agreement between the City and Mourier Investments, LLC pursuant to the provisions of Article 2.5 (commencing with Section 65864) of Chapter 4 of Division 1 of Title 7 of the California Government Code with respect to the permitted uses of the Property, and said agreement has been entered into and is dated May 19, 2010 (the "**Development Agreement**"). The Specific Plan, Development Agreement, including conditions of approval, and other existing and subsequent approvals granted by City and agreements between the Owner and the City in implementation of the Project, as the same may be amended from time to time, including amendments thereto, are herein collectively referred to as the "**Project Approvals**."

E. Section 53313.5 of the California Government Code provides that a community facilities district may finance the purchase of public facilities completed after the adoption of the resolution of formation establishing the community facilities district if the facilities have been

constructed as if they had been constructed under the direction and supervision, or under the authority of, the local agency whose governing body is conducting proceedings for the establishment of the District.

F. The purpose of this Agreement is to agree upon and implement the terms of Section 3.17 of the Development Agreement regarding the use of District funds to provide for the acquisition of public facilities authorized to be financed by the District, the issuance and sale of the bonds for the District to finance the design and acquisition of such public facilities and expenses incidental thereto and to provide the terms of any reimbursement to the Owner.

AGREEMENTS

NOW, THEREFORE, in consideration of the preceding recitals and the mutual covenants hereinafter contained, the parties agree as follows:

1. **Establishment of District.** The City has conducted proceedings pursuant to the Act for the establishment of the District. Such proceedings included but are not limited to, elections pursuant to Sections 53326 and 53327 of the California Government Code on (i) the question of the issuance of bonds for the District to finance the construction or acquisition of the aforementioned public facilities, (ii) the issue of annual levy of special taxes on all taxable property within the District to finance the facilities authorized for the District according to a methodology approved by the City in the Rate and Method of Apportionment and Manner of Collection of Special Tax (the “**RMA**”) for the District in Resolution No. 19-_____ adopted January 16, 2019 (amending a previously approved Rate and Method of Apportionment), including payment of bonds of the District, payment of certain impact fees for facilities and for annual administrative expenses of the City and the District in levying and collecting such special taxes, paying the principal and interest on such bonds and providing for the registration, exchange and transfer of such bonds, costs of issuance, including the fees of fiscal agents and paying agents, and any necessary replenishment for the reserve fund for such bonds, accumulation of funds for future bond payments, and (iii) the question of the establishment of an appropriations limit for the District. Owner shall cooperate with City in its conduct of the proceedings for the administration of the District.

Pursuant to Resolution No. 18-120 adopted on May 2, 2018 by the City Council, the City authorized the issuance of bonds payable from Special Taxes levied on property within the District according to the RMA in a total authorized amount not to exceed \$310,000,000. Bonds for the District are expected to be issued pursuant to two financing programs contemplated under the Development Agreement:

(i) first, being an initial one or more series of bonds to finance a portion of the authorized facilities needed for development of land in the District, other than the “**Development Impact Fee Deferral**” (as defined in the RMA); and

(ii) second, being one or more series of bonds to finance the Development Impact Fee Deferral.

Bonds issued to finance other than the Development Impact Fee Deferral are bonds issued during the “**Initial Bonding Period**” (as defined in the RMA). Bonds issued to finance the Development Impact Fee Deferral are bonds issued during the “**Deferral Bonding Period**” (as defined in the RMA). Multiple series of bonds are currently contemplated during the Initial Bonding Period; this Agreement is applicable to proceeds from bonds issued only during the

Initial Bonding Period and such bonds are herein referred to as the "**Bonds.**" The issuance and sale of Bonds, the aggregate principal amount thereof, and the timing, terms and conditions upon which Bonds shall be sold shall be reasonably determined by the City in consultation with the Owner and as provided herein.

2. Sale of Bonds. The City shall proceed, as hereinafter provided, with the sale of Bonds for the District in an aggregate amount to be determined by the City for the primary purpose of generating money to pay for and reimburse Owner for costs of a portion of the planning, design, construction and acquisition of a portion of the public facilities authorized to be financed by the District, other than the Development Impact Fee Deferral (the "**Public Facilities**"). Such Public Facilities are limited to those listed as authorized public facilities as described in Resolution No. 19-_____ adopted on January 16, 2019 (amending a previously approved List of Facilities to add certain services) by the City Council of the City shown in Exhibit A hereto.

Pursuant to the terms of the Development Agreement, bonds (the "**Deferral Bonds**") are contemplated to be issued for the purpose of financing deferred fees at or beyond a point in time 30 years from the initial issuance of a series of Bonds, all as described in Section 3.17 of the Development Agreement, which bonds may be issued at the sole discretion of the City and will not generate proceeds to be used to reimburse Owner for costs of Public Facilities as contemplated by this Agreement.

In determining the principal amount of each series of Bonds the following shall apply:

(i) the aggregate principal amount of Bonds shall not exceed an aggregate amount, as determined by the City, which results in a remaining amount of bond authorization for the District after issuance of all series of Bonds, determined by the City in its sole discretion to be sufficient to finance the Development Impact Fee Deferral; and

(ii) each series of Bonds shall be structured in a manner which establishes aggregate annual debt service on all Bonds which will be outstanding following the issuance of such series of Bonds to be at a level in which no Special Tax from any Developed Parcel, at a point in time beyond 30 years from the date of the first levy of Special Tax on such Developed Parcel as a Developed Parcel, would be needed to pay scheduled debt service on any series of Bonds in any year (however, Special Taxes from such parcel would remain subject to the pledge for payment of Bonds until all Bonds are retired).

3. Tax Requirements. The City shall take all actions which, in the opinion of City's bond counsel, are necessary to conform to certain requirements of the Internal Revenue Code and regulations thereto in order to avoid classification of the Bonds as "arbitrage bonds" or the loss of tax exemption for the Bonds for any other reason.

4. Amounts to be Included in Bonds. The aggregate principal amount of the Bonds shall be determined by the City in consultation with the Owner and shall include an amount approved by the City to equitably reimburse Owner in accordance with this Agreement for costs and expenses incurred by it which are related to the design and construction of the Public Facilities. Reimbursement may also include certain indirect costs of the Owner related to establishment of the District and the design and construction of the Public Facilities; provided that the City shall determine the amount to be so reimbursed on the basis of detailed itemizations of costs provided by Owner and the decision of the City shall be final. In no event shall Owner be reimbursed from Bond proceeds for (i) in-house administrative overhead

(except that Owner shall be entitled to payment equal to four percent (4%) of actual construction costs as and for project and construction management services), (ii) interest expense incurred by Owner on moneys advanced during the proceedings for formation of the District and issuance of Bonds, and during construction of the Public Facilities; and (iii) any other costs and expenses incurred by Owner which are not authorized by the Act.

The aggregate principal amount of the Bonds shall also include an amount needed to fund a reserve fund for the payment of principal of and interest on the Bonds as is determined by the City to be necessary and appropriate, capitalized interest on the Bonds, if requested by the Owner, for such period as the City shall determine is appropriate, the amount of the discount of the underwriter who purchases the Bonds, and other expenses incurred by the City in connection with the issuance and sale of the Bonds, including bond counsel fees, legal fees, fees of the bank which will act as transfer agent, registrar and paying or fiscal agent for the Bonds, other fees and costs normally incidental to the sale of Bonds, and such other fees and costs enumerated in Section 53345.3 of the California Government Code as the City determines are necessary and appropriate.

Bonds shall not be issued in an aggregate amount which would preclude 30-year bond financing through issuance of the Deferral Bonds as contemplated by provisions of Section 3.17.1.2 of the Development Agreement, as amended from time to time. Deferral Bonds, if issued, shall be issued at the discretion of the City and no proceeds thereof shall be used for reimbursement to the Owner in accordance with this Agreement.

5. Design; Reimbursements. Public Facilities to be acquired by the City shall be designed in conformance with all applicable City standards, requirements and the Development Agreement. Upon completion of the design of each such Public Facility to the satisfaction of the City and when Owner has paid to the City all applicable plan checking and other fees, the City shall notify Owner that the design of the Public Facility is completed and acceptable to the City. It shall be the responsibility of Owner, not the City, to determine the requirements for design and construction of Public Facilities to be acquired by or dedicated to other public agencies, and City's acceptance of Owner's design shall not relieve Owner of this responsibility.

Owner shall be reimbursed out of the proceeds of the sale of the Bonds for Owner's expenses incurred in designing those Public Facilities set forth in Exhibit A, hereto, including all applicable plan checking and other fees paid by Owner as provided above in this Section, subject to the City's determination of the amount to be so reimbursed pursuant to the terms hereof, and subject to the limitation that reimbursement in all cases is to be made from available bond proceeds of the District and from no other source. Pursuant to Section 3.5.2 of the Development Agreement, reimbursement for the cost of construction of all arterial roadways and underground facilities below such roadways, including design and plan check services, shall be made via progress payments, based on invoices for actual work constructed, for stages of the arterial roadway improvements as described in Section 3.5.2 of the Development Agreement that have been signed off by City inspectors, and, for all other Public Facilities, in one or more lump sum payments only after City has received and approved all invoices for such services associated with any particular Public Facility.

Notwithstanding the preceding provisions of this Section, if the City determines that Owner is not proceeding with the design of the Public Facilities on a reasonable schedule which will enable the City to ensure that construction of all of the Public Facilities can be

completed within the time specified in Section 6 hereof, the City may take over the design of the Public Facilities by giving Owner written notice thereof. Upon receipt of such a notice, Owner shall surrender to the City all plans and specifications which have then been completed or which are in progress.

If the City takes over the design of the Public Facilities as provided above, the City shall reimburse Owner from the proceeds of the sale of the Bonds a reasonable amount, as determined by the City, for the expenses incurred by Owner in connection with the design of the Public Facilities to the extent such expenses have not previously been reimbursed. The City's obligation to reimburse is only from and to the extent of funds remaining, after payment for the Public Facilities, to do so.

6. Construction for Acquisition. The City shall only be required to acquire from Owner those Public Facilities which will ultimately be owned by the City. Owner shall proceed with the construction of the Public Facilities in accordance with the approved plans and specifications (either prior to or following the formation and confirmation of the authority of the District).

For construction of Public Facilities under this Section, the Owner shall comply with all of the following requirements to ensure that the Public Facilities will be constructed as if they had been constructed under the direction and supervision, or under the authority of the City:

The plans and specifications, the bidding and contract award procedures, and the bidding and contract documents shall be approved by the City Engineer for conformance with City policy.

Based on qualifications submitted by the contractors, the Owner, in consultation with the City Engineer, shall select a list of qualified bidders or publicly advertise for bid for each element of work. If the Owner determines that the nature of a particular element of the construction does not require a pre-qualified bid list, the Owner may allow a particular element of the work to be publicly bid without a pre-qualified bid list.

(a) Owner shall receive and open bids, and report the results to the City Engineer. Any value engineering proposals shall be submitted to the City Engineer for approval. The City Engineer may, after consulting with Owner, require changes to the work. Owner shall promptly order such changes. The City Engineer shall be consulted with respect to any proposed change to the originally-approved design. The contract or contracts for the construction of the Public Facilities shall be awarded to the responsible bidder(s) submitting the lowest responsible bid(s) for the construction of the Public Facilities, as determined by the Owner.

(b) Owner is required, and the specifications and bid and contract documents shall require all contractors and subcontractors, to pay prevailing wages and to otherwise comply with applicable provisions of the California Labor Code, Government Code and Public Contract Code relating to public works projects of cities and as required by the procedures and standards of the City with respect to the construction of its public works projects.

(c) All contractors and subcontractors shall be required to provide proof of insurance coverage throughout the term of the construction of the Public Facilities which they will construct in conformance with the City's standard procedures and requirements.

Owner shall cause the Public Facilities to be constructed in an expeditious manner so that construction of all such Public Facilities shall be completed by such date as may be required by the Development Agreement or upon which the City and Owner may agree; provided, however, that the construction of the Public Facilities shall proceed and be completed so that the proceeds of each series of Bonds are expended for the construction or acquisition of the Public Facilities within three (3) years from the date of their issuance.

7. Payment; Cost Overruns; Shortfalls. The City and Owner agree that it is in their mutual best interest for Owner to construct the Public Facilities from Owner contributions in accordance with the Development Agreement with the understanding that the Public Facilities shall be dedicated to the City and the City shall reimburse the cost of the Public Facilities constructed by Owner to the extent moneys are available from proceeds of the sale of the Bonds and from special tax revenues sufficient to pay Gap Shortfall amounts as set forth in Section 15 hereof, if and to the extent available, and as otherwise determined by City. All portions of the cost of Public Facilities not reimbursed to Owner from proceeds of the Bonds or from special tax revenues, shall nonetheless be constructed by the Owner and dedicated to the City, as required by the Project Approvals, and the City shall have no liability to Owner for payment of any shortfall between the Owner's cost of Public Facilities and District moneys available (or to become available from the proceeds of excess special taxes as provided in Section 15 hereof) at the time of acquisition. All cost overruns in the construction of the Public Facilities shall be the responsibility of the Owner, except that those cost overruns due to unforeseeable construction conditions encountered in the field for which a City-approved change order has been issued, or due to change orders for additional or changed work required in writing by the City, which shall be eligible for reimbursement from the proceeds of excess special taxes as provided in Section 15 hereof. Any cost savings achieved in an element of any of the Public Facilities constructed in whole or in part with the proceeds of the sale of the Bonds shall be aggregated with all other such savings achieved throughout the District, and shall be used for any other element of the Public Facilities, as approved by the City.

8. Inspection and Approval of Construction. The City shall provide such level of inspection of the progress of construction of the Public Facilities to be constructed by Owner for acquisition by the City as it deems necessary, and its inspectors shall have access to the construction sites at all times for the purpose of conducting their inspection. Owner and its contractors shall cooperate in every way with the City and its inspectors to ensure that they are afforded an adequate opportunity to inspect each and every phase of the progress of construction of each and every such Public Facility. Upon completion of the construction of a Public Facility (either in its entirety, or a portion thereof), constructed by Owner, and upon receipt of written notification from City's inspectors that construction thereof has been completed in accordance with the plans and specifications thereof and the City's standard requirements, and upon receipt of satisfactory proof, based on the records of Owner and the City and such certifications as the City may require, that the requirements of Section 6 hereof have been satisfied, the City shall notify Owner in writing that the construction of the Public Facility, or portion thereof has been satisfactorily completed; provided, however, that Owner, not the City, shall be responsible for determining satisfaction of requirements of other public agencies with respect to the Public Facilities. Upon receiving such notification of a completed Public Facility, the City Clerk staff shall file with the County Recorder of the County of Placer a Notice of Completion pursuant to the provision of Section 8182 of the California Civil Code, and supply to Owner a duplicate copy of each such Notice of Completion showing thereon the date of filing with the County Records. The costs incurred by the City in inspecting and

approving the construction of the bond financed Public Facilities may be paid or reimbursed from the proceeds of the sale of the bonds for the District.

9. Liens. Upon the expiration of the time for the recording of claims of liens as prescribed by Section 8412 and 8414 of the California Civil Code, Owner shall provide to the City such evidence or proof as the City shall require that all persons, firms and corporations supplying work, labor, materials, supplies and equipment to the construction of the Public Facilities (or approved portion thereof) constructed by Owner for acquisition by the City have been paid, and that no claims of liens have been recorded by or on behalf of any such person, firm or corporation.

10. Acquisition; Maintenance. Upon completion of the construction of each Public Facility or portion thereof constructed by Owner for acquisition by the City, the City shall determine the acquisition price to be paid by the City for the acquisition of the completed Public Facility or portion thereof from Owner, provided however the acquisition price shall not exceed the amount available from proceeds of the Bonds and available Gap Shortfall amounts as set forth in Section 15 hereof. The acquisition price as to each Public Facility or portion thereof shall include the actual cost of construction thereof as determined by the contract prices as set forth in contracts and purchase orders entered into by Owner with its contractors, and suppliers, in accordance with standards and procedures therefor as prescribed by the City. Owner shall furnish to the City such proof of the amounts which Owner contends should be included in the acquisition price for a completed Public Facility or portion thereof as the City shall require, together with lien releases from all contractors and suppliers providing work and materials for the completed Public Facility or portion thereof in form satisfactory to the City. The City shall have ten (10) days to determine the acquisition price. The determination of the City as to the acquisition price for a completed Public Facility or portion thereof shall be final.

Upon determining the acquisition price for a completed Public Facility or portion thereof, the City shall promptly notify Owner in writing of such acquisition price. Upon presentation by Owner to the City of such documents, including lien releases, as the City shall require as to the completed Public Facility or portion thereof, the City shall, within ten (10) days thereafter, pay from the proceeds of the sale of the Bonds and available Gap Shortfall amounts, if any, the amount of the acquisition price for the completed Public Facility or portion thereof but in the case of a completed Public Facility less a retention of 150% of the value of "Punch List" work not completed. Upon payment and acceptance of the acquisition price for each completed Public Facility or portion thereof, Owner shall have no further claim for payment from the City with respect to the retentions. The City shall hold the retention amount on all Public Facilities acquired until the Punch List work is completed and accepted by the City.

The administrative procedure to implement the foregoing is as follows, and may be subject to revision by City upon notice to Owner. Owner shall notify the City Engineer that a Public Facility, or particular stage of the Public Facility, as provided in Section 3.5.2 of the Development Agreement, is complete and shall furnish proof of the amounts to be included in the acquisition price, together with lien releases. Development Services staff shall then inspect the Public Facility to confirm completion. Development Services staff shall then notify City's Finance Department regarding completion and shall request payment to Owner. Within ten (10) days thereafter, and provided that the improvement has been conveyed to City or irrevocably offered for dedication, or, in the case of Public Facilities for which progress payments are provided for in the Development Agreement, invoices for actual work constructed have been presented by Owner to the City and the particular Public Facilities have been signed off by City inspectors, City shall issue payment to Owner in the requested amount, further provided and to

the extent that funds are available, except that Owner shall choose one of the following options prior to release of the final five percent (5%): (1) City shall retain five percent (5%) of the acquisition price until expiration of the one-year warranty period for the subject Public Facility; or (2) Owner shall obtain a maintenance bond until expiration of the one-year warranty period for the subject Public Facility. Upon expiration of the one-year warranty period, the five percent (5%) retention shall be disbursed to Owner or the maintenance bond shall be released, less any amounts utilized by the City for warranty work. Notwithstanding the preceding provisions of this Section, the City will not pay for the acquisition of any Public Facilities or portion thereof unless and until the street, drainage or other utility rights of way where they are located have been irrevocably offered to the City for dedication, except in the case of Public Facilities for which progress payments are to be paid by City as provided for in Section 3.5.2 of the Development Agreement, based on invoices for actual work constructed that have been signed off by City inspectors.

Until a Public Facility is acquired by the City, Owner shall maintain it, and shall transfer it to the City free of any liens and in good operating condition. Upon the acquisition of a Public Facility by the City, the City shall, except as otherwise provided in the Project Approvals, become responsible for its maintenance, subject to any contractor's warranty or maintenance provisions of bonds required under the Final Map or other City approval, or under any other agreement.

11. Indemnification; Insurance. Owner shall defend, indemnify and hold harmless the City, the District, and their officers, agents and employees from any and all liability, cost and expense in connection with the construction of the Public Facilities to be constructed by Owner for acquisition by the City, including, but not limited to, liability, costs, expenses and claims arising, under the procedures set forth in Section 6 of this Agreement. Owner shall also defend, indemnify and hold harmless the City, the District, and their officers, agents and employees from any and all liability, cost and expense in connection with the ownership of the Public Facilities to be constructed by Owner for acquisition by the City prior to the time the City accepts the Public Facilities, whether or not such Public Facilities are to be acquired with bond proceeds. Owner shall procure and provide or cause contractor to procure and provide, until construction of all of the Public Facilities to be constructed by Owner is completed and acceptance thereof by the City has occurred, a commercial general liability insurance, in a form acceptable to the City, naming the City, the District and their officers, agents and employees as additional insureds, having a single aggregate liability limit as to all coverages provided thereby in the amount of Two Million Dollars (\$2,000,000). Before commencing the construction of any Public Facility, Owner shall provide or cause contractor to provide the City with a certification of insurance and endorsement as to such insurance in a form acceptable to the City, and Owner shall upon each renewal of such insurance policy provide the City with a new certificate of insurance with respect thereto.

Owner shall also furnish or cause contractor to furnish to the City, prior to commencing the construction of any Public Facility to be constructed by Owner for acquisition by the City, a certificate of insurance evidencing that Owner has procured and has in force a current policy of workers' compensation insurance in compliance with California law as to all workers to be employed by Owner in connection with the design and construction of the Public Facilities. Owner shall require each person, firm or corporation with whom it contracts in connection with the design and construction of the Public Facilities to provide and maintain such workers' compensation insurance and a commercial general liability insurance in the amount hereinabove specified and in a form acceptable to the City. Owner shall provide to the City

proof, in such form and at such intervals as set forth below, that each contractor with whom it contracts has procured and is maintaining such insurance.

Upon the execution of each contract with each person, firm or corporation with whom Owner contracts in connection with the design and construction of the Public Facilities and prior to permitting any such person, firm or corporation to commence work under such contract, Owner shall provide or cause contractor to provide to the City a certificate from the insurance providers for each such contractor that the contractor has in force the insurance policies required of it under this Section 11, that the City is named as an additional insured on the commercial general liability insurance of such contractor, and that the policies will not be canceled or allowed to lapse without 30 days written notice to the City.

The premiums paid by Owner for the insurance required by this Section may be included in the acquisition price to be paid by the City for the Public Facilities to be constructed by Owner as an incidental cost.

12. Ownership of Facilities. Notwithstanding that some of the Public Facilities to be constructed by Owner for acquisition by the City may be constructed in dedicated street rights-of-way or on property which has been or will be dedicated or offered for dedication to the City, District or Public Utility. Such Public Facilities or any portion thereof shall be and remain the property of Owner, and Owner shall be responsible for any loss or damage thereto or liability arising therefrom, until they are acquired by the City or other agencies as provided in the preceding Sections of this Agreement. Such ownership by Owner shall likewise not be affected by any agreement which Owner may enter into with the City pursuant to the provisions of the Subdivision Map Act, Section 66410 et seq. of the California Government Code, which may contain or include provisions with respect to the construction and ownership of public facilities which may seem to be contradictory to the provision of this Agreement, and the provisions of this Section shall control.

13. Improvement Security. Notwithstanding any other provisions of this Agreement, Owner shall be required to agree to construct and to secure or cause contractor to secure the construction and completion of construction of the Public Facilities, or portions thereof, as a condition precedent to the approval of subdivision or parcel maps for portions of the Property as required by the City pursuant to Section 66462 and Sections 66499 through 66499.10 of the Government Code.

The aggregate principal amount of the improvement bonds or other security provided by Owner or contractor pursuant to this Section shall be reduced by such amount as the City shall determine is appropriate upon receipt of the proceeds from the sale of the Bonds. The amount of the reduction of such aggregate principal amount shall be determined by the City based on the amount of each such improvement bond or other security which relates to the Public Facilities to be constructed or acquired with the proceeds of the sale of the Bonds. The foregoing provisions notwithstanding, upon the issuance and proceeds from the sale of the Bonds, Owner shall not be required to post any other security for roadway Capital Improvement Program improvements as provided in Section 3.5.4.2 of the Development Agreement.

All subdivision and performance bonds shall provide, among other things, that the principal thereof whether that be Owner or its contractor(s), guarantees that the completed Public Facilities shall be free from defects resulting from faulty workmanship and materials for a period of one year from the date of acceptance by the City, and the obligation of the surety

shall extend to the fulfilling of that guarantee. At the end of said one year period and Subject to certification of the City Engineer that any defects have been corrected, the obligation of the principal and surety named therein shall cease.

14. Failure to Complete Construction. Notwithstanding the preceding provisions, of this Agreement, if Owner fails to expeditiously prosecute the construction of the Public Facilities to be constructed by Owner for acquisition by the City, the City shall have the right and may elect to take over the construction of such Public Facilities, or any part thereof, if City determines it is necessary for City to so proceed in order to protect the City's interests. If the City elects to so proceed, it shall notify Owner in writing that if Owner does not satisfy the City that construction is proceeding expeditiously on the construction of a Public Facility within thirty (30) days after receipt of such notice, the City will take over the construction of such Public Facilities. If after receiving such a written notification Owner does not satisfy the City that it is proceeding expeditiously to construct that portion of the Public Facilities identified in the written notification to the satisfaction of the City, within thirty (30) days from the date of receipt thereof, Owner shall relinquish to the City all design documents, and shall cooperate with the City in every way to ensure that the construction of the Public Facilities will be completed expeditiously.

Notwithstanding the provisions of this Section, the only sources of funds to be utilized by the City for the construction of any such Public Facilities shall be (i) the proceeds of the sale of the Bonds and, at City's discretion, (it) the proceeds of applicable City development fees collected pursuant to the applicable codes, ordinances and policies of the City, including development fees paid through levies of the special taxes of the District, (iii) proceeds from the sale of the bonds of another community facilities district or assessment district established over and including property in the City, (iv) interest earnings on the reserve fund for the Bonds, to the extent such earnings are determined by the City to be available for construction of the Public Facilities, (v) the Owner's subdivision bond or bonds to the extent applicable, (vi) any other performance security that may have been provided by the Owner, and (vii) the Owner's and/or contractors' performance bonds. To the extent that the proceeds of the sale of the Bonds and such other funds may be insufficient to pay for the construction of a Public Facility which will be constructed by the City pursuant to this Section, the City may either construct only those Public Facilities which can be constructed within the total of the amounts of the proceeds from the sale of the Bonds and such other funds which are available therefor, or the City may proceed to complete the Public Facilities and charge the Owner, the Owner's bond or any contractor's bond for the costs thereof.

15. Owner Responsibility for Satisfaction of Improvements required by Conditions of Approval. If the bonds are not sold in an aggregate principal amount sufficient to construct and acquire all of the Public Facilities, Owner shall nevertheless construct and dedicate to the City the Public Facilities required by the Development Agreement, and the City may require such assurances of performance as the City deems appropriate. The parties acknowledge that a shortfall is expected to occur between (a) the Public Facilities cost incurred by Owner and (b) the amount of acquisition funds generated from the sale of Bonds (such shortfall hereafter referred to as the **"Gap Shortfall"**). To cover the Gap Shortfall to the extent that it actually does occur, Owner agrees with the City to: (1) allow the City to acquire the Public Facilities with Bond proceeds available at the time of acquisition 2) waive its right to immediate payment for the portion of the amount of Gap Shortfall actually incurred by Owner arising from the Public Facility acquired (**"Owner's Gap Payment"**), and (3) defer such payment until the District can impose and collect special taxes on Developed Parcels (as defined in the RMA) in excess of the amounts required to pay required debt service and City administration costs associated therewith.

In consideration of such deferral of payment of the acquisition price, City covenants to assess the District special tax at the maximum rate permitted against each Developed Parcel within the District for thirty (30) years, commencing with the year in which there first is a levy of special taxes on such parcel as a Developed Parcel, and thereafter to pay to Owner from excess Special Tax revenues generated from such Developed Parcel on an annual basis payments toward such deferred acquisition price until the earlier of (i) with respect to each Developed Property, thirty (30) years from the date of the first levy of Special Tax on such Developed Property, or (ii) the year the full Owner's Gap Payment plus accrued interest is paid in full. Accrued interest shall be calculated from the first day of the next succeeding month following the date of each payment by Owner for costs related to the Public Facilities for which payment otherwise would have been made from bond proceeds in the absence of such Gap Shortfall, provided the parties agree that bond proceeds shall first be exhausted prior to payment to Owner for any interest. Upon the first payment by Owner for costs related to Public Facilities (after exhaustion of available Bond proceeds) the rate of interest to be paid for purposes of all deferred payments described above shall be fixed as of the date of such first payment by Owner, based on the May rate established by the Engineering New Record Construction Cost Index for the United States Twenty (20) City Average, averaged with the Construction Cost Index for San Francisco.

16. Construction of Other Facilities. Owner shall also proceed expeditiously with the design and construction of the other improvements and facilities, other than the Public Facilities, which are necessary to the development of the Property and the provision of municipal services within the District and to the residents therein. Such other public improvements and facilities shall be designed and constructed on a schedule which will not delay or interfere in any way with the design and construction of the Public Facilities. The provisions of this Section shall not supersede those of any other agreement between Owner and the City.

17. Development Schedule. Owner shall also proceed with the construction of the Public Facilities with all commercially reasonable diligence to ensure that such development is completed in a reasonable time. If Owner does not so proceed with the development of the Property, the City may take action as specified in Section 14 hereof and, in addition, may withhold payment of acquisition costs hereunder.

18. Termination. If for any reason the City is unable to sell the Bonds, this Agreement shall not become effective.

19. Binding on Community Facilities District. The District shall automatically become a party to this Agreement to the extent permitted by California law, and all provisions hereof which apply to the City shall also apply to the District. The City Council of the City, acting for the District, shall perform all parts of this Agreement which require performance on the part of the District.

20. Assignment. Owner may not assign this Agreement or any right or duty hereunder to a non-affiliated assignee without the express written approval of the City. The City may condition any such approval on proof of the financial responsibility and experience of a proposed assignee to undertake and perform the duties and responsibilities of Owner under this Agreement. The City's approval of an assignment of this Agreement and the rights and duties of Owner hereunder shall not be unreasonably withheld. Notwithstanding the foregoing, the Owner may, by written direction to the City, designate an assignee to receive disbursement of moneys otherwise due to the Owner hereunder.

21. Prompt Action. All consents, approvals and determinations required of either the City or Owner pursuant to this Agreement shall be promptly given or made, and shall not be unreasonably withheld.

22. General. This Agreement contains the entire agreement between the parties with respect to the matters herein provided for, and may be amended by a subsequent written agreement signed on behalf of both parties. This Agreement is for the exclusive benefit of Owner and the City and shall not be construed to confer any rights or benefits upon any persons other than the City and the Owner. This Agreement shall, however, inure to the benefit of and be binding upon the successors and assigns of the parties. This Agreement shall be construed and governed by the Constitution and laws of the State of California. Should either party to this Agreement commence a court action or proceeding against the other party with respect to this Agreement or the design and acquisition or construction of the Public Facilities, the Party prevailing in such action or proceeding shall be entitled to receive from the losing party its attorney's fees, expert witness fees, court costs, and other costs incurred by it in prosecuting or defending such action or proceeding. The captions of the sections of this Agreement are provided for convenience temporarily, and shall not have any bearing on the interpretation of any section hereof. This Agreement may be executed in several counterparts, each of which shall be an original of the same Agreement.

[SIGNATURE BLOCK NEXT PAGE]

IN WITNESS WHEREOF, the City of Roseville, a municipal corporation, has authorized the execution of this Agreement in duplicate by its City Manager and attested to by its City Clerk under the authority of Resolution No. _____, adopted by the Council of the City of Roseville on the ____ day of _____, 20__, and OWNER has caused this Agreement to be executed.

CITY OF ROSEVILLE, a
municipal corporation

JOHN MOURIER CONSTRUCTION,
INC., a California corporation

BY: _____
DOMINICK CASEY
City Manager

BY: 
Name: Rod Yamamoto

ATTEST:

Title: CFO

BY: _____
SONIA OROZCO
City Clerk

[[SEAL]]

APPROVED AS TO FORM:

BY: _____
ROBERT R. SCHMITT
City Attorney

APPROVED AS TO SUBSTANCE:

BY: 
 DENNIS KAUFFMAN
Chief Financial Officer

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Placer

On 1-9-19 before me, Karen Headley a Notary Public, personally appeared Rod Yamagata, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

Name: _____

(Typed or Printed)

(Seal)



EXHIBIT A

City of Roseville
Villages at Sierra Vista
Community Facilities District No. 1
(Public Facilities)
Placer County, California

LIST OF AUTHORIZED FACILITIES

Authorized Facilities

Transportation Improvements

Public roadway improvements designed to meet the needs of the project, including those improvements identified in the project Development Agreement (DA) Sections 3.5.17 and 3.5.18, including but not limited to;

- Federico Drive.
- Fiddymment Road.
- Market Street.
- Santucci Boulevard.
- Summerfaire Drive.
- Silver Spruce Drive.
- Sierra Glen Drive.
- Vista Park Drive.
- Vista Grande Boulevard.
- Westbrook Boulevard.

Eligible roadway improvements include the following items: acquisition of land and easements; roadway design; project management; geotechnical engineering, testing and observations, bridge crossings and culverts; clearing, grubbing, and demolition; grading, soil import/export, paving (including slurry seal), and decorative/enhanced pavement concrete or pavers; power pole relocations; joint trenches, underground utilities, and undergrounding of existing utilities; dry utilities and appurtenances; curbs, gutters, sidewalks, bike trails (including on- and off-site), park and ride facilities, bus rapid transit improvements, including transfer stations and regional public transit improvements; retaining walls, sound walls, 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; masonry walls; traffic control and agency fees; and other improvements related thereto. Eligible improvements for the roads listed above also include any and all necessary

underground potable and non-potable water, sanitary sewer, and storm drainage system improvements.

Potable and Non-Potable Water System Improvements

Authorized facilities include any and all on- and off-site backbone water facilities designed to meet the needs of development of the project. These facilities include potable and non-potable mains, valves, services, and appurtenances; wells; and water treatment and storage facilities, and related improvements, including but not limited to: site clearing, grading, and paving; curbs and gutters; recycled water storage tanks, booster pump stations, and all appurtenances thereto; wells; water treatment; stand-by generator; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates and fencing; striping and signage; and the following:

- Water lines in/associated with authorized facility roads.
- Recycled water lines in/associated with authorized facility roads.
- Well construction or financial contributions thereto on, but not limited to JM-60.
- Water Tank Site Improvements (DA Section 3.8.2).
- Recycled Water Storage Tank Facility
- Reimbursement obligation for the Baseline Road 24" water line (DA Section 3.8.3).
- CFD obligations for RW tank(s) required by DA Section 3.9.

Drainage System Improvements

Authorized facilities include any and all on- and off-site backbone drainage and storm drainage improvements designed to meet the needs of development of the project. These facilities include mains, pipelines and appurtenances, outfalls and water quality measures, temporary drainage facilities, detention/retention basins, and drainage pretreatment facilities; drainage ways/channels, pump stations, landscaping, and irrigation; access roads, gates, and fencing; striping and signage; and the following:

- All storm drain lines and facilities in/associated with authorized facility roadways.
- Retention, detention, hydro-modification, and other drainage facilities.

Wastewater System Improvements

Authorized facilities include any and all on- and off-site backbone wastewater facilities designed to meet the needs of development of the project. These facilities include pipelines and all appurtenances thereto; manholes; tie-in to existing main line; force mains; lift stations; odor-control facilities; sewer treatment plant

improvements and permitting related thereto; and related sewer system improvements, including but not limited to:

- All wastewater facilities in/associated with authorized facility roadways.

Solid Waste Improvements

Authorized facilities include any and all backbone solid waste improvements designed to meet the needs of development of the project. Eligible improvements also include the project's pro-rata contribution, as described in the project DA, to the Sierra Vista Specific Plan (SVSP) Solid Waste Recycling Center (DA Section 3.26(iii)).

Park, Landscape Corridor and Paseo Improvements

Authorized facilities include any and all improvements to parks, landscape corridors and paseos located in the project, including but not limited to:

- Construction of Park Sites as identified by the Specific Plan.
- Construction of Paseos as identified by the Specific Plan.

Open Space Improvements

Authorized facilities include any and all open space improvements designed to meet the needs of development of the project, including bike trails, bike/pedestrian bridges, storm drain crossings, storm drain detention/retention, wetland mitigation, tree mitigation, on- and off-site hawk/raptor mitigation, agricultural mitigation or wetland mitigation, property acquisition, endowment payments for open space management, landscaping and irrigation, access gates and fencing, and related open space improvements, including but not limited to:

- Improvements as identified by the Specific Plan.
- Wetland creation mitigation, fencing, etc.

Utilities

Authorized facilities include any and all on- and off-site utility improvements designed to meet the needs of development of the project. All utility improvements, easement payments, and land acquisition not located under or alongside transportation improvements are considered authorized facilities. Authorized facilities also shall include costs related to the acquisition of the off-site electric substation site; site clearing; grading; street frontage improvements, including curbs, gutters, and paving; and construction of an all-weather access road to the site from the nearest public street or extension of temporary 12kV overhead lines as described in the project DA, including but not limited to:

- SVSP Electric Substation site acquisition, and improvements required by

DA Section 3.11.3.

- Temporary overhead 12kV lines to loop SVSP substation to line in WRSP Phase 3 and 4.

Other Public Facilities

Authorized facilities includes any and all public facilities or infrastructure, including the project's pro-rata contribution to the land acquisition of the off-site fire station site, site clearing, grading, and street frontage improvements including curbs, gutters, and paving, including but not limited to:

- Fire Station site reimbursement obligations in DA Section 3.23.

Development Impact Fees

Authorized facilities include development impact fees paid and not otherwise reimbursed, whether standard City or County fees levied at the time of the issuance of a building permit or required as part of the DA for the property. Fees include, but are not limited to, the South Placer Regional Transportation Authority Tier II Traffic Fee, City of Roseville City Wide Park Fee, City of Roseville Public Facilities Fee, and Public Benefit Fee (as defined in Section 3.14.3 of the DA for the property).

Formation, Administrative, and Incidental Expenses

In addition to the above facilities, other expenses incidental to the above and authorized by the Mello-Roos Community Facilities Act of 1982, including but not limited to: the cost of planning, permitting, and designing the facilities (including the cost of environmental evaluation, orthophotography, environmental remediation/mitigation, and preparation of an overarching Operation and Maintenance Plan for the City of Roseville Open Space Preserves); land acquisition and easement payments for the facilities; project management; construction staking; engineering studies and reports; utility relocation and demolition costs incidental to construction of the facilities, wetland/Species mitigation purchase; reimbursements to other areas for infrastructure facilities or planning serving development in the CFD; Sierra Vista Specific Plan planning, legal, engineering, technical studies costs related to the facilities and any other expenses incidental to the construction, completion, and inspection of the facilities.

In addition, costs eligible to be financed by the CFD shall include all costs associated with the formation and ongoing administration of the CFD and issuance of bonds; determination of the amount of taxes and collection of taxes; inspection, plan check and other costs related to acceptance of the facilities by the City, payment of taxes; and any other costs incurred to carry out the authorized purposes of the CFD.



COUNCIL COMMUNICATION

CC #: 9741
File #: 0721-05

Title: Dry Creek Greenway West Planning & Feasibility Study - Professional Services Agreement Amendment
Contact: Jeannie Gandler 916-746-1289 jgandler@roseville.ca.us

Meeting Date: 1/16/2019
Item #: 6.18.

RECOMMENDATION TO COUNCIL

Staff recommends that the City Council adopt a resolution authorizing the City Manager to execute the First Amendment to Professional Services Agreement with Dokken Engineering.

BACKGROUND

On October 18, 2017, City Council authorized a professional services agreement with Dokken Engineering in the amount of \$206,805.00 for the Dry Creek Greenway West Multi-Use Trail Planning & Feasibility Study. This study is looking at a potential multi-use trail connection running from Darling Way near Riverside Avenue, along Dry Creek, west to Placer Vineyards. The first amendment to Professional Services Agreement is needed to add additional spending authority to complete the study. The amendment will increase the total cost of the professional services agreement from \$206,805.00 to \$227,574.00, an increase of \$20,769.00.

The first amendment to professional services agreement reflects costs associated with completing Task 1.1, 2.5, and 3.3. Those tasks include additional technical meetings necessary to evaluate options for crossing the Union Pacific Railyard, expanded community engagement efforts through community workshops, events and an online survey, and additional field work and analysis of potential alignments.

Although there are cost increases associated with the project, staff has worked with the consultant to identify cost efficiencies. For example, Task 2.3 "Partners Previews and Field Walk" , which included field walks with the public, was scaled back due to weather, logistics of gaining access to private property, and liability concerns, for a savings of \$5,124.00. This cost savings is factored into the first amendment to professional services agreement.

Funding for the contract amendment is already included in the Dry Creek Greenway West Multi-Use Trail Planning and Feasibility Study budget.

FISCAL IMPACT

The first amendment increases the current professional services agreement with Dokken Engineering by \$20,769.00, from \$206,805.00 to \$227,574.00 and does not exceed the project budget approved by City Council in October 18, 2017. The Dry Creek Greenway West Multi-Use Trail Planning and Feasibility Study is funded by a Federal Transit Administration (FTA) Section 5304 Sustainable Communities Grant, administered by Caltrans, and Local Transportation Funds (LTF). No General Fund resources are being used for this project.

ECONOMIC DEVELOPMENT / JOBS CREATED

Not Applicable.

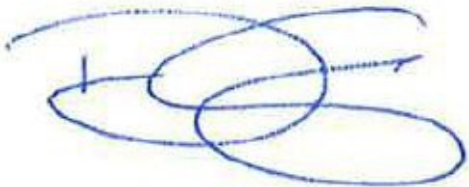
ENVIRONMENTAL REVIEW

This project is a planning and feasibility study that is statutorily exempt from environmental review per CEQA Guidelines Section 15162.

Respectfully Submitted,

Jeannie Gandler, Alternative Transportation Analyst

Jason Shykowski, Acting Public Works Director



Dominick Casey, City Manager

ATTACHMENTS:

Description

Resolution No. 19-15

Professional Services Agreement

RESOLUTION NO. 19-15

APPROVING A FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT, BY
AND BETWEEN THE CITY OF ROSEVILLE AND DOKKEN ENGINEERING, AND
AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF
OF THE CITY OF ROSEVILLE

WHEREAS, a first amendment to professional services agreement for the Dry Creek West Multi-Use Trail Planning & Feasibility Study, by and between the City of Roseville and Dokken Engineering, has been reviewed by the City Council; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Roseville that said amendment is hereby approved and that the City Manager is authorized to execute it on behalf of the City of Roseville.

PASSED AND ADOPTED by the Council of the City of Roseville this ____ day of _____, 20__, by the following vote on roll call:

AYES COUNCILMEMBERS:

NOES COUNCILMEMBERS:

ABSENT COUNCILMEMBERS:

MAYOR

ATTEST:

City Clerk

**FIRST AMENDMENT TO
PROFESSIONAL SERVICES AGREEMENT**

Project: Dry Creek West Multi-Use Trail Planning & Feasibility Study

THIS FIRST AMENDMENT TO AGREEMENT is made and entered into this ____ day of _____, 20__, by and between the City of Roseville, a municipal corporation (“CITY”), and Dokken Engineering, a California corporation (“CONSULTANT”); and

W I T N E S S E T H:

WHEREAS, CITY and CONSULTANT previously entered into a Professional Services Agreement dated October 18, 2017 (“Agreement”) regarding the Dry Creek West Multi-Use Trail Planning & Feasibility Study (“Project”); and

WHEREAS, CITY desires to amend the Agreement to include additional services as described in CONSULTANT’s letter/proposal dated November 5, 2018, which is attached hereto as Exhibit “A” and incorporated herein by reference; and

WHEREAS, CONSULTANT is willing and able to provide such additional services.

NOW, THEREFORE, the parties agree as follows:

1. CONSULTANT shall provide additional services as described in Exhibit “A” of this First Amendment to Agreement.
2. Paragraph 2 of the Agreement is amended by adding an additional paragraph to read as follows:

“CITY shall pay twenty thousand, seven hundred sixty-nine dollars (\$20,769.00), in consideration of the additional services as set forth in Exhibit “A” to the First Amendment to Agreement. This brings the total not to exceed contract amount to two hundred twenty-seven thousand, five hundred seventy-four dollars (\$227,574.00).”

3. All other provisions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the City of Roseville, a municipal corporation, has authorized the execution of this First Amendment to Agreement in duplicate by its City Manager and attested to by its City Clerk under the authority of Resolution No. _____, adopted by the Council of the City of Roseville on the ____ day of _____, 20__, and CONSULTANT has caused this First Amendment to Agreement to be executed.

CITY OF ROSEVILLE, a
municipal corporation

DOKKEN ENGINEERING, a California
corporation

BY: _____
DOMINICK CASEY
City Manager

BY: Milant T. Jiftal
its: President

ATTEST:

and
BY: Anthony A.
its: Secretary

BY: _____
SONIA OROZCO
City Clerk

SIGNATURES CONTINUED ON FOLLOWING PAGE

APPROVED AS TO FORM:

BY: _____
ROBERT R. SCHMITT
City Attorney

APPROVED AS TO SUBSTANCE:

BY:  _____
RHON HERNDON
Public Works Director



EXHIBIT “A”



DOKKEN ENGINEERING

Transportation Solutions from Concept to Construction

November 5, 2018

Jeannie Gandler
Administrative Analyst II/Bikeways
CITY OF ROSEVILLE
316 Vernon Street, Suite 150
Roseville, CA 95678

**RE: Dry Creek West Multi-Use Trail Planning & Feasibility Study
Contract Amendment No. 1**

Dear Ms. Gandler,

The purpose of this letter is to request Amendment No. 1 to the October 18, 2017 Agreement between the City of Roseville and Dokken Engineering for the Dry Creek West Multi-use Trail Planning and Feasibility Study. This amendment allows the completion of the study with an expanded study area and enhance public outreach component including additional one-on-one field visits with property owners, increased public input opportunities, and extensive presentation materials for the public meetings. This lead to more refined alternative information which will aid in selecting alternatives to advance to the next phase of project development, saving time and cost in the long run.

Dokken Engineering proposes to provide these additional services for a not-to-exceed amount of \$20,769. The addition of this amendment brings Dokken Engineering's total contract amount to \$227,574. Following is a description of the additional or modified scope by contract task. Completed tasks are noted and proposed to be balanced to zero, in some cases providing savings to use for other tasks. Also attached is a project *Budget Summary* showing current tasks budgets, expenditures and the amendment request by task, and total. It is supported by an *Estimated Cost to Complete by Hours per Task* exhibit, also attached.

CONTRACT TASK

AMENDMENT REQUEST

TASK 1.1 COORDINATION & MEETINGS – PDT & TECHNICAL

\$6,881

The current contract anticipated the work would be completed in February 2019. It is now projected to extend into June of 2019. The extended time frame of approximately four months requires continued oversight, coordination of efforts, and meetings. These efforts have averaged about \$2,000 per month to date, which is more than originally budgeted. With eight months of work remaining, and the budget essentially expended, the same rate of project oversight and coordination would result in a request of \$16,000. Given these last months will require less coordination than start up months, and anticipating only two more PDT meetings being needed, the request for this task has been adjusted to reflect the reduced level of effort. Please see the attached breakdown of hours.

In addition to the eight PDT meetings held so far, technical meetings were held with representatives of the Corp Yard, WWTP, and Engineering Division (related to Foothill Blvd.) Each included a field visit and in the case of the WWTP a second visit. Coordination with Union Pacific occurred via email correspondence.



CONTRACT TASK

AMENDMENT
REQUEST

TASK 1.2 IDENTIFY EXISTING CONDITIONS

\$ 27

This task is completed and can be balanced to zero using savings from Task 1.3. Also, as the field work by both Dokken and REY Engineers began, it became clear that the scoped limited field survey work planned for the roadway crossings of the creek and for under the railroad structures was not needed to determine the viability of the alternatives, and that more general field investigation over larger areas was more beneficial. As a result, REY Engineers' services were limited to obtaining and providing topographic information files, and Dokken Engineering performed more field investigative work than originally planned.

TASK 1.3 IDENTIFY PRELIMINARY OPPORTUNITIES & CONSTRAINTS

- \$ 39

This task is completed with a small budget savings.

TASK 2.1 PUBLIC OUTREACH DEVELOPMENT

- \$ 57

This task is completed with a small budget savings.

TASK 2.2 STAKEHOLDER DATABASE & ONGOING PUBLIC COMMUNICATION

- \$ 4

This task is completed with a small budget savings.

TASK 2.3 PARTNERS PREVIEWS & FIELD WALK

- \$ 5,124

The first field walk done with the Corp Yard staff demonstrated it would take much more time to walk the creek than originally anticipated. The PDT decided it was not manageable to do a field walk with a group of owners and the public due to time it would take, and the limited access rights and walkability along the creek. Instead of a single field walk, several separate meetings were held with individual property owners or localized groups. These included separate meetings with representatives of the Setzer, Booth Road, and Kolak properties as well as Dry Creek School. The on-line tool was also enhanced to provide a more detailed "virtual" field walk.

When the decision was made to not have the scoped field walk, this task was closed to charges so that budget wouldn't get charged for a task not being completed. This resulted in a savings in this task but as described below, extra cost to Task 2.5 Community Workshops/Online Engagement/Open House, and Task 3.3- Draft Planning and Feasibility Study. The savings in this task can help to offset the extra cost in those tasks.

TASK 2.4 KEY STAKEHOLDER INTERVIEWS

- \$ 6

This task is completed. Although a small balance is shown, the true cost of the interviews spilled into Task 3.3 – Draft Planning and Feasibility Study, as described below.

TASK 2.5 COMMUNITY WORKSHOPS/ONLINE ENGAGEMENT/OPEN HOUSE

\$ 9,812

Two community workshops were held and well attended. Dokken prepared eleven presentation boards for the first workshop and nine additional boards for the second



CONTRACT TASK

**AMENDMENT
REQUEST**

workshop. Approximately ten boards had been anticipated. This was partially the result of the added Foothill Blvd area. In addition, the virtual workshop became more interactive as a result of the need to off-set the lack of a field walk with the public. Different mapping had to be developed to use in the on-line tool, versus using the same presentation boards. Extensive text was provided for the on-line tool "pop-up" boxes. Review coordination and edit efforts also increased with the increased volume of material.

This added effort resulted in good results at the workshops, and with the on-line tool; however, it did cause this task to run over budget. The cost is partially off-set by the savings in Task 2.3 discussed above. The requested amount is also less than the true time spent. With a growing concern over the accumulating cost, and the compressed time frame for some of the work, both Dokken and AIM donated time after hours to complete materials for both workshops, and the on-line tool. Time spent at the evening events was also largely donated.

TASK 2.6 PUBLIC AGENCY PRESENTATIONS

\$ 0

This activity has not yet started, and the original budget remains. No additional effort beyond that already budgeted is anticipated so no adjustment to this task is requested.

TASK 3.1 FINALIZE EXISTING CONDITIONS REPORT AND OPPORTUNITIES & CONSTRAINTS

- \$ 60

This task is complete with a small budget savings.

TASK 3.2 DEVELOP ALIGNMENT ALTERNATIVES, CONCEPTUAL DESIGNS, AND DRAFT EVALUATION CRITERIA

- 7

This task is completed. Thirty-three segments have been developed and analyzed in six different areas. The addition of the Foothill Blvd alternative to address Union Pacific Railroad's lack of support for the trail project was an added area. It contains five of the most complex segments. This required effort beyond what was scoped including an additional field trip to study the area. Although a small budget saving is shown, the true cost of this task spilled into preparation of the Draft Planning and Feasibility Study as described below.

TASK 3.3 DRAFT PLANNING & FEASIBILITY STUDY

\$ 17,550

This task has been impacted by both the cost of the additional field meetings described in Task 2.3 above, and the addition of the area north of the creek that evaluates alternatives to and along Foothill Blvd.

The cost of the individual site visits were charged first to Task 1.2 – Identify Existing Conditions, Task 2.4 Key Stakeholder Interviews and 3.1 – Finalize Existing Conditions Report, Opportunities and Constraints, as budget allowed, but since those Tasks all had planned activities, there were not sufficient funds to absorb the added meetings. The approximate \$5,100 savings in Task 2.3 works to reduce the added cost in this task, but it is



CONTRACT TASK

**AMENDMENT
REQUEST**

not sufficient to offset the entire costs of the extra field trips.

This Task was also impacted by the addition of the of the area north of the creek and along Foothill Blvd including review of the topography, developing options for reallocating cross-sectional space on Foothill Blvd Booth Road, traffic operations and future needs, various widening options and cost estimates for each added alternative.

This task is currently approximately \$6,700 over budget and the estimated cost to complete the Draft Study, as shown in the Cost to Complete attachment is approximately \$11,000. This requested amount has been developed assuming largely donated time by the Project Manager and Project Engineer. This is being done in recognition of the City's limited funding for the project.

TASK 3.4 IDENTIFY POTENTIAL FUNDING SOURCES - \$ 3,822

The City decided to work with RTC and PCTPA to gather funding information. RTC prepared a memo documenting their findings which will be summarized in the study. RTC's memo will be included as an appendix. The savings in this task will offset costs in other tasks.

TASK 3.5 FINAL PLANNING & FEASIBILITY STUDY \$ 0

This activity has not yet started, and the original budget remains. No additional effort beyond that already budgeted is anticipated so no adjustment to this task is requested.

TASK 4.1 ADDITIONAL TRANSLATION OR INTERPRETIVE SERVICES - \$ 4,382

This task was not needed so the amount budgeted can be reduced to zero.

TOTAL AMENDMENT NO. 1 REQUEST: \$20,769

Dokken Engineering has enjoyed working with the City to advance this project and looks forward to review and approval of the study. If you have any questions, please contact me at (916) 858-0642, or at ldiamond@dokkenengineering.com

Sincerely,

DOKKEN ENGINEERING

Elizabeth Diamond, PE
Project Manager

Attachments: 1 - Amendment No. 1 Budget Summary
2 - Estimated Cost to complete by Hours per Task

Attachment 1
Dry Creek West Multi-Use Trail Planning and Feasibility Study
Amendment 1 Budget Summary

Project No. 2409					November 5, 2018		
Task Number and Description	Contract Budget (a)	Expenditures to 10-31-18 (b)	Remaining Balance (c=a-b)	Cost to Complete (d)	Amendment Request (e=c-d)	Task Budget with Amendment (f=a+e)	Complete Yes/No
Task 1 - Project Initiation & Coordination	\$66,198	\$65,146	\$1,052	\$7,921	\$6,869	\$73,067	
1.1 Coordination & Meetings - PDT & Technical	\$26,099	\$25,059	\$1,040	\$7,921	\$6,881	\$32,980	No
1.2 Identify Existing Conditions	\$23,776	\$23,803	-\$27	\$0	\$27	\$23,803	Yes
1.3 Identify Preliminary Opportunities & Constraints	\$16,323	\$16,284	\$39	\$0	-\$39	\$16,284	Yes
Task 2 - Public Outreach	\$75,065	\$70,935	\$4,130	\$8,751	\$4,621	\$79,686	
2.1 Public Outreach Development	\$7,371	\$7,314	\$57	\$0	-\$57	\$7,314	Yes
2.2 Stakeholder Database & Ongoing Public Communication	\$3,545	\$3,541	\$4	\$0	-\$4	\$3,541	Yes
2.3 Partners Previews & Field Walk	\$11,832	\$6,708	\$5,124	\$0	-\$5,124	\$6,708	Yes
2.4 Key Stakeholder Interviews	\$4,354	\$4,348	\$6	\$0	-\$6	\$4,348	Yes
2.5 Community Workshops/Online Engagement / Open House	\$39,212	\$49,024	-\$9,812	\$0	\$9,812	\$49,024	Yes
2.6 Public Agency Presentations	\$8,751	\$0	\$8,751	\$8,751	\$0	\$8,751	No
Task 3 - Planning and Feasibility Study	\$61,160	\$50,059	\$11,101	\$24,762	\$13,661	\$74,821	
3.1 Finalize Existing Conditions Report & Opportunity and Constraints	\$10,596	\$10,536	\$60	\$0	-\$60	\$10,536	Yes
3.2 Develop Alternatives, Conceptual Designs & Draft Evaluation Criteria	\$15,006	\$14,999	\$7	\$0	-\$7	\$14,999	Yes
3.3 Draft Planning & Feasibility Study	\$17,830	\$24,524	-\$6,694	\$10,856	\$17,550	\$35,380	No
3.4 Identify Potential Funding Sources	\$3,822	\$0	\$3,822	\$0	-\$3,822	\$0	Yes
3.5 Final Planning and Feasibility Study	\$13,906	\$0	\$13,906	\$13,906	\$0	\$13,906	No
Task 4 - Optional Tasks	\$4,382	\$0	\$4,382	\$0	-\$4,382	\$0	
4.1 Additional Translation or Interpretive Services	\$4,382	\$0	\$4,382	\$0	-\$4,382	\$0	Yes
TOTALS	\$206,805	\$186,140	\$20,665	\$41,434	\$20,769	\$227,574	



COUNCIL COMMUNICATION

CC #: 9735

File #: 0201-01 & 0203-02

Title: 401 Oak Street and Tower Theater - Budget Adjustment

Contact: Dan Allen 916-774-5741 dallen@roseville.ca.us

Meeting Date: 1/16/2019

Item #: 6.19.

RECOMMENDATION TO COUNCIL

Staff recommends that the City Council adopt an ordinance approving a budget adjustment that will utilize funds from the sale of surplus property (401 Oak). This budget adjustment is needed to cover the cost to remove the underground and above ground storage tanks, emergency generator, all furniture out of 401 Oak, and is needed for the Tower Theater interior clean up, to treat for termites, and repair termite damage.

BACKGROUND

Per the sales agreement with University Development Foundation (UDF), the City is obligated to remove the underground storage tank, above ground storage tank, emergency generator, and all furniture.

Additionally, the City is cleaning up the interior of the Tower Theater, treating for termites and making all necessary repairs.

FISCAL IMPACT

The total cost of the remaining work is \$293,569.00. The resources for this budget adjustment are coming from the sales proceeds of \$285,053 from the sale of surplus property (401 Oak) and \$8,516 from fund balance in the Building Improvement Fund.

ECONOMIC DEVELOPMENT / JOBS CREATED

The requested budget adjustment is not anticipated to create any additional jobs.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment (CEQA Guidelines §15061(b)(3)). The budget adjustment request project does not include the potential for a significant environmental effect, and therefore is not subject to CEQA.

Respectfully Submitted,

Dan Allen, Facility Manager

Jason Shykowski, Acting Public Works Director



Dominick Casey, City Manager

ATTACHMENTS:

Description

Ordinance No. 6049

Budget Adjustment Form

ORDINANCE NO. 6049

ORDINANCE OF THE COUNCIL OF THE CITY OF ROSEVILLE
AUTHORIZING CERTAIN AMENDMENTS TO THE 2018-19
BUDGET AND DECLARING THIS ORDINANCE TO BE IMMEDIATELY
EFFECTIVE AS AN APPROPRIATION MEASURE

THE CITY OF ROSEVILLE ORDAINS:

SECTION 1. The City of Roseville Annual Budget, Fiscal Year 2018-19, is hereby amended by transferring appropriation to and from the activities indicated below:

Appropriate funds for repairs needed at 401 Oak and Tower Theater, per request of the Public Works Department, as listed on the attached Request for Budget Adjustment in the amount of \$285,053.00.

SECTION 2. This ordinance is hereby declared to be an appropriation measure, immediately effective pursuant to the provisions of Section 5.03 of the Charter.

SECTION 3. The City Clerk is hereby authorized and directed to post a true copy of the foregoing ordinance in each of three (3) conspicuous locations in the City and she shall immediately after such posting enter in the ordinance book, under the record of the ordinance, a certificate under her hand stating the time and place of such publication by posting.

PASSED AND ADOPTED by the Council of the City of Roseville, this
_____ day of _____, 2018, by the following vote on roll call:

AYES COUNCILMEMBERS:

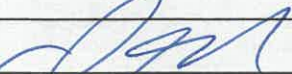
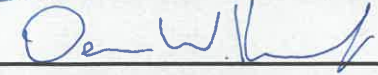
NOES COUNCILMEMBERS:

ABSENT COUNCILMEMBERS:

MAYOR

ATTEST:

City Clerk

Scott Peltingell	12-20-18	SDR	12-20-18
PREPARED BY (PRINTED NAME)	DATE	PREPARED BY SIGNATURE	DATE
REQUIRED APPROVALS:			
	12-20-18		12-20-18
REQUESTING DEPARTMENT HEAD / DESIGNEE	DATE	BUDGET MANAGER / DESIGNEE	DATE
	12-20-18		
FINANCE DIRECTOR / DESIGNEE	DATE	CITY MANAGER / DESIGNEE	DATE



COUNCIL COMMUNICATION

CC #: 9737

File #: 0215

Title: Development Impact Fee Reports for Fiscal Year Ending June 30, 2018

Contact: Jeannine Thrash 916-774-5473 jthrash@roseville.ca.us
Dennis Kauffman 916-774-5313 dkauffman@roseville.ca.us

Meeting Date: 1/16/2019

Item #: 6.20.

RECOMMENDATION TO COUNCIL

Accept the following informational Development Impact Fee Reports prepared for fiscal year ended June 30, 2018.

BACKGROUND

In California, state legislation sets certain legal and procedural parameters for the charging of development impact fees ("DIFs"). This legislation was passed as AB1600 by the State Legislature and is now codified as California Government Code Sections (GC §) 66000 through 66008 ("Mitigation Fee Act").

(GC §) 66006(b) states the following requirements as pertains to the DIFs:

For each separate account or fund established, the local agency shall, within 180 days after the last day of each fiscal year, make available to the public the following information for the fiscal year:

1. A brief description of the type of fee in the account or fund.
2. The amount of the fee.
3. The beginning and ending balance of the account or fund.
4. The amount of the fees collected and interest earned.
5. An identification of each public improvement on which fees were expended.
6. An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement and the public improvement remains incomplete.
7. A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.
8. The amount of refunds made (as pursuant to GC § 66001(e)) due to sufficient funds being collected to complete financing on incomplete public improvements, and the amount of

reallocation of funds made
(as pursuant to GC § 66001(f)) due to administrative costs of refunding unexpended
revenues exceeding the amount to be refunded.

The attached Development Impact Fee Reports are for informational purposes. They are also posted on the City's website.

FISCAL IMPACT

There is no impact to the City's General Fund.

ECONOMIC DEVELOPMENT / JOBS CREATED

The items presented are informational reports. No economic development or jobs were created.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonable foreseeable indirect physical change in the environment CEQA Guidelines § 15061 (b)(3)). These informational reports do not include the potential for a significant environmental effect, and therefore are not subject to CEQA.

Respectfully Submitted,

Jeannine Thrash, Administrative Analyst

Dennis Kauffman, Chief Financial Officer

A handwritten signature in blue ink, consisting of several overlapping loops and a final horizontal stroke.

Dominick Casey, City Manager

ATTACHMENTS:

Description

City of Roseville Annual Development Impact Fee Report

JPA and SPWA Annual Development Impact Fee Report

Annual Development Impact Fee Report



Fiscal Year Ended June 30, 2018

Table of Contents

Reporting Requirements for Development Impact Fees	2
Description of Development Impact Fees.....	3
<u>Fund Balance and Project Descriptions</u>	
Drainage Fees.....	7
Public Facilities.....	8
Local Sewer Connections Fees.....	10
Water Connection Fees.....	11
Traffic Mitigation Fees.....	14
Downtown Specific Plan In-Lieu Parking Fee.....	15
Parks Fees.....	16
Electric Backbone Impact Fee.....	22
Solid Waste Impact Fee.....	23
Development Agreements Imposed Since 2004.....	24
Attachment 1.....	30

Reporting Requirements for Development Impact Fees

In California, State legislation sets certain legal and procedural parameters for the charging of development impact fees ("DIFs"). This legislation was passed as AB1600 by the California Legislature and is now codified as California Government Code Sections (GC §) 66000 through 66008 ("Mitigation Fee Act"). This State law went into effect on January 1, 1989.

GC § 66006(b) states the following requirements as pertains to DIFs:

For each separate account or fund established, the local agency shall, within 180 days after the last day of each fiscal year, make available to the public the following information for the fiscal year:

- (A) A brief description of the type of fee in the account or fund.
- (B) The amount of the fee.
- (C) The beginning and ending balance of the account or fund.
- (D) The amount of the fees collected and interest earned.
- (E) An identification of each public improvement on which fees were expended and the amount of expenditures on each improvement including the total percentage of the cost of the public improvement that was funded with fees.
- (F) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement and the public improvement remains incomplete.
- (G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.
- (H) The amount of refunds made (as pursuant to GC § 66001(e)) due to sufficient funds being collected to complete financing on incomplete public improvements, and the amount of reallocation of funds made (as pursuant to GC § 66001(f)) due to administrative costs of refunding unexpended revenues exceeding the amount to be refunded.

GC § 65865(e) also requires that in any development agreement entered into on or after January 1, 2004, the City shall comply with GC § 66006 with respect to any fee it receives or cost it recovers.

Description of Development Impact Fees

Drainage Fees

The Drainage Fee is established pursuant to Roseville Municipal Code Chapters 4.48 and 4.49. Drainage fees are required for all new construction that occurs within the Dry Creek Watershed mitigation zone or the Pleasant Grove/Curry Creek Watershed mitigation zones. These mitigation zones are further broken down into sub-zones or sub-areas for which fees vary.

New development, and the expansion of existing development, within the City imposes a burden on the creeks and drainage infrastructure within the Dry Creek watershed and the Pleasant Grove and Curry Creek watershed by adding additional impervious surface, thereby adding more runoff, and by changing discharge rates. Some of the worst burdens imposed by development are on properties located within the Dry Creek watershed and Pleasant Grove and Curry Creek watershed downstream from the City, where additional run-off poses a threat of severe flooding and is a danger to life and property.

The drainage fees have been calculated so as to pay for those facilities listed in the capital improvement program. The fee is to be collected for public improvements and facilities for which an account has been established and funds appropriated, and for which a proposed construction schedule has been adopted.

Public Facilities Fee

The Public Facilities Fee is established pursuant to Roseville Municipal Code Chapter 4.52. New development and the expansion of existing development within the City imposes burdens on existing public facilities and creates a need for additional public facilities. Such burdens may vary by the type of land use. The Public Facilities Fee is applied to new development and expansion of existing development to ensure adequate levels of public services and facilities are maintained. This fee spreads the costs of public facilities to development which creates the need for such public facilities, without generating any surplus to the general fund.

Sewer Connection Fees

Sewer connection fees are established pursuant to Roseville Municipal Code Chapter 14.16. Additional fees may be applicable to properties within sewer special benefit assessment areas.

- *Local Sewer Connection Fee* - The local sewer connection fee is charged for each sewer unit required within the Roseville City limits connected to the City-owned public sewer.

Water Connection Fee

Water connection fees are established pursuant to Roseville Municipal Code Chapter 14.08 and are applicable to all new water service connections within the City limits. This fee ensures the sharing of the costs associated with maintenance and expansion of the City's raw water supply, water treatment, storage, and distribution facilities by those who receive the benefits thereof.

Traffic Mitigation Fees

In 1988 the City of Roseville adopted a city-wide Traffic Mitigation Fee Program, requiring new development within the City to pay traffic impact fees. The fees collected through this program, in addition to other funding sources, allows the City to construct transportation improvements identified in its Capital Improvement Program (CIP). The fee program assesses fair-share costs to each jurisdiction based on their impact on the individual roadways from new development.

City / County Traffic Mitigation Fee - The City of Roseville and Placer County entered into a joint fee program for the purpose of funding improvements on Baseline Road and Walerga Road. The fee program assesses fair-share costs to other jurisdictions based on their impact on the individual improvements from new development. The fees associated with this fee program were originally collected by Roseville and Placer County. Fees collected by Roseville were remitted to Placer County quarterly to be held in one account. Effective July 2013, Fiddlyment Road was removed from the program and individual agencies became responsible for holding the fees they *collect in two separate accounts, one with Roseville and one with Placer County.*

Downtown Specific Plan In-Lieu Parking Fee

This fee is established pursuant to Roseville Municipal Code Chapter 19.31. Within the designated Commercial Mixed Use, Old Town and Central Business districts, a parking requirement serving nonresidential uses and residential uses, where a minimum of one space per unit is provided on-site for the residential units, may be met by a cash in-lieu payment to the City prior to issuance of a building permit, or a certificate of occupancy if no building permit is required. The fee is dedicated for use to offset the cost of public off-street parking within the Downtown Specific Plan area in the form of garages or public parking lots.

Park Fees- (Although Park fees were adopted pre- AB1600, they are still being included in this report.)

Park fees are authorized pursuant to Roseville Municipal Code Chapters 4.37 and 4.38. There are two different types of park fees applicable to all residential projects. The City-wide Park Fee funds park and recreation facilities intended to serve the entire community, and the Neighborhood and Community Park Fees fund park and recreation facilities intended to serve neighborhood areas. Park fees may vary based on fees and credits that a parcel may be subject to. City-wide Park Credits are granted to all parcels within specific plan areas that have entered into a Development Agreement with the City. Certain parcels may be subject to additional City-wide credits. These additional credits are typically granted for park property dedication above City standards, or other park obligations that were paid for by the original land developers.

Electric Backbone Impact Fee

The Electric Backbone Impact Fee applies to all new customers served by the City's Electric Department and any customer requesting a special service or capacity increase. Fees are based upon a per lot/unit charge and collected upon issuance of the building permit fees. Fees are authorized pursuant to Roseville Municipal Code Chapter 4.54.

Solid Waste Impact Fee

The Solid Waste Impact Fee applies to all new single-family and duplex units. This fee is paid to the Solid Waste Division of the Environmental Utilities Department to set-up solid waste service. Typically, this fee is paid by the developer during the time of construction so that service will be available upon move-in by the homeowner. Fees are authorized pursuant to Roseville Municipal Code Chapter 9.12.

Development Agreement Fees Imposed Since 2004 (GC §65865(e))

- *Sierra Vista Specific Plan Mitigation Fee Program* –
 - *City Park Land Fee/Improvements Fee* - These fees provide a funding mechanism for Sierra Vista landowners to be reimbursed by other Sierra Vista landowners for various public improvements and public land dedications (e.g., park, school, fire station, etc.) on one landowner's property that benefits other landowner's property.
 - *Administration* - Establishment of the fee is for the purpose of equitably sharing the costs and burdens of administration of the SVSP Fee program throughout the specific plan with each landowner.
- *Watt Avenue and Vista Grande Boulevard Extension Traffic Mitigation Fee* – This fee provides fair share funding for extensions of Watt Avenue between the Regional University Specific Plan and future Placer Parkway and “Road B” west of the Sierra Vista Specific Plan boundary to Baseline Road. This fee remains in effect until a city-wide funding mechanism is adopted in cooperation with Placer County.
- *Water Meter Retrofit / Conservation Program* – This fee is established pursuant to Roseville Municipal Code Chapter 14.08 for the maintenance and testing of water meters and installation of Encoder Receiver Transmitter (ERT) devices.
- *Traffic Signal Coordination Fee* – This fee provides funding for the West Roseville Traffic Signal Interconnect project.
- *Bike Trail Fee* – This fee funds construction of Class 1 bike trails through new development areas.
- *City-Wide Park In-Lieu Fee* – This fee is paid as an alternative to dedication of City-wide park land, as specified in individual development agreements.
- *Fire Tax Equivalent Fee* – This fee applies to new growth areas and replaces the Fire Service Facilities Tax that expired in 2009. This fee provides funding for capital fire facilities and related equipment required to serve new growth areas.
- *Public Benefit Fee (AKA Community Benefit Fee)* – This fee applies to new residential growth areas and properties rezoned from non-residential to residential land uses. This fee ensures that new residential growth areas will benefit current and future residents of Roseville through investment in various public infrastructure projects and activities.
- *Air Quality Mitigation Fee (applies to West Roseville Specific Plan)* – This fee provides funding to the Placer County Air Pollution Control District to mitigate impacts to air quality resulting from new residential development.

- *Transit Shuttle Service Fee (applies to West Roseville Specific Plan)* – This fee provides funding for a shuttle service between the West Roseville Specific Plan area and the I80/Watt Avenue light rail station.
- *Downtown Benefit Fee* – Offsets the fiscal impacts associated with the unit increase within the applicable the Specific Plan.
- *Westpark Drive off-site road fee* – Developer's fee will fund the construction cost of Westpark Drive north of the Pleasant Grove Wastewater Treatment Plant.
- *Blue Oaks Boulevard Off-Site Road Fee* – Developer's pro-rata share of the cost obligation dedicated to segments 3 and 4 of the Blue Oaks Boulevard off-site improvements.

Fund Balance Summary

Drainage Fee										
Pleasant Grove/Curry Creek Watershed Drainage Mitigation Fee										
Document Establishing Fee	Project	Fee Formula	Starting Balance	Fees Collected (Refunded)	Interest Earned	Interfund Transfer In/(Out)*	Expenditures	Ending Balance as of June 30, 2018	Sufficient Funds to Complete Project?	% of CIP Funded by Fee
Roseville Municipal Code Chapter 4.48		Ordinance 5933, 2018; 4433 § 1, 2006; 2399 § 1, 1991	\$9,300,877	603,936	134,729	(142,920)	(606,046)			
	Pleasant Grove Retention Basin						(872)		No	100%
	2016 Fee Update						(3,635)		Yes	100%
								\$9,286,069		
*Transfers out: \$142,920 for Capital/debt to the Roadway Fund.										

Drainage Project Descriptions

Pleasant Grove Retention Basin (Project # 029001) - Costs associated with annexing the Reason Farms and Warnick properties.

2016 Fee Update – (Project# 172001) – Costs associated with a fee study.

Drainage Fee										
Dry Creek Watershed Drainage Mitigation Fee										
Document Establishing Fee	Project	Fee Formula	Starting Balance	Fees Collected (Refunded)	Interest Earned	Interfund Transfer In/(Out)*	Expenditures	Ending Balance as of June 30, 2018	Sufficient Funds to Complete Project?	% of CIP Funded by Fee
Roseville Municipal Code Chapter 4.49		Ordinance 2617 § 1, 1992	-	-	-	-	-	-	-	-
Nothing has been collected for this fee yet.										

Public Facilities Fee										
Document Establishing Fee	Project	Fee Formula	Starting Balance	Fees Collected (Refunded)	Interest Earned	Interfund Transfer In/(Out)*	Expenditures	Ending Balance as of June 30, 2018	Sufficient Funds to Complete Project?	% of CIP Funded by Fee
Roseville Municipal Code Chapter 4.52		Ordinances 5515 § 2, 2015; 4606 § 1, 2008; 4353 § 1, 2006; 4043 § 1, 2004	\$9,843,319	3,732,389	129,455	2,178,944	(990,442)			
	WRSP Community Center						(86,871)		No	100%
	Downtown Pedestrian Bridge						(165,714)		No	30%
	Oak Street Parking Garage						(8,001,455)		No	30%
	Downtown Building-316 Vernon Street (Civic Center Expansion)						(131,558)		No	90%
								\$6,508,067		
*Transfers in: Capital/debt: \$2,198,195 from the Downtown Parking Fund, \$83,006 from the City-Wide Park Fund-WRSP, \$88,733 from the CIP Rehab Fund, \$7,017 from the RFA Capital Projects Fund, \$10,736 from the Transportation Fund, \$2,158,089 from the Successor Agency Roseville RDA Fund. \$100,000 for loan from Technology Fee-Loan purpose: New permitting system (Interest rate of 1.29% in FY18; matures 6/30/19). Transfers out: \$33,013 capital/debt transfer for Fiddymment Houses; \$1,990,998 for the Regional Animal Control Facility; \$434 for the Enterprise Resource Planning (ERP) project. First payment of \$33,345 for principal reduction of the loan to pay back the Automotive Replacement Fund-Loan purpose: Funding of design & construction for Oak Street Parking Garage.(Interest rate of 1.79%; matures 6/30/35). First payment of \$409,041 for principal reduction of the loan to pay back the Strategic Improvement Fund-Loan purpose: Funding of the 316 Vernon Building Project (Interest rate of 1.29%; matures 6/30/27).										

Public Facilities Fee Project Descriptions

WRSP Community Center (Project#091003) – This project is located in the WRSP Park Site F-56, adjacent to the historic Fiddymment House and joint use high school site. It includes design and construction of the master plan (FY2016-17) and construction/document preparation (FY2017-18).

Downtown Pedestrian Bridge (Project #139002) - The Downtown Pedestrian Bridge is aligned with the Civic Center walkway and serves the purpose of providing a prominent connection from Royer Park to the Civic Center and Downtown Roseville. The bridge will incorporate the Works Project Administration style and a natural history theme.

Oak Street Parking Garage (Project #151001) - Design and Construction of multi-story, 400-500 space parking garage between Oak Street and Vernon Street's 200 block. Will initially provide free public parking for the downtown community. Improvements should include pedestrian connections between facility and Oak, Lincoln, and Vernon Streets.

Civic Center Expansion (Project #151002) - The 316 Vernon Street project consists of ±80,000 sq. ft., four-story building on the site of the former City Hall Annex. The building will provide downtown office space necessary to meet the City's needs through 2025. The building will provide short-term instructional space for Sierra College, which would be converted to additional City office space in the future. Ground floor retail will also be provided, as required by the Downtown Code.

Local Sewer Connection Fees										
Document Establishing Fee	Project	Fee Formula	Starting Balance	Fees Collected (Refunded)	Interest Earned/ Other	Interfund Transfer In/(Out)*	Expenditures	Ending Balance as of June 30, 2018	Sufficient Funds to Complete Project?	% of CIP Funded by Fee
Roseville Municipal Code Chapter 14.16		Ordinances 5070 § 6, 2012; 4947 § 9, 2011; 4854 § 9, 2010; 4739 § 11, 2009; 3952 § 8, 2003; 2855 § 1, 1995; 1744 § 1, 1983	\$5,605,169	637,954	90,828	(451,050)				
	Wastewater System Model						(\$107)		Yes- Started July 2004	100%
								\$5,882,795		
* Transfers out: \$426,915 General CIP Rehab Fund; \$24,135 Wastewater technology replacement.										

Local Sewer Connection Fees- Project Descriptions

Wastewater System Model (Project# 043505) – Collection system computer model development and support.

Water Connection Fees										
Document Establishing Fee	Project	Fee Formula	Starting Balance	Fees Collected (Refunded) ⁽¹⁾	Interest Earned	Interfund Transfer In/(Out)*	Expenditures	Ending Balance as of June 30, 2018	Sufficient Funds to Complete Project?	% of CIP Funded by Fee
Roseville Municipal Code Chapter 14.08		Ordinances 5485 § 2, 2015; 4608 § 1, 2008; 3952 § 7, 2003; 3309 § 2, 1998; 2981 § 2, 1996; 2953 § 2, 1996; 2090 § 1, 1988; 1387 § 2, 1978	\$37,538,260	11,430,260	869,236	582,460	(5,878,785)			
	Aquifer Storage/ Recovery Prog						(2,088)		Yes- Started 2002	100%
	Groundwater management plan						(65,119)		Yes- Started 2005	37%
	West side tank/pump Stn Proj						(602,619)		Yes- Started 2006	100%
	Intertie-zn 4 pmp bck pmp stn						(197,155)		Yes- Started 4/18/07	100%
	Regional wtr supply reliab std						(62,500)		Yes- Started 2011	75%
	Well 9 Pump Station Proj						(19,689)		Yes- Started 5/25/12	100%

Water Connection Fees, Continued								Ending Balance as of June 30, 2018	Sufficient Funds to Complete Project?	% of CIP Funded by Fee
								\$43,592,262		
(1)Total includes \$10,982,993 from connection fees, \$106,319 from grants, and the remainder from reimbursements and capital contributions.										
*Transfers in: \$58,350 for Folsom Pump Station from the Water Fund; \$13,024 for groundwater management; \$249,080 for loan payment from Water Rehab Fund-Loan purpose: Water Tank Rehabilitation (Fixed rate of 2.42%; Loan matures 6/30/2023); \$385,000 for loan payment from Water Operations Fund-Loan purpose: Advanced Metering Project (Interest rate 5.00% in FY18; Loan matures 6/30/2030). Transfers out for Capital/Debt: \$52,252 for Enterprise Asset Management (EAM); \$ 772 for 800 MHZ radio system replacement; \$69,970 for Advanced Metering Infrastructure (AMI).										

Water Connection Fees Project Descriptions

Aquifer Storage/Recovery Prog (Project# 023001) - This project includes the storage and recovery pilot study program at the Oakmont Well to assist with the development of an aquifer storage and recovery program for the City.

Groundwater management plan (Project# 053005) - Implement and maintain an SB 1938 compliant Groundwater Management Plan required to maintain future California state grant funding eligibility and implement elements of the Groundwater Management Plan with other agencies.

West side tank/pump Stn Proj (Project#063001) - Design and construct a six million gallon water storage tank, pump station, and chemical addition facility at the City's 5.1 acre site located in the West Roseville Specific Plan. The work will include site master planning to accommodate two six million gallon tanks and satellite facility for Water Distribution operations.

Intertie-ZN 4 Pmp bck pmp stn (Project#143001) - To evaluate and construct pump stations to pump in water from Sacramento Suburban Water District Intertie and pump back water from Zone 4 to Zone 1 in order to meet demands.

Regional wtr supply reliab std (Project#153003) - Regional water supply reliability studies including regional collaboration for water supply reliability.

Well Pump Station Proj (Project#173002) -Design and construct a pump station / top side improvements for Well 9 located within Westpark Phase 4.

City/ County Traffic Mitigation Fee										
Document Establishing Fee	Project	Fee Formula	Starting Balance	Fees Collected (Refunded)	Interest Earned	Interfund Transfer In/(Out)	Expenditures	Ending Balance as of June 30, 2018	Sufficient Funds to Complete Project?	% of CIP Funded by Fee
Roseville Municipal Code Chapter 4.45	Misc. Road Improv.	Ordinances 5203 § 1, 2013; 4739 § 4, 2009; 4118 § 1, 2004	\$2,586,023	1,098,509	43,717	-	-	\$3,728,249	No	Unknown at this time

Downtown Specific Plan In-Lieu Parking Fee										
Document Establishing Fee	Project	Fee Formula	Starting Balance	Fees Collected (Refunded)	Interest Earned	Interfund Transfer In/(Out)*	Expenditures	Ending Balance as of June 30, 2018	Sufficient Funds to Complete Project?	% of CIP Funded by Fee
Roseville Municipal Code Chapter 19.31, Ordinance 5428 § 1, 2014	Misc. Downtown Parking Improv.	Resolution No. 09-124, Downtown Code 03-Regulatory Incentives	\$2,048,511	-	24,078	(1,998,195)	-	\$74,395	No	Unknown at this time
*Transfer in: \$200,000 advanced for increase in loan amount from Strategic Improvement Fund (increase approved by City ordinance 5890) - Loan purpose: Funding of the Oak Street Parking Garage (Interest rate of 1.29% in FY18, maturity date 6/30/28). Transfer out: \$2,198,195 for capital/debt for the Oak Street parking garage.										

Park Fees – (Although Park fees were adopted pre- AB1600, they are still being included in this report.)										
Neighborhood and Community Park Fees										
Document Establishing Fee	Project	Fee Formula	Starting Balance	Fees Collected (Refunded) ⁽¹⁾	Interest Earned	Interfund Transfer In/(Out)*	Expenditures	Ending Balance as of June 30, 2018	Sufficient Funds to Complete Project?	% of CIP Funded by Fee
Roseville Municipal Code Chapter 4.37		Ordinance 3033 § 1, 1996; 2178 § 1, 1989; 2174 § 1, 1989	\$19,417,990	4,055,457	287,991	(551,406)	(13,149)			
	Civic Plaza at Royer Park						(10,896)			
	Saugstad Skate Track						(75)			
	F-52 Neighborhood Park Site						(56,137)			
	W-51 Neighborhood Park Site						(2,651)			
	Harry Crabb Park (SSP-29)						8,786			
	Waltrip Jr. Park (Stoneridge)						(308,150)			
	Stizzo F-50 Park						(1,769,464)			
	Sierra Crossing Park (W-50A)						(453,654)			

Park Fees, Continued										
Neighborhood and Community Park Fees										
	Project						Expenditures	Ending Balance as of June 30, 2018	Sufficient Funds to Complete Project?	% of CIP Funded by Fee
	Astill Neighborhood Improvement						(88,318)			
	WRSP Parcel W-81 Bike Trail, 2						(187,091)			
								\$20,329,235		
⁽¹⁾ Includes Neighborhood Park Fees, Bike Trail Fees and Paseo Fees. Transfers in: Capital/debt: \$25 from the General CIP Rehab fund and \$916 from the City-Wide Park Fund. Transfers out: \$500,000 to N. Central Improvement Fund from North Central Roseville Specific Plan Park Development Fund. \$52,342 for capital/debt for the Nela Luken Park at the Village Center and \$5 for Enterprise Resource Planning;										

Neighborhood and Community Park Fees Project Descriptions

Civic Plaza at Royer Park (Project# 175004) - Design and construct a civic plaza at the end of the new main pedestrian bridge at Royer Park.

Saugstad Skate Track (Project# 175005) - This project funds the development of a street-style skate track at Saugstad Park.

F-52 Neighborhood Park Site (Project# 185002) - Design and construct 8.9 acre neighborhood park in West Roseville.

W-51 Neighborhood Park Site (Project# 185001) - Design and construct 12 acre neighborhood park in West Roseville.

Harry Crabb Park (SSP-29) (Project# 035003) - Current phase is for the planning and construction of park amenities, which may include two baseball fields, a soccer field, a splash pad water feature, a group picnic area, basketball courts, tennis courts and expansion of an off-street parking lot.

Waltrip Jr. Park (Stoneridge Specific Plan 56) (Project# 155005) - Reimbursement to Elliott Homes.

Stizzo F-50 Park (Project# 155001) - Park design and improvements.

Sierra Crossing Park (W-50A) (Project# 175003) - This project funds the design and development of this West Roseville School/Park Site.

Astill Neighborhood Improvement (Project# 175007) - Construction of a 1.5 acre neighborhood park in West Roseville. Costs include reimbursement to the Developer for design, construction document preparation and permits as well as costs associated with construction and inspection.

WRSP Parcel W-81 Bike Trail, 2 (Project# 189006) - Developer reimbursement for construction of a segment of bike trail in West Roseville.

City-wide Park Fee - (Although Park fees were adopted pre-AB1600, they are still being included in this report.)										
Document Establishing Fee	Project	Fee Formula	Starting Balance	Fees Collected (Refunded) ⁽¹⁾	Interest Earned	Interfund Transfer In/(Out)	Expenditures	Ending Balance as of June 30, 2018	Sufficient Funds to Complete Project?	% of CIP Funded by Fee
Roseville Municipal Code Chapter 4.38		Ordinances 2424 § 1, 1991; 2208 § 1, 1989; 2200 § 1, 1989	\$16,696,152	2,800,287	252,358	195,557	(8,124)			
	Sports Park Complex						(6,157)			
	Fiddymment Houses						(44,343)			
	Fiddymment Parcel 54						(1,767)			
	Village Center Park						(143,540)			
	Park Site 56- Gibson Park						(244)			
	Central Park- Phase One						(631)			
	Storage Units						(77,287)			
								\$19,662,261		
⁽¹⁾ Includes Park Construction Fees and In-Lieu Fees.										
*Transfers in: \$33,013 for Fiddymment Houses from the Public Facilities Fund; Correction of FY2016-17 park fees of \$296,466. Transfers out for capital/debt: \$916 for park development, \$50,000 for Roseville Aquatics Center pool plaster and deck repair, \$83,006 for WRSP Community Center.										

City-wide Park Fee Project Descriptions

Sports Park Complex (Project# 155006) - Sports complex at Blue Oaks Blvd/Phillip Road/Hayden Parkway. Current phase is for the planning of amenities, which may include multiple lighted synthetic long fields, restrooms, storage facilities, children's playground area(s), shaded picnic area(s), and pedestrian pathway through landscaped area. Scope is dependent on funding availability.

Fiddymment Houses (Project#165002) - Demolition, security fencing and historical assessment to preserve the Historical Fiddymment Homestead on Fiddymment Road.

Fiddymment Parcel 54 (Project# 175001) - This project funds the development of the master plan and development of this 91 acre West Roseville Specific Plan City-Wide Park Site.

Nela Luken Park at the Village Center- (Project# 185004) - The 3 acre park is under construction. Costs include design, construction document preparation, permits, inspections and construction.

Park Site 56-Gibson Park (Project# 005001) - Future park planned for Gibson Drive and Roseville Parkway.

Central Park-Phase One (HRN 52) (Project# 045001) - Improvements to Central Park.

Storage Units (Project# 165001) - Storage unit replacements throughout the City.

Electric Backbone Impact Fee										
Document Establishing Fee	Project	Fee Formula	Starting Balance	Fees Collected (Refunded ¹)	Interest Earned	Interfund Transfer In/(Out)	Expenditures	Ending Balance as of June 30, 2018	Sufficient Funds to Complete Project?	% of CIP Funded by Fee
Roseville Municipal Code Chapter 4.54	Sierra Vista Substation	Ordinances 5319 § 1, 2014; 4605 § 1, 2008; 2393 § 1, 1991	\$8,094,105	1,901,491	152,555	-	(2,185,649)	\$7,962,503	No	75%

Sierra Vista Substation (Project#174105) - Construct a new substation with an initial capacity of 46 MVA to supply power to new development in the Sierra Vista and Westbrook specific plans.

Solid Waste Impact Fee										
Document Establishing Fee	Project	Fee Formula	Starting Balance	Fees Collected (Refunded)	Interest Earned	Interfund Transfer In/(Out)*	Expenditures	Ending Balance as of June 30, 2018	Sufficient Funds to Complete Project?	% of CIP Funded by Fee
Roseville Municipal Code Chapter 9.12	Solid Waste Services Set Up	Ordinances 4380 § 1, 2006; 3382 § 1, 1999; 2665 § 1, 1993; 2057 § 1, 1987	\$3,100,133	625,264	48,057	(62,984)	(156,838)	\$3,553,632	No	Unknown at this time
* Transfer out: \$62,984 for vehicle contributions.										

DA Fees Imposed Since 2004										
Sierra Vista Specific Plan Infrastructure Fees (Administration Fees)										
Document Establishing Fee	Project	Fee Formula	Starting Balance	Fees Collected (Refunded)	Interest Earned	Interfund Transfer In/(Out)*	Expenditures	Ending Balance as of June 30, 2018	Sufficient Funds to Complete Project?	% of CIP Funded by Fee
Sierra Vista Specific Plan		Ord. 4932 § 1, 2011	\$-	218,676	816	-	(104,844)	\$114,649	-	-
Note: Currently the balance only applies to Administration. No other fees have been collected.										
Watt Avenue and Vista Grande Boulevard Extension Traffic Mitigation Fee										
Document Establishing Fee	Project	Fee Formula	Starting Balance	Fees Collected (Refunded)	Interest Earned	Interfund Transfer In/(Out)	Expenditures	Ending Balance as of June 30, 2018	Sufficient Funds to Complete Project?	% of CIP Funded by Fee
Creekview and Sierra Vista DA		Per DA	-	-	-	-	-	-	-	-
Note: The fee will be based on a fair share allocation. No fee will be established until there is a need to extend the road past city limits.										
Water Meter Retrofit/ Conservation Program										
Document Establishing Fee	Project	Fee Formula	Starting Balance	Fees Collected (Refunded)	Interest Earned	Interfund Transfer In/(Out)*	Expenditures	Ending Balance as of June 30, 2018	Sufficient Funds to Complete Project?	% of CIP Funded by Fee
Roseville Municipal Code Chapter 14.07	Maint. and Testing of Water Meters and ERT Installs	Ordinance 4001 § 2, 2003	\$887,782	150,783	13,411	(4,260)	(472,747)	\$574,969	No	Unknown at this time
Transfers out: \$4,260 for post-retirement payoffs. Please refer to the Development Agreements on the City of Roseville's website: Development Agreements										

DA Fees Imposed Since 2004, continued

Traffic Signal Coordination Fee

Document Establishing Fee	Project	Fee Formula	Starting Balance	Fees Collected (Refunded)	Interest Earned	Interfund Transfer In/(Out)	Expenditures	Ending Balance as of June 30, 2018	Sufficient Funds to Complete Project?	% of CIP Funded by Fee
West Roseville Specific Plan	West Roseville Traffic Signal Interconn.	Per Individual DA	\$2,349,478	79,480	35,108	-	(1,643)	\$2,462,423	No	Unknown at this time

Bike Trail Fee

Document Establishing Fee	Project	Fee Formula	Starting Balance	Fees Collected (Refunded) ⁽¹⁾	Interest Earned	Interfund Transfer In/(Out)*	Expenditures	Ending Balance as of June 30, 2018	Sufficient Funds to Complete Project?	% of CIP Funded by Fee
West Roseville Specific Plan	Misc. Class 1 Bike Trails	Per Individual DA	\$271,701		4,195	124,336	(102,364)	\$297,867	No	Unknown at this time

⁽¹⁾\$639,532 in bike trail fees were collected through various Park Development Funds which are included with the Neighborhood and Community Park Fees. Fund 218 is the Bike Trail Maintenance Fund.

*Transfers in: \$124,336 from various Community Facilities Districts for bike trail maintenance.
Transfers out: \$315 for capital/debt for the Enterprise Resource Planning (ERP) project.

City-Wide Park In-Lieu Fee

Document Establishing Fee	Project	Fee Formula	Starting Balance	Fees Collected (Refunded)	Interest Earned	Interfund Transfer In/(Out)*	Expenditures	Ending Balance as of June 30, 2018	Sufficient Funds to Complete Project?	% of CIP Funded by Fee
Sierra Vista Specific Plan	Misc. Park Projects per DA	Per DA	\$40,385		576	(18,600)	(29)	\$22,332	No	Unknown at this time

Please refer to the Development Agreements on the City of Roseville's website: [Development Agreements](#)

DA Fees Imposed Since 2004, continued										
Fire Tax Equivalent Fee										
Document Establishing Fee ⁽¹⁾	Project	Fee Formula	Starting Balance	Fees Collected (Refunded)	Interest Earned	Interfund Transfer In/(Out)*	Expenditures	Ending Balance as of June 30, 2018	Sufficient Funds to Complete Project?	% of CIP Funded by Fee
Municipal Code Chapter 4.46		Per Individual DA's after Dec. 2009	\$7,010,143	1,522,668	93,440	(1,427,942)	(32,947)			
	Fire Station 1 Relocation						(5,457,867)		Yes-start date 6/1/2015	39%
								\$1,707,494		
⁽¹⁾ Roseville Municipal code 4.46 had a sunset date of December 31, 2009. Individual DA's reference a fee 'equivalent to' this original fire service construction tax fee. *Transfers in: \$297,070 for Fire Station #1 relocation project from the Transportation Fund. Transfers out: Capital/debt: \$12 for ERP; \$1,725,000 principal payoff to the Strategic Improvement Fund- Loan Purpose: To cover costs related to the relocation of Fire Station #1. (Final payment date was June 30, 2018. Fixed interest rate of 1.29% in FY18). *Please refer to the Development Agreements on the City of Roseville's website: Development Agreements										

Fire Tax Equivalent Fee Project Description

Fire Station 1 Relocation (Project# 121001) - Relocation of Fire Station #1 from its current location to a new facility on the northeast side of the intersection of Oak and Grant.

DA Fees Imposed Since 2004, continued										
Public/Community Benefit Fee										
Document Establishing Fee	Project	Fee Formula	Starting Balance	Fees Collected (Refunded)	Interest Earned	Interfund Transfer In/(Out)*	Expenditures	Ending Balance as of June 30, 2018	Sufficient Funds to Complete Project?	% of CIP Funded by Fee
All DA's since 2004		Per Individual DA	\$9,718,821	2,191,678	228,495	2,386,351	(124,028)			
	Regional Animal Control Facility						(3,007,877)		No	Unknown at this time
	East Radio Site relocation						(3,046)			
								\$11,390,393		
*Transfers in; \$1,990,998 for capital/debt for the Regional Animal Control Facility. \$175,218 for loan payment received from the General Fund-Loan purpose: To cover costs related to the preparation of the Citywide Qualified Climate Action Plan, General Plan Update. (Interest rate: 1.29% in FY18; matures 6/30/29). \$409,041 for loan payment received from Public Facilities Fund-Loan purpose: Funding of the 316 Vernon Building Project (Interest rate of 1.29%; matures 6/30/27). \$1,725,000 loan principal payoff from the Fire Facilities Fund- Loan Purpose: To cover costs related to the relocation of Fire Station #1. (Final payment date was June 30, 2018. Fixed interest rate of 1.29% in FY18. Transfers out; \$1,600,000 back to the N. Central Improvement Fund; \$100,000 to the General Fund for Town Square reimbursements. \$13,769 to the Roadway Fund for the Nela Luken Park at the Village Center. \$136 for the Enterprise Resource Planning (ERP) project; \$200,000 advanced for increase in loan amount to the Downtown Parking Fund (increase approved by City ordinance 5890) - Loan purpose: Funding of the Oak Street Parking Garage (Interest rate of 1.29% in FY18, maturity date 6/30/28).										
Please refer to the Development Agreements on the City of Roseville's website: Development Agreements										

Public/Community Benefit Fee Project Description

Regional Animal Control Facility (Project# 109003) – This project was set up to help fund the construction of a new Animal Services Shelter in West Placer County (Roseville).

East Radio Site relocation (Project# 179001) - The City's current East radio site has many limitations including emergency power, coverage, capacity and a risky building lease status. These limitations increase the level of risk to provide clear and reliable communications in East Roseville. This CIP is designed to relocate the site to a location that will provide for sustainable high levels of communication services.

DA Fees Imposed Since 2004, continued

Air Quality Mitigation Fee

Document Establishing Fee	Project	Fee Formula	Starting Balance	Fees Collected (Refunded)	Interest Earned	Interfund Transfer In/(Out)*	Expenditures	Ending Balance as of June 30, 2018	Sufficient Funds to Complete Project?	% of CIP Funded by Fee
West Roseville Specific Plan	Mitigating Impacts to Air Quality	Per DA	\$480,099	14,768	5,954	(358,181)	(41,515)	\$101,125	No	Unknown at this time

*Transfer out: \$358,181 for capital/debt for the Roadway Fund.

Transit Shuttle Service Fee

Document Establishing Fee	Project	Fee Formula	Starting Balance	Fees Collected (Refunded)	Interest Earned	Interfund Transfer In/(Out)	Expenditures	Ending Balance as of June 30, 2018	Sufficient Funds to Complete Project?	% of CIP Funded by Fee
West Roseville Specific Plan	Shuttle Service between WRSP and I80/Watt Ave Light Rail Station	Per DA	\$215,193	55,238	3,213	-	-	\$276,644	No	Unknown at this time

Please refer to the Development Agreements on the City of Roseville's website: [Development Agreements](#)

DA Fees Imposed Since 2004, continued

Downtown Benefit Fee

Document Establishing Fee	Project	Fee Formula	Starting Balance	Fees Collected (Refunded)	Interest Earned	Interfund Transfer In/(Out)	Expenditures	Ending Balance as of June 30, 2018	Sufficient Funds to Complete Project?	% of CIP Funded by Fee
5 th Amend. DA relative to West Roseville Specific Plan		Per individual DA	\$20,005	(20,000)	224	-	-	\$229	No	Unknown at this time

Westpark Drive off-site road fee/ Blue Oaks Boulevard Off-Site Road Fee

Document Establishing Fee	Project	Fee Formula	Starting Balance	Fees Collected (Refunded)	Interest Earned	Interfund Transfer In/(Out)	Expenditures	Ending Balance as of June 30, 2018	Sufficient Funds to Complete Project?	% of CIP Funded by Fee
5 th Amend. DA relative to West Roseville Specific Plan	Blue Oaks Blvd. Project	Per individual DA	\$1,548,556	633,275	23,835	-	-	\$2,205,666	No	Unknown at this time

Please refer to the Development Agreements on the City of Roseville's website: [Development Agreements](#)

Attachment 1:
Fee Ordinances, Resolutions and
Development Agreements

Drainage Fees:

Pleasant Grove/Curry Creek Watershed Drainage Mitigation Fee

Ordinance No. 5933

Dry Creek Watershed Drainage Mitigation Fee

Ordinance No. 2617

ORDINANCE NO. 5933

ORDINANCE OF THE COUNCIL OF THE CITY OF ROSEVILLE AMENDING SECTIONS
4.48.020, 4.48.050, 4.48.070 AND 4.48.140 OF CHAPTER 4.48 OF TITLE 4 OF THE
ROSEVILLE MUNICIPAL CODE REGARDING PLEASANT GROVE/CURRY CREEK
WATERSHED DRAINAGE MITIGATION FEE

THE CITY OF ROSEVILLE ORDAINS:

SECTION 1. Section 4.48.020 of Chapter 4.48 of Title 4 of the Roseville Municipal Code is hereby amended to read as follows:

4.48.020 Definitions.

The following words are defined for purposes of this chapter as follows:

- A. “Building permit” means the permit issued or required by the city for construction of any structure pursuant to and as defined by the building code.
- B. “Capital improvement program” means that list of proposed drainage facilities, improvements, or infrastructure totaling \$23,576,744.69 (in 2017 dollars) included in the study.
- C. “Department” means the department of development services.
- D. “Director” means the director of the department.
- E. “Facilities” means those public drainage facilities or infrastructure shown and included on the capital improvement program.
- F. “Fee” or “drainage mitigation fee” means the fee established by this chapter. The fee shall be collected prior to the approval of any building permit. The fee shall be used solely to finance the facilities.
- G. “Improvement plan” means a site plan of property proposed for development showing all required improvements that must be approved by the city prior to the issuance of a building permit for the property.
- H. “Study” means the reports entitled “Pleasant Grove/Curry Creek Watershed Mitigation Fee Report Amended Hydrology Project Report for Fee Revisions” dated May 2017 by Civil Engineering Solutions, Inc. The study is on file in the offices of the director and the city clerk.
- I. “Drainage mitigation fund” means that special interest-bearing fund established pursuant to Section 4.49.030.

SECTION 2. Section 4.48.050 of Chapter 4.48 of Title 4 of the Roseville Municipal Code is here amended to read as follows:

4.48.050 Watershed and soil boundaries.

The boundaries of the Pleasant Grove and Curry Creek watershed are established as shown on Exhibit PG-2 within the Study entitled “PGWMF Land Use Areas Contributing to Impact” dated March 2017 which is on file in the office of the city clerk and the director and is incorporated herein by this reference.

SECTION 3. Section 4.48.070 of Chapter 4.48 of Title 4 of the Roseville Municipal Code is hereby amended to read as follows:

4.48.070 Drainage mitigation fee.

The fee within the Pleasant Grove and Curry Creek watersheds shall be:

Land Use Category	Fees
Low Density Residential (LDR): less than 7 units/acre	\$494.93/unit
Medium Density Residential (MDR): 7 to 12.9 units/acre	\$494.93/unit
High Density Residential (HDR): 13 units/acre or higher	\$408.23/unit
Neighborhood Commercial (NC)	\$6,423.12/acre
Community Commercial (CC)	\$6,423.12/acre
Regional Commercial (RC)	\$6,423.12/acre
Business Professional (BP)	\$6,423.12/acre
Light Industrial (LI)	\$6,423.12/acre
General Industrial (IND)	\$6,423.12/acre

SECTION 4. Section 4.48.140 of Chapter 4.48 of Title 4 of the Roseville Municipal Code is hereby amended to read as follows:

4.48.140 Inflationary adjustments.

The Construction Cost Index (CCI) inflationary fee adjustment shall become effective July 1, 2013. The fee established by this chapter shall be adjusted annually July 1st beginning on July 1, 2018 by a percentage equal to the adjustment rate for the prior year for construction costs as determined by the director in the preceding June. The director's determination shall be based upon averaging the Construction Cost Index (CCI) for 20 cities and for San Francisco, as published in the Engineering News Record publication for the preceding 12 months ending in May. The resultant fee shall be rounded to the nearest dollar figure.

SECTION 5. This ordinance shall be effective at the expiration of thirty (30) days from the date of adoption.

SECTION 6. The City Clerk is hereby directed to cause this ordinance to be published in full at least once within fourteen (14) days after it is adopted in a newspaper of general circulation in the City, or shall within fourteen (14) days after its adoption cause this ordinance to be posted in full in at least three (3) public places in the City and enter in the Ordinance Book a certificate stating the time and place of said publication by posting.

PASSED AND ADOPTED by the Council of the City of Roseville this 7th day of February, 2018, by the following vote on roll call:

AYES	COUNCILMEMBERS:	Gore, Alvord, Herman, Allard, Rohan
NOES	COUNCILMEMBERS:	None
ABSENT	COUNCILMEMBERS:	None



MAYOR

ATTEST:


City Clerk

ORDINANCE NO. 2617

ORDINANCE OF THE COUNCIL OF THE CITY OF ROSEVILLE
ADDING CHAPTER 4.49 TO TITLE 4 OF THE ROSEVILLE
MUNICIPAL CODE, RELATING TO THE DRY CREEK
WATERSHED DRAINAGE MITIGATION FEE

THE CITY OF ROSEVILLE ORDAINS:

SECTION 1: Chapter 4.49 is hereby added to Title 4 of the Roseville Municipal Code to read as follows:

CHAPTER 4.49

DRY CREEK WATERSHED DRAINAGE MITIGATION FEE

4.49.010 Purpose.

The City Council finds and declares that the purpose of this chapter is as follows:

A. The General Plan of the City requires that the city be provided, in a time frame related to its development, with an adequate level of drainage infrastructure so as to not adversely impact other areas.

B. New development, and the expansion of existing development, within the City imposes a burden on the creeks and drainage infrastructure within the Dry Creek watershed by adding additional impervious surface, thereby adding more runoff and changing discharge rates. This creates a need for new drainage infrastructure and improvements. Such burdens may vary by the type of land use and location within the City. Some of the worst impacts imposed by development are on properties located within the Dry Creek watershed downstream from the City, where additional runoff poses a threat to severe flooding and is a danger to life and property.

C. Analysis of the land use expected at buildout of the City pursuant to the General Plan and Specific Plans make it possible to estimate the amount of additional runoff generated by different types of land use, to analyze the drainage infrastructure or facilities necessary to mitigate that runoff, and to determine which land uses will require which portions of such infrastructure. It is therefore possible to charge a fee, based on land use and location, which equitably shares the burden of providing drainage infrastructure or facilities within the Dry Creek watershed among those who will create the need for them. It is the intent of this chapter to create such a fee without generating any surplus to the general fund. It is the further purpose of the chapter to implement the General Plan and Specific Plans by assuring that adequate public facilities are financed and provided to serve the City.

D. The Fee established by this chapter has been calculated in the manner set forth in the Study so as to pay for those Facilities listed in the Capital Improvement Program.

E. The Fee established by this chapter is in addition to any other fees or charges required by law as a condition of development.

F. The Fee established by this chapter is to be collected for public improvements and facilities for which an account has been established and funds appropriated, and for which a proposed construction schedule has been adopted.

G. That the failure to impose conditions and regulations of this chapter relating to payment of the Fee on building permits would jeopardize both residents of the community and those outside the community within the Dry Creek watershed, in that it would permit construction to proceed without adequate drainage infrastructure or means of financing said infrastructure.

H. The requirement of this chapter to pay the Fee is necessary in order to assure compliance with the applicable Zoning Ordinance, Specific Plans, and General Plan requirements for the infrastructure funded by this chapter.

I. That for a period of greater than 10 days prior to adoption of this chapter, data has been available to the public and to developers and their representatives indicating the cost or estimated cost of all the infrastructure to be funded, the revenue sources anticipated, and the means of sharing these costs.

J. That the City Council has considered the effect of the Fee imposed by this chapter with respect to the housing needs of the City as a whole and of the region, particularly as required by the Housing Element of the General Plan, and the City Council finds that this chapter does not unduly adversely affect the City's ability to provide such needs.

K. That the establishment of the Fee is for the purpose of obtaining funds for capital projects, necessary to maintain service required by the General Plan within existing service areas and existing portions of the City which are developed or for which land use has already been granted.

4.49.020 Definitions.

The following words are defined for purposes of this chapter as follows:

A. "Building Permit" means the permit issued or required by the City for construction of any structure pursuant to and as defined by the Building Code.

B. "Capital Improvement Program" means that list of proposed drainage facilities, improvements, or infrastructure totaling \$5,248,700 (in 1991 dollars, Roseville projects only) included in the Study.

C. "Department" means the Department of Public Works.

D. "Director" means the Director of the Department.

E. "Facilities" means those public drainage facilities or infrastructure shown and included on the Capital Improvement Program.

F. "Fee" or "Drainage Mitigation Fee" means the Fee established by this chapter. The Fee shall be collected prior to the approval of any building permit. The Fee shall be used solely to finance the Facilities.

G. "Improvement Plan" means a site plan of property proposed for development showing all required improvements that must be approved by the City prior to the issuance of a Building Permit for the property.

H. "Study" means both the report entitled "Dry Creek Watershed Flood Control Plan" dated April 1992 by James M. Montgomery Consulting Engineers, and the report of the Director entitled "Adoption of Interim Dry Creek Watershed Flood Control Plan and Drainage Mitigation Fee" dated June 4, 1992, taken together. The Study is on file in the Offices of the Director and the City Clerk.

I. "Dry Creek Drainage Mitigation Fund" means that special interest-bearing fund established pursuant to Section 4.49.030.

4.49.030 Establishment and Administration of Dry Creek Drainage Mitigation Fund.

The Finance Director is hereby directed to establish a special interest-bearing fund entitled the Dry Creek Drainage Mitigation Fund. All Fees collected pursuant to this chapter shall be deposited in the Dry Creek Drainage Mitigation Fund and expended solely to finance the Facilities.

4.49.040 Payment of Drainage Mitigation Fee.

Except as otherwise provided by this chapter, the Fee imposed pursuant to this chapter shall be paid at or prior to the issuance of any Building Permit within the Dry Creek Watershed. Calculation of the Fee shall be determined in accordance with the Study and this chapter depending upon where within the City development occurs, the type of development, and the extent of development.

4.49.045 Payment of Drainage Mitigation Fee Where Building Permits are not Issued by the City.

Where Building Permits are issued by an individual or agency other than the City, the Fee imposed pursuant to this chapter shall be paid at or prior to a request for electric, water, or sewer service, whichever is first. The fee shall be calculated in the same manner as any other Fee imposed pursuant to this chapter.

4.49.050 Watershed and Subarea Boundaries.

The boundaries of the Dry Creek Watershed and its subareas are hereby established as shown on that certain map entitled Dry Creek Watershed Subarea Map which is on file in the Office of the City Clerk and the Director and is incorporated herein by reference.

4.49.060 [Reserved]

4.49.070 Drainage Mitigation fee -- Main Stem.

The Fee in that portion of the Dry Creek Watershed which is in the Main Stem subarea shall be:

<u>Land Use Category</u>	<u>Amount of Fee</u>
Commercial, Industrial, or other	\$1,125.00/acre
High-density Residential (More than 4.0 units per acre)	\$94.00/unit
Low-density Residential (4.0 or less units per acre)	\$148.00/unit

4.49.080 Drainage Mitigation fee -- Antelope Creek.

The Fee in that portion of the Dry Creek Watershed which is in the Antelope Creek subarea shall be:

<u>Land Use Category</u>	<u>Amount of Fee</u>
Commercial, Industrial, or other	\$1,350.00/acre
High-density Residential (More than 4.0 units per acre)	\$113.00/unit
Low-density Residential (4.0 or less units per acre)	\$274.00/unit

4.49.090 Drainage Mitigation fee -- Miner's Ravine.

The Fee in that portion of the Dry Creek Watershed which is in the Miner's Ravine subarea shall be:

<u>Land Use Category</u>	<u>Amount of Fee</u>
Commercial, Industrial, or other	\$1,699.00/acre
High-density Residential (More than 4.0 units per acre)	\$142.00/unit
Low-density Residential (4.0 or less units per acre)	\$508.00/unit

4.49.100 Drainage Mitigation fee -- Strap Ravine.

The Fee in that portion of the Dry Creek Watershed which is in the Strap Ravine subarea shall be:

<u>Land Use Category</u>	<u>Amount of Fee</u>
Commercial, Industrial, or other	\$1,277.00/acre
High-density Residential (More than 4.0 units per acre)	\$106.00/unit
Low-density Residential (4.0 or less units per acre)	\$215.00/unit

4.49.110 Drainage Mitigation fee -- Linda Creek North.

The Fee in that portion of the Dry Creek Watershed which is in the Linda Creek North subarea shall be:

<u>Land Use Category</u>	<u>Amount of Fee</u>
Commercial, Industrial, or other	\$1,215.00/acre
High-density Residential (More than 4.0 units per acre)	N/A

Low-density Residential (4.0 or less units per acre)	\$163.00/unit
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4.49.120 Drainage Mitigation fee -- Linda Creek South.

The Fee in that portion of the Dry Creek Watershed which is in the Linda Creek South subarea shall be:

<u>Land Use Category</u>	<u>Amount of Fee</u>
Commercial, Industrial, or other	\$1,371.00/acre
High-density Residential (More than 4.0 units per acre)	\$114.00/unit

Low-density Residential (4.0 or less units per acre)	\$194.00/unit
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4.49.130 Drainage Mitigation fee -- Secret Ravine.

The Fee in that portion of the Dry Creek Watershed which is in the Secret Ravine subarea shall be:

<u>Land Use Category</u>	<u>Amount of Fee</u>
Commercial, Industrial, or other	\$1,427.00/acre
High-density Residential (More than 4.0 units per acre)	\$119.00/unit

Low-density Residential (4.0 or less units per acre)	\$311.00/unit
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4.49.140 Reserved.

4.49.150 Existing Development.

No Fee pursuant to this chapter shall be charged for already existing development or for projects which rebuild or remodel without increasing the impervious area, except as provided in this section.

Where any development or project expands or remodels, it shall be charged the appropriate Fee as provided by Sections 4.49.050 through 4.49.140; provided, however, that the Fee shall be calculated only as to that portion of the development or project which is expanded or remodeled.

4.49.160 Fee Adjustments.

A. A developer of any project subject to the Fee established by this chapter may apply to the Director for a reduction or adjustment to the Fee based on the absence of any reasonable relationship or nexus between the impacts of the project and either the amount of the Fee or the Facilities to be financed by the Fee. The application shall be made in writing and filed with the Director not later than twenty (20) calendar days after notification of the amount of the Fee. The application shall state in detail the factual basis for the claim of reduction or adjustment and the amount of the proposed reduction or adjustment. The Director shall consider the application and render his decision in writing not later than forty-five (45) calendar days after the filing of the Fee adjustment request. Any person aggrieved by the decision of the Director may, within twenty (20) calendar days thereafter, appeal the decision in writing to the City Council by filing an appeal with the City Clerk. The City Council shall consider such appeals within forty-five (45) calendar days after filing. The decision of the City Council shall be final. No Building Permit shall be considered final or complete for purposes of the Permit Streamlining Act (Government Code Section 65920, et seq.), or any other purpose, until a final decision pursuant to this section has been made.

B. Notwithstanding the provisions of Subsection A, a project proponent or applicant may pay the Fee "under protest" and receive a Building Permit. Provided, however, that the application for reduction or adjustment shall thereafter be filed within ten (10) calendar days or any objection shall be deemed waived. If a reduction or adjustment is received after payment pursuant to this subsection is made, a refund to the applicant shall be made of that amount by which the Fee is reduced or adjusted.

C. The project proponent or applicant applying for a reduction or adjustment shall have the burden of proof, by a preponderance of the evidence, that a reasonable relationship or nexus is lacking between the Fee, or the Facilities to be financed by the Fee, and the particular project.

D. In the event of any reduction or adjustment in the Fee granted pursuant to this section, any later change in the use, zoning, or land use designation for the property involved shall subject the then owner to payment of the then applicable Fee for new uses, zoning, or land use designation, whether or not a Building Permit is required.

4.49.170 Inflationary Adjustments.

The Fee established by this chapter shall automatically be adjusted on January 1 of each calendar year by a percentage equal to the inflation rate for the prior year for construction costs as determined by the Director on December 1 of each calendar year. The Director's determination shall be based on the

Engineering News Record, Construction Cost Index for the calendar year as of December 1.

Further the Director shall, during the first meeting in February of every odd-numbered year beginning in 1993, report to the City Council as to the inflation of land costs in the area where the Facilities are intended to be constructed. The council shall at that time adjust the Fee for such inflation.

4.49.180 Adoption in Compliance.

When monies in the Dry Creek Drainage Mitigation Fund are disbursed for use, the Fees shall be used to finance the Facilities. To the extent sufficient Fees are available, all Facilities financed by the Fees shall be constructed or acquired in accordance with the priorities established in the Capital Improvement Program.

4.49.190 Chapter is Severable.

If any provision of this chapter or the application thereof to any person or circumstance held invalid, such invalidity shall not affect the other provisions of this chapter which can be given effect without the invalid provision or its application, and to this end the provisions of this chapter are severable.

SECTION 2. This ordinance shall be effective at the expiration of sixty (60) days from the date of adoption.

SECTION 3. The City Clerk is hereby directed to cause this ordinance to be published in full at least once within fourteen (14) days after it is adopted in a newspaper of general circulation in the City, or shall within fourteen (14) days after its adoption cause this ordinance to be posted in full in at least (3) public places in the City and enter in the Ordinance Book a certificate stating the time and place of said publication by posting.

PASSED AND ADOPTED by the Council of the City of Roseville this 1st day of July, 1992, by the following vote on roll call:

AYES COUNCILMEMBERS: Pauline Roccucci, Fred M. Jackson, Harry Crabb, Jr.,
Mel Hamel, Bill Santucci

NOES COUNCILMEMBERS: None

ABSENT COUNCILMEMBERS: None

Dee Santucci
MAYOR

ATTEST:

Dee Florence
City Clerk

Public Facilities Fee
Ordinance No. 5515

ORDINANCE NO. 5515

ORDINANCE OF THE COUNCIL OF THE CITY OF ROSEVILLE AMENDING SECTIONS 4.52.020, 4.52.050, 4.52.060, 4.52.070, 4.52.080 AND 4.52.140 OF CHAPTER 4.52 OF TITLE 4 AND ADDING SECTION 4.52.090 TO CHAPTER 4.52 OF TITLE 4 OF THE ROSEVILLE MUNICIPAL CODE REGARDING PUBLIC FACILITIES FEE

THE CITY OF ROSEVILLE ORDAINS:

SECTION 1. Section 4.52.020 of Chapter 4.52 of Title 4 of the Roseville Municipal Code is hereby amended as follows:

4.52.020 Definitions.

The following words are defined for purposes of this chapter as follows:

- A. "Building permit" means the permit issued or required by the city for the construction of any structure pursuant to and as defined by the building code.
- B. "Director" means the administrative services director/city treasurer of the City of Roseville.
- C. "Facilities" mean those public facilities, improvements or infrastructure shown and included in the study, including ancillary uses and appurtenances.
- D. "Improvement plan" means a site plan of property proposed for development showing all required improvements that must be approved by the city prior to the issuance of a building permit for the property.
- E. "Fee" or "public facilities fee" means the fee established by this chapter. The fee shall be collected prior to the approval of any building permit. The fee shall be used solely to finance the facilities.
- F. "Public facilities fund" means that special interest-bearing fund established pursuant to Section 4.52.030.
- G. "Public facilities" mean buildings or other improvements owned by the City of Roseville or Placer County.
- H. "Study" means the "Public Facilities Fee Impact Study" prepared by MuniFinancial and dated November 20, 2003, and the Public Facilities Fee Impact Fee Update prepared by MuniFinancial and dated November 7, 2007, and the Public Facilities Fee Update prepared by Economic & Planning Systems, Inc. prepared for the fee increase effective October 1, 2015. The Study and Fee Update are on file in the office of the city clerk.

SECTION 2. Section 4.52.050 of Chapter 4.52 of Title 4 of the Roseville Municipal Code is hereby amended as follows:

4.52.050 Public facilities fee—Residential.

The fee for residential development shall be \$1.32 per square foot of dwelling unit. Effective October 1, 2015, the fee for residential development shall be:

Low density residential (LDR) shall be \$2,925 per dwelling unit;

Medium density residential (MDR) shall be \$2,709 per dwelling unit;

Single-Family Age-Restricted shall be \$1,950 per dwelling unit.

SECTION 3. Section 4.52.060 of Chapter 4.52 of Title 4 of the Roseville Municipal Code is hereby amended as follows:

4.52.060 Public facilities fee—Commercial.

The fee for commercial or unspecified development shall be \$0.63 per square foot of structure. Effective October 1, 2015, the fee for commercial development shall be \$.056 per square foot of structure.

SECTION 4. Section 4.52.070 of Chapter 4.52 of Title 4 of the Roseville Municipal Code is hereby amended as follows:

4.52.070 Public facilities fee—Industrial.

The fee for industrial development shall be \$0.42 per square foot of structure. Effective October 1, 2015, the fee for light industrial development shall be \$0.37 per square foot of structure and for general industrial the fee shall be \$0.22 per square foot of structure.

SECTION 5. Section 4.52.080 of Chapter 4.52 of Title 4 of the Roseville Municipal Code is hereby amended as follows:

4.52.080 Public facilities fee—Business/professional.

The fee for business/professional development shall be \$0.83 per square foot of structure. Effective October 1, 2015, the fee for business/professional and central business district development shall be \$0.74 per square foot of structure.

SECTION 6. Section 4.52.140 of Chapter 4.52 of Title 4 of the Roseville Municipal Code is hereby amended as follows:

4.52.140 Inflationary adjustments.

The Construction Cost Index (CCI) inflationary fee adjustment shall become effective July 1, 2013. The fee established by this chapter shall be adjusted annually July 1st beginning on July 1, 2013 by a percentage equal to the adjustment rate for the prior year for construction costs as determined by the director in the preceding June. The director's determination shall be based upon averaging the Construction Cost Index (CCI) for 20 cities and for San Francisco, as published in the Engineering News Record publication for the preceding 12 months ending in May. The resultant fee shall be rounded to the nearest dollar figure. Notwithstanding the foregoing, the inflationary adjustment for July 1, 2015, is hereby suspended for one year.

SECTION 7. Section 4.52.090 of Chapter 4.52 of Title 4 of the Roseville Municipal Code is hereby added as follows:

4.52.090 Public facilities fee Multifamily-HDR and HDR-Age-Restricted (Reserved)

Effective October 1, 2015 the fee for multifamily development shall be \$1,950 per dwelling unit. Effective October 1, 2015 the fee for multifamily age restricted development shall be \$1,625 per dwelling unit.

SECTION 8. This ordinance shall be effective at the expiration of thirty (30) days from the date of adoption.

SECTION 9. The City Clerk is hereby directed to cause this ordinance to be published in full at least once within fourteen (14) days after it is adopted in a newspaper of general circulation in the City, or shall within fourteen (14) days after its adoption cause this ordinance to be posted in full in at least three (3) public places in the City and enter in the Ordinance Book a certificate stating the time and place of said publication by posting.

PASSED AND ADOPTED by the Council of the City of Roseville this 15th day of July, 20 15, by the following vote on roll call:

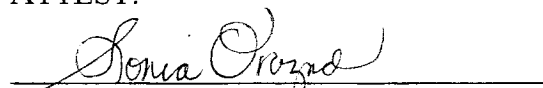
AYES COUNCILMEMBERS: Gore, Rohan, Herman, Roccucci, Garcia

NOES COUNCILMEMBERS: None

ABSENT COUNCILMEMBERS: None


MAYOR

ATTEST:


City Clerk

Local Sewer Connection Fees
Ordinance No. 5070

ORDINANCE NO. 5070

ORDINANCE OF THE COUNCIL OF THE CITY OF ROSEVILLE AMENDING
SECTIONS 4.48.140 OF CHAPTER 4.48, 4.52.140 OF CHAPTER 4.52, 4.53.140 OF
CHAPTER 4.53, 4.54.140 OF CHAPTER 4.54 OF TITLE 4, 14.08.031 OF CHAPTER
14.08, AND 14.16.060 OF CHAPTER 14.16 OF TITLE 14 OF THE ROSEVILLE
MUNICIPAL CODE REGARDING DEVELOPMENT IMPACT FEE ANNUAL
INFLATIONARY ADJUSTMENT

THE CITY OF ROSEVILLE ORDAINS:

SECTION 1. Chapter 4.48.140 of Chapter 4.48 of Title 4 of the Roseville Municipal Code is hereby amended to read as follows:

4.48.140 Inflationary adjustments.

The Construction Cost Index (CCI) inflationary fee adjustment shall become effective July 1, 2013. The fee established by this chapter shall be adjusted annually July 1st beginning on July 1, 2013 by a percentage equal to the adjustment rate for the prior year for construction costs as determined by the director in the preceding June. The director's determination shall be based upon averaging the Construction Cost Index (CCI) for 20 cities and for San Francisco, as published in the Engineering News Record publication for the preceding 12 months ending in May. The resultant fee shall be rounded to the nearest dollar figure.

SECTION 2. Chapter 4.52.140 of Chapter 4.52 of Title 4 of the Roseville Municipal Code is hereby amended to read as follows:

4.52.140 Inflationary adjustments.

The Construction Cost Index (CCI) inflationary fee adjustment shall become effective July 1, 2013. The fee established by this chapter shall be adjusted annually July 1st beginning on July 1, 2013 by a percentage equal to the adjustment rate for the prior year for construction costs as determined by the director in the preceding June. The director's determination shall be based upon averaging the Construction Cost Index (CCI) for 20 cities and for San Francisco, as published in the Engineering News Record publication for the preceding 12 months ending in May. The resultant fee shall be rounded to the nearest dollar figure.

SECTION 3. Chapter 4.53.140 of Chapter 4.53 of Title 4 of the Roseville Municipal Code is hereby amended to read as follows:

4.53.140 Inflationary adjustments.

The Construction Cost Index (CCI) inflationary fee adjustment shall become effective July 1, 2013. The fee established by this chapter shall be adjusted annually July 1st beginning on July 1, 2013 by a percentage equal to the adjustment rate for the prior year for construction costs as determined by the director in the preceding June. The director's determination shall be based upon averaging the Construction Cost Index (CCI) for 20 cities and for San Francisco, as

published in the Engineering News Record publication for the preceding 12 months ending in May. The resultant fee shall be rounded to the nearest dollar figure.

SECTION 4. Chapter 4.54.140 of Chapter 4.54 of Title 4 of the Roseville Municipal Code is hereby amended to read as follows:

4.54.140 Inflationary adjustments.

The Construction Cost Index (CCI) inflationary fee adjustment shall become effective July 1, 2013. The fee established by this chapter shall be adjusted annually July 1st beginning on July 1, 2013 by a percentage equal to the adjustment rate for the prior year for construction costs as determined by the director in the preceding June. The director's determination shall be based upon averaging the Construction Cost Index (CCI) for 20 cities and for San Francisco, as published in the Engineering News Record publication for the preceding 12 months ending in May. The resultant fee shall be rounded to the nearest dollar figure.

SECTION 5. Chapter 14.08.310 of Chapter 14.08 of Title 14 of the Roseville Municipal Code is hereby amended to read as follows:

14.08.031 Special area water connection fee.

A. A special area water connection fee (for example, but not limited to, water pressure zone, waterline reimbursement and water benefit fees) shall be charged for each water unit connected to the city-owned public water system for infrastructure for areas of special benefit as identified and in amounts as set forth by the city council by resolution, from time to time.

B. For Water Pressure Zone #2 and #4, Doctors Ranch Supplemental Water Benefit Area, Foothills Business Park Annex Benefit Area, North Industrial for North Central Waterline Reimbursement, and North Urban Reserve for North Central Waterline Reimbursement, the Construction Cost Index (CCI) inflationary fee adjustment shall become effective July 1, 2013. The fee established by this chapter shall be adjusted annually July 1st beginning on July 1, 2013 by a percentage equal to the adjustment rate for the prior year for construction costs as determined by the director in the preceding June. The director's determination shall be based upon averaging the Construction Cost Index (CCI) for 20 cities and for San Francisco, as published in the Engineering News Record publication for the preceding 12 months ending in May. The resultant fee shall be rounded to the nearest dollar figure.

SECTION 6. Chapter 14.16.060 of Chapter 14.16 of Title 14 of the Roseville Municipal Code is hereby amended to read as follows:

14.16.060 Local sewer connection fee.

A. A local sewer connection fee shall be charged in accordance with Section 14.16.010 for each connection to the city-owned public sewer.

B. The local sewer connection fee shall be \$200.00 per sewer unit.

C. The Construction Cost Index (CCI) inflationary fee adjustment shall become effective July 1, 2013. The fee established by this chapter shall be adjusted annually July 1st beginning on July 1, 2013 by a percentage equal to the adjustment rate for the prior year for construction costs as determined by the director in the preceding June. The director's determination shall be based upon averaging the Construction Cost Index (CCI) for 20 cities and for San Francisco, as published in the Engineering News Record publication for the preceding 12 months ending in May. The resultant fee shall be rounded to the nearest dollar figure.

SECTION 7. This ordinance shall be effective at the expiration of thirty (30) days from the date of adoption.

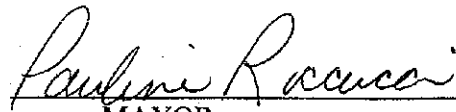
SECTION 8. The City Clerk is hereby directed to cause this ordinance to be published in full at least once within fourteen (14) days after it is adopted in a newspaper of general circulation in the City, or shall within fourteen (14) days after its adoption cause this ordinance to be posted in full in at least three (3) public places in the City and enter in the Ordinance Book a certificate stating the time and place of said publication by posting.

PASSED AND ADOPTED by the Council of the City of Roseville this 6th day of June 2012, by the following vote on roll call:

AYES COUNCILMEMBERS: Allard, Herman, Rohan, Roccucci

NOES COUNCILMEMBERS: None

ABSENT COUNCILMEMBERS: Garcia


MAYOR

ATTEST:


City Clerk

Water Connection Fees

Ordinance No. 5485

ORDINANCE NO. 5485

ORDINANCE OF THE COUNCIL OF THE CITY OF ROSEVILLE AMENDING SECTIONS
14.08.025, 14.08.026 AND 14.08.029 OF CHAPTER 14.08 OF TITLE 14 OF THE
ROSEVILLE MUNICIPAL CODE REGARDING CONNECTION FEES

THE CITY OF ROSEVILLE ORDAINS:

SECTION 1. Section 14.08.025 of Chapter 14.08 of Title 14 of the Roseville Municipal Code is hereby amended:

14.08.025 Water connection fees.

A. In order that appropriate provision be made for sharing the costs of the maintenance and expansion of the raw water supply, water treatment, storage, and distribution facilities of the city by those who receive the benefits thereof, there are established connection fees to such facilities, which fees shall be imposed in addition to the service connection costs charged pursuant to Section 14.08.020. Such additional water connection fees include a "standard connection fee" and an "irrigation connection fee." The fees shall be set so that they are equal to, but not greater than, the cost of service.

B. The water connection fees shall be based upon the applicable "dwelling unit equivalent" ("DUE"). The fee for one DUE shall be \$8,559.00 on July 1, 2015.

C. The connection fee amount set forth above shall be adjusted annually on July 1st of each year by three percent or by a percentage equal to the inflation rate for the prior year for construction costs as determined by the environmental utilities director in the preceding June, whichever is greater. The director's determination of the percentage equal to the inflation rate for the prior year for construction costs shall be based upon the Engineering News Record, Construction Cost Index for the prior 12 months ending in May. The environmental utilities director shall report the amount of the adjustment in percentage terms and the dollar amount due per DUE to the city council annually at the first regular meeting of the council following the adjustment of the fee.

D. Except as otherwise provided, all water connection fees established by this chapter shall be payable upon issuance of a building permit. Connection fees will be determined using the amount in effect on the date of building permit issuance.

SECTION 2. Section 14.08.026 of Chapter 14.08 of Title 14 of the Roseville Municipal Code is hereby amended:

14.08.026 Standard connection fee.

A. The standard connection fee for various types of service and applicable DUEs are based upon water service sizes required by the Uniform Plumbing Code and DUEs as shown in

Section 14.08.029 for non-residential connections and upon large lot use density categories for residential connections as defined herein. The standard connection fee shall be calculated as follows:

For all dwellings, as defined in Roseville Municipal Code Section 19.08.080(E), the connection fee shall be based upon the large lot land use density as defined within the Land Use Element of the City's General Plan, the water service size as required by the Uniform Plumbing Code, and the equivalent DUE's as shown in Section 14.08.029. The minimum connection fee shall be based on a three-quarter-inch service size and the equivalent dwelling unit shall be one DUE if zoned low density residential; 60 percent of the cost of one DUE for each dwelling unit if zoned medium density residential; and, 40 percent of the costs of one DUE for each dwelling unit if zoned high density residential. Fees shall not be based on the size of the master meter to a multifamily dwelling. Multifamily dwellings shall also pay an irrigation connection fee as defined in Roseville Municipal Code section 19.08.027.

B. For all dwellings, as defined in Roseville Municipal Code section 19.08.080(E), that require automatic fire protection systems pursuant to Roseville Municipal Code Section 16.16.120, the increased service size will not be assessed an additional fee associated with the fire protection system requirement. Connection fees shall be based on a three-quarter inch service size and the equivalent dwelling units required by Roseville Municipal Code section 14.08.026(A) without consideration for any fire protection system required by Roseville Municipal Code Section 16.16.120.

C No additional water connection fee shall be charged for facilities located within a multifamily dwelling complex that are appurtenant to the general function of the multifamily dwelling complex. Such facilities include, but shall not be limited to, community centers, recreational centers, rental offices, maintenance offices and fire systems.

SECTION 3. Section 14.08.029 of Chapter 14.08 of Title 14 of the Roseville Municipal Code is hereby amended:

14.08.029 Dwelling unit equivalents.

DUEs for water connection fees are:

Service Size	DUEs
3/4 in.	1.0
1.0 in.	1.7
1.5 in.	3.3
2.0 in.	5.3
3.0 in.	11.7
4.0 in.	20.0
6.0 in.	41.7
8.0 in.	60.0
10.0 in.	96.7

SECTION 4. This ordinance shall be effective at the expiration of thirty (30) days from the date of adoption.

SECTION 5. The City Clerk is hereby directed to cause this ordinance to be published in full at least once within fourteen (14) days after it is adopted in a newspaper of general circulation in the City, or shall within fourteen (14) days after its adoption cause this ordinance to be posted in full in at least three (3) public places in the City and enter in the Ordinance Book a certificate stating the time and place of said publication by posting.

PASSED AND ADOPTED by the Council of the City of Roseville this 15th day of April, 2015, by the following vote on roll call:

AYES COUNCILMEMBERS: Gore, Rohan, Herman, Roccucci, Garcia

NOES COUNCILMEMBERS: None

ABSENT COUNCILMEMBERS: None


MAYOR

ATTEST:


City Clerk

City/County Traffic Mitigation Fee
Ordinance No. 5203

ORDINANCE NO. 5203

ORDINANCE OF THE COUNCIL OF THE CITY OF ROSEVILLE AMENDING
SECTIONS 4.45.020, 4.45.030 AND 4.45.050 OF CHAPTER 4.45 OF TITLE 4 OF THE
ROSEVILLE MUNICIPAL CODE REGARDING TRAFFIC MITIGATION FEE

THE CITY OF ROSEVILLE ORDAINS:

SECTION 1. Sections 4.45.020, 4.45.030 and 4.45.050 of Chapter 4.45 of Title 4 of the Roseville Municipal Code is hereby amended to read as follows:

4.45.020 Definitions.

The following words are defined for purposes of this chapter as follows:

- A. "Building permit" means the permit issued or required by the city for the construction of any structure pursuant to and as defined by the building code.
- B. "Covered improvements" means those traffic and circulation facilities, improvements, or infrastructure listed in that document entitled "2013 City/County Traffic Impact Fee Program Update" prepared by Fehr & Peers Transportation Consultants and dated March 15, 2013. Said covered improvements list is on file in the office of the director and the city clerk.
- C. "Department" means the department of development services.
- D. "Director" means the director of the department.
- E. "Dwelling Unit Equivalents" or "D.U.E.'s" means the number of single family dwellings to which a particular type of development or use is equivalent in terms of expected or estimated p.m. peak hour traffic impact.
- F. "Dwelling unit equivalent rates or D.U.E. rates" means multiplication factors used to convert a particular type of development or use to dwelling unit equivalents. D.U.E. rates shall be expressed as the number of D.U.E.'s per unit of a particular use.
- G. "Facilities" means those public traffic and circulation facilities, improvements or infrastructure shown and included on the covered improvements list.
- H. "Improvement plan" means a site plan of property proposed for development showing all required improvements that must be approved by the city prior to the issuance of a building permit for the property.
- I. "Fee" or "traffic mitigation fee" means the fee established by this Chapter 4.45. The fee shall be collected prior to the approval and issuance of any building permit, or as provided otherwise in this chapter. The fee shall be used solely to finance the covered improvements.
- J. "Traffic mitigation fund" means that special interest-bearing fund established pursuant to Section 4.45.030.

K. "Study" means that certain document entitled "2013 City/County Traffic Impact Fee Program Update," dated March 15, 2013. The study is on file in the offices of the director and city clerk.

L. "Infill area" means that portion of the city not within the Northeast, North Central, Northwest, Highland Reserve North, North Roseville, Stoneridge, Southeast, West Roseville, Del Webb, Creekview, or Sierra Vista specific plan areas, nor within the North Industrial Area.

4.45.030 Establishment and administration of traffic mitigation fund.

The finance director is directed to establish a special interest-bearing fund entitled the Baseline/Walerga traffic mitigation fund. All fees collected pursuant to this chapter shall be deposited in the Baseline/Walerga traffic mitigation fund and expended solely to finance the facilities.

4.45.050 Traffic mitigation fee per dwelling unit equivalent by area.

The net traffic mitigation fee for the various areas within the city, as defined in the general plan, shall be:

Area	Amount of Fee (per D.U.E.)
Southeast Roseville Specific Plan Area	\$57.00
Northeast Roseville Specific Plan Area	\$57.00
North Central Roseville Specific Plan Area	\$343.00
Northwest Roseville Specific Plan Area	\$343.00
North Industrial Plan Area	\$343.00
Infill Areas	\$57.00
Del Webb Specific Plan Area	\$343.00
Highland Reserve North Specific Plan Area	\$343.00

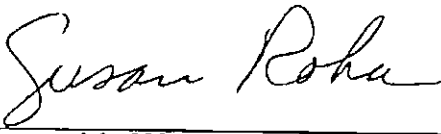
North Roseville Specific Plan Area	\$343.00
Stoneridge Specific Plan Area	\$57.00
West Roseville Specific Plan Area	\$770.00
Sierra Vista Specific Plan Area	\$1,350.00
Creekview Specific Plan Area	\$616.00

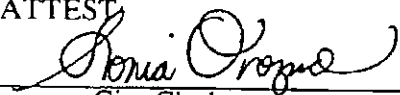
SECTION 2. This ordinance shall be effective at the expiration of thirty (30) days from the date of adoption.

SECTION 3. The City Clerk is hereby directed to cause this ordinance to be published in full at least once within fourteen (14) days after it is adopted in a newspaper of general circulation in the City, or shall within fourteen (14) days after its adoption cause this ordinance to be posted in full in at least three (3) public places in the City and enter in the Ordinance Book a certificate stating the time and place of said publication by posting.

PASSED AND ADOPTED by the Council of the City of Roseville this 19th day of June, 2013, by the following vote on roll call:

AYES	COUNCILMEMBERS:	Roccucci, Garcia, Gore, Rohan
NOES	COUNCILMEMBERS:	None
ABSENT	COUNCILMEMBERS:	Herman


MAYOR

ATTEST

City Clerk

Downtown Specific Plan In-Lieu Parking Fee

Resolution No. 09-124

Ordinance No. 4728

Downtown Code 3.0-Regulatory Incentives

RESOLUTION NO. 09-124

ADOPTING A PARKING IN LIEU FEE
FOR THE DOWNTOWN SPECIFIC PLAN

WHEREAS, as part of the Downtown Specific Plan, the City desires to implement a parking in lieu fee; and

WHEREAS, the initial parking in lieu fee will be \$8,000 per parking space and will be automatically adjusted on July 1st of each calendar year by a percentage equal to the inflation rate for the prior year for construction costs as determined by the Planning and Redevelopment Director in the preceding June; and

WHEREAS, the Director's determination shall be based upon the Engineering News Record, Construction Cost Index for the prior 12 months ending in June;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Roseville that the parking in lieu fee and the annual adjustment based on the Construction Cost Index is hereby approved.

PASSED AND ADOPTED by the Council of the City of Roseville this 1st day of April, 2009 by the following vote on roll call:

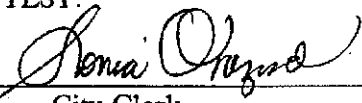
AYES COUNCILMEMBERS: Allard, Gray, Garcia, Roccucci, Garbolino

NOES COUNCILMEMBERS: None

ABSENT COUNCILMEMBERS: None


MAYOR

ATTEST:


City Clerk

ORDINANCE NO. 4728

ORDINANCE OF THE COUNCIL OF THE CITY OF ROSEVILLE ADDING SECTION 17.04.235 OF CHAPTER 17.04; DELETING SECTION 17.04.490 OF CHAPTER 17.04; AND AMENDING SECTIONS 17.06.180 AND 17.06.310 OF CHAPTER 17.06 OF TITLE 17; AND AMENDING SECTIONS 19.08.030, 19.08.080 AND 19.08.090 OF CHAPTER 19.08; 19.10.045 OF CHAPTER 19.10; 19.12.010, 19.12.020 AND 19.12.030 OF CHAPTER 19.12; 19.18.030 OF CHAPTER 19.18; 19.49.030 OF CHAPTER 19.49; 19.74.010 OF CHAPTER 19.74; AND ADDING CHAPTER 19.31 OF TITLE 19 OF THE ROSEVILLE MUNICIPAL CODE REGARDING ZONING

THE CITY OF ROSEVILLE ORDAINS:

SECTION 1. Section 17.04.235 of Chapter 17.04 of Title 17 of the Roseville Municipal Code is hereby added to read as follows:

17.04.235 Downtown specific plan area.

"Downtown specific plan area" means a 176 acre area encompassing historic old town, Vernon Street, and Royer and Saugstad Parks. This area is further defined in the Downtown Specific Plan.

SECTION 2. Section 17.04.490 of Chapter 17.04 of Title 17 of the Roseville Municipal Code is hereby deleted in its entirety.

SECTION 3. Sections 17.06.180 and 17.06.310 of Chapter 17.06 of Title 17 of the Roseville Municipal Code are hereby amended to read as follows:

17.06.180 Projecting signs in the Riverside Gateway Specific Plan area.

- A. Number. In addition to other signs permitted by this Title, establishments located in the Riverside Gateway Specific Plan area, in a building immediately adjacent to the public sidewalk, will be permitted one (1) projecting sign.
- B. Location.
 - 1. A projecting sign may extend over the sidewalk a maximum of six (6) feet, subject to an encroachment permit whenever the sidewalk is open to the public or part of the public right of way;
 - 2. A projecting sign may not extend onto or over the street;
 - 3. A projecting sign shall have a minimum vertical clearance of eight (8) feet from the sidewalk to the bottom of the sign;
 - 4. A projecting sign may not extend above the roof line; and
 - 5. The sign shall be located on the Riverside Avenue side even if the building entrance is located on a side street.
- C. Area. The area of a projecting sign shall be included in calculating the permitted area for wall signs.

- D. Encroachment Permit. A permanent encroachment permit which includes insurance certificates and/or bonds pursuant to Roseville Municipal Code Chapter 13.28 shall be required for all signs projecting over the public right-of-way.

Article 3. Downtown Specific Plan Area.

17.06.310 Downtown Specific Plan Signs.

Uses located in the Downtown Specific Plan area are permitted signage that is consistent with, and enhances the historic character of that area. The Downtown Code, adopted in Chapter 19.31 of the Roseville Municipal Code, sets forth the criteria, design guidelines and standards for signs located in the Downtown Specific Plan area.

SECTION 4. Sections 19.08.030(C), 19.08.080(D), (H), (I), (J), (K) and (L), and 19.08.090(E), (L), (O) and (V) of Chapter 19.08 Title 19 of the Roseville Municipal Code are hereby amended to read as follows:

Section 19.08.030(C) - Listing of Use Classifications

C. Residential Use Types

Caretaker/Employee Housing
Community Care Facility, Small
Community Care Facility, Large
Dwelling
 Multi-Family
 Single Family
 Two-Family
Efficiency Units
Family Day Care Homes, Small
Family Day Care Homes, Large
Live/Work
Mobile Home Park
Rooming and Boarding Houses
Second Dwelling Unit
Single Room Occupant

Section 19.08.080(D), (H), (I), (J), (K) and (L) - Residential Use Types

- D. Efficiency units, includes a room or group of internally connected rooms that have independent sleeping, cooking, eating and sanitation facilities, which constitutes an independent housekeeping unit, occupied by or intended for one household on a long-term basis.
- H. Live/Work, includes units that are occupied by business operators who live in the same structure that contains commercial activity. The units function primarily as a workspace with incidental residential accommodations.
- I. **Mobile Home Park**, includes any site that is planned and improved to accommodate two or more mobile homes used for residential purposes, or on which two or more mobile home lots are rented, leased, or held out for rent or lease, or were formerly held out for rent or lease and later converted to a subdivision, cooperative,

condominium, or other form of resident ownership, to accommodate mobile homes used for residential purposes. (Also see Chapter 19.48.)

- J. **Rooming and Boarding Houses**, includes the renting of individual bedrooms within a dwelling by a property owner or other manager in residence to three or more people, whether or not meals are provided; or a single-family dwelling occupied by six (6) or more unrelated people, living together as a single housekeeping unit; by prearrangement for definite periods, with compensation.
- K. **Second Dwelling Unit**, a dwelling unit, attached or detached, with permanent provisions for independent living, sleeping, eating, cooking and sanitation within the unit and includes a separate entrance from the primary unit. (Also see Chapter 19.60.)
- L. **Single Room Occupant**, lodging establishments providing a room(s) which does not include a kitchen or bathroom. These establishments include a communal bathroom and may have a communal kitchen and/or living area. This is not a temporary or transitional housing type and is typically found on the second story above a retail use.

Section 19.08.090(E), (L), (O), (V) - Commercial Use Types

- E. **Bars and Drinking Places**, includes establishments within a building where alcoholic beverages are sold for on-site consumption, that are not part of a restaurant. Includes bars, taverns, pubs, brew pubs, wine bars and similar establishments where any food service is subordinate to the sale of alcoholic beverages. Dance floors are not permitted.
- L. **Eating and Drinking Establishments**, includes establishments primarily engaged in the sale of prepared food and beverages for on-premise consumption, but excludes those uses classified under the "Bars and Drinking Places" and "Nightclubs." Music, live or recorded, may be allowed provided that any such music and floor space for dancing is accessory and incidental to the sale of prepared food and beverages (i.e. jukeboxes, open microphone, mariachi, etc.). Fixed seating or chairs are provided for the seating of each patron or customer at all times. Eating and Drinking Establishment use types include:
 - 1. **Fast Food with Drive Through**, includes establishments primarily engaged in the preparation and retail sale of food and beverages at a walk up counter and at a drive through window, and may include seating.
 - 2. **Convenience**, includes establishments primarily engaged in the preparation and retail sale of food and beverages, at a walk up counter and which does not include a drive through or provide for ordering at the tables, if any. Typical uses include pizza parlors, ice cream parlors, and sandwich shops.
 - 3. **Full Service**, includes establishments primarily engaged in the preparation and retail sale of food and beverages, where food is ordered and served at a table, and which may include sales of alcoholic beverages as an accessory or secondary service. Typical uses include full service restaurants.
- O. **Lodging Services**, includes establishments primarily engaged in the provision of commercial lodging on a less than monthly basis to the general public. Lodging Services includes incidental food, drink, and other sales and services intended for the convenience of guests. Typical uses include hotels, motels, and bed-and-breakfasts.
- V. **Offices, Professional**, includes professional or government offices including:
 - Accounting, auditing and bookkeeping services;
 - Advertising agencies;
 - Architectural, engineering, interior design, and surveying services;
 - Attorneys;

- Call and telemarketing centers;
- Computer software designers;
- Court reporting services;
- Data processing and computer services;
- Detective agencies and similar services;
- Secretarial and word processing services;
- Government offices including agency and administrative office facilities;
- Insurance agencies;
- Management, public relations and consulting services;
- Real estate agencies; and
- Writers, photographers and artists offices outside the home.

SECTION 5: Section 19.10.045(A) of Chapter 19.10 of Title 19 of the Roseville Municipal Code is hereby amended to read as follows:

Section 19.10.045(A) - Design Review Required for Compact Residential Development

- A. Applicability.** Design review shall be required for Compact Residential Development projects that qualify under either of the following:
1. Attached or detached single-family housing units on property with a General Plan land use designation of Medium Density Residential or higher (seven dwelling units per acre or higher, as depicted on the General Plan Land Use Map) (except for properties within the Downtown Specific Plan area), or
 2. Residential projects of any density on a parcel or parcels zoned Small Lot Residential (RS) where modifications to the RS Supplemental Design Standards are requested.

SECTION 6: Section 19.12.010(I), 19.12.020 and 19.12.030(B) of Chapter 19.12 of Title 19 of the Roseville Municipal Code is hereby amended to read as follows:

Section 19.12.010(I) - Purpose

- I. Old Town Historic (HD) District.** The Old Town Historic district is intended to be applied to the original commercial core of Roseville to acknowledge its historic and architectural significance. The HD zoning district is intended to ensure that new land uses and development within the district further the rehabilitation, revitalization, and preservation of the architectural, aesthetic, historic and economic health of the district. Each parcel within the Historic District shall be subject to the specific Historic District design guidelines contained within the Downtown Code which has been adopted in Chapter 19.31 of the Roseville Municipal Code..

Section 19.12.020 - Permitted Use Types

Primary uses are permitted in commercial zones subject to the requirements of this Title as designated below:

- A.** Principally permitted use, designated as "P";
- B.** Conditionally permitted use, designated as "CUP"; and
- C.** Administratively permitted use, designated as "A".

Permitted uses within the CBD and HD zones are contained within the Downtown Code.

COMMERCIAL ZONE DISTRICTS PERMITTED USES

AGRICULTURE AND OPEN SPACE USE TYPES	BP	NC	CC	GC	HC	RC		CMU	
Resource Protection and Restoration	CUP	CUP	CUP	CUP	CUP	CUP		P	
Resource Related Recreation	P	P	P	P	P	CUP		P	

CIVIC USE TYPES	BP	NC	CC	GC	HC	RC		CMU	
Community Assembly	CUP	P	P	P	-	-		P	
Community Services	P	CUP	P	P	P	P		P	
Essential Services	P	P	P	P	P	P		P	
Hospital Services									
General Hospital Services	-	-	CUP	CUP	-	-		P	
Psychiatric Hospital Services	-	-	CUP	CUP	-	-		P	
Libraries and Museums, Private	-	CUP	P	P	P	P		-	
Public Parking Services	P	P	P	P	P	P		P	
Schools									
College and University	A	-	P	P	-	P		P	
Elementary and Secondary	P	P	P	P	P	P		P	
Private Elementary and Secondary	-	CUP	CUP	CUP	-	-		P	
Social Services									
Food Distribution ⁽²⁾	-	-	-	A/CUP	A/CUP	-		A/CUP	
Food Service ⁽³⁾	-	-	-	A/CUP	A/CUP	-		A/CUP	
Temporary Resident Shelter ⁽⁴⁾	-	-	-	A/CUP	A/CUP	-		A/CUP	
Power Generating Facilities (8)									
Emergency	A	A	A	A	A	A		A	
Supplemental / Individual Use	CUP	CUP	CUP	CUP	CUP	CUP		CUP	

Passive Power	P	P	P	P	P	P		P	
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RESIDENTIAL TYPES	USE	BP	NC	CC	GC	HC	RC		CMU	
Caretaker/Employee Housing		-	CUP	CUP	CUP	CUP	CUP		P	
Dwelling										
Multi-Family		-	CUP	CUP	-	-	-		P	
Single-Family		-	CUP	CUP	CUP	CUP	-		P	
Two-Family		-	CUP	CUP	CUP	CUP	-		P	
Family Day Care Home, Small		P	P	P	P	-	P		P	
Family Day Care Home, Large		CUP	CUP	CUP	CUP	-	CUP		P	
Single Room Occupant		-	-	-	-	-	-		CUP	

COMMERCIAL TYPES	USE	BP	NC	CC	GC	HC	RC		CMU	
Adult Oriented Businesses (1)		-	-	-	P	-	P		P	
Animal Sales and Service										
Grooming and Pet Stores		-	P	P	P	-	P		P	
Kennels		-	-	-	-	-	-		P	
Veterinary Clinic		-	CUP	P	P	-	-		P	
Veterinary Hospital		-	-	CUP	CUP	-	-		P	
Automotive and Equipment										
Automotive Body and Equipment Repair		-	-	-	CUP	-	CUP		CUP	
Automotive Rentals		-	-	-	P	P	P		P	
Automotive Repairs		-	-	CUP	P	P	P		P	
Automotive Sales		-	-	CUP	P	-	P		P	
Car Wash and Detailing		-	-	CUP	P	-	P		P	
Commercial		P	-	-	P	P	-		P	

Parking								
Heavy Equipment Rental and Sales	-	-	-	P	-	P		P
Gasoline Sales	CUP	P	P	P	P	P		P

COMMERCIAL USE TYPES	BP	NC	CC	GC	HC	RC		CMU	
Banks and Financial Services	P	P	P	P	-	P		P	
Bars and Drinking Places	-	-	P	P	-	P		P	
Broadcasting and Recording Studios	P	-	-	P	-	-		P	
Building Material Stores	-	-	CUP	P	-	P		P	
Business Support Services	P	-	P	P	-	-		P	
Commercial Recreation									
Amusement Center	-	CUP	P	P	-	P		P	
Indoor Entertainment	-	-	P	P	-	P		P	
Indoor Sports and Recreation	-	-	P	P	-	P		P	
Outdoor Entertainment	-	-	-	CUP	-	CUP		P	
Outdoor Sports and Recreation	-	-	-	P	CUP	P		P	
Large Amusement Complexes	-	-	-	CUP	CUP	P		P	
Community Care Facility	P	P	P	P	-	-		P	
Day Care Center	P	P	P	P	-	P		P	
Eating and Drinking Establishments									
Fast Food with Drive Through	-	-	P	P	P	P		P	
Convenience	P	P	P	P	P	P		P	
Full Service	P	P	P	P	P	P		P	
Food and Beverage Retail Sales	-	-	P	P	-	-		P	
Funeral and Internment Services	-	-	P	P	-	-		P	
Lodging Services	-	-	P	P	P	P		P	

Long Term Care Facility	CUP	CUP	P	P	-	-		P	
Maintenance and Repair	-	P	P	P	-	-		P	
Medical Services, General	P	P	P	P	P	P		P	
Neighborhood Commercial	P	P	-	-	-	-		P	
Nightclubs ⁽⁵⁾	-	-	CUP	CUP	-	CUP		CUP	
Nursery, Retail	-	-	-	P	-	P		P	

COMMERCIAL USE TYPES	BP	NC	CC	GC	HC	RC		CMU	
Offices, Professional	P	P	P	P	-	P		P	
Personal Services	P	P	P	P	P	P		P	
Retail Sales and Services	-	-	P	P	P	P		P	
Specialized Education and Training									
Vocational Schools	-	-	P	P	-	-		P	
Specialty Schools	-	CUP	P	P	-	P		P	
Storage, Personal Storage Facility	-	-	CUP	P	-	-		P	
INDUSTRIAL USE TYPES	BP	NC	CC	GC	HC	RC		CMU	
Laundries, Commercial	-	-	CUP	CUP	-	-		P	
Printing & publishing	-	-	-	CUP	-	-		P	
Research Services	-	-	-	P	-	-		P	
Wholesaling and Distribution, Light	-	-	-	P	-	-		P	

TRANSPORTATION AND COMMUNICATION USE TYPES	BP	NC	CC	GC	HC	RC		CMU	
Telecommunication Facilities ⁽⁶⁾	P/A/ CUP	P/A/ CUP	P/A/ CUP	P/A/ CUP	P/A/ CUP	P/A/ CUP		P/A/ CUP	
Heliport	CUP	CUP	CUP	CUP	CUP	CUP		P	
Intermodal Facilities ⁽⁷⁾	CUP	CUP	CUP	CUP	CUP	CUP		P	

Notes:

- (1) Additional Requirements are contained in Chapter 19.32.
- (2) Additional Requirements are contained in Chapter 19.40.
- (3) Additional Requirements are contained in Chapter 19.39.
- (4) Additional Requirements are contained in Chapter 19.38.
- (5) Additional Requirements are contained in Chapter 19.49.
- (6) Additional Requirements are contained in Chapter 19.34.
- (7) Additional Requirements are contained in Chapter 19.36.
- (8) Additional Requirements are contained in Chapter 19.55.

Section 19.12.030(B) - Commercial Zone General Development Standards

- A. General.** Permitted uses and structures shall comply with the City's adopted Community Design Guidelines, applicable Specific Plans, approved Design Review Permit and any other applicable requirements of this Title.
- B. Maximum Height.** Notwithstanding the requirements referred to in A, maximum height limits in the Commercial zoning districts are as follows unless otherwise modified by an approved Design Review Permit or Specific Plan:

Zoning District	Height Limit
Business Professional (BP)	50'
Neighborhood Commercial (NC)	35'
Community Commercial (CC)	50'
General Commercial (GC)	50'
Highway Commercial (HC)	50'
Regional Commercial (RC)	50'
Central Business District (CBD)	50'
Commercial Mixed Use (CMU)	50'
Historic District (HD)	50'

SECTION 7: Section 19.18.030(D) of Chapter 19.18 of Title 19 of the Roseville Municipal Code is hereby amended to read as follows:

Section 19.18.030(D) - Special Area (SA) District

- D. Designation on the Zoning Map.** A SA, Special Area district shall be established with approval of a Zoning Ordinance Amendment as specified in Chapter 19.86, and shall be designated on the Zoning Map with the underlying zone district by the symbol "/SA," followed by the ordinance number. The ordinance number shall refer to the ordinance which adopted the SA district. If a SA is within a Specific Plan, no ordinance number need be specified provided however, a reference to that Specific Plan is identified as follows: -SE (Southeast Roseville Specific Plan); -NE (Northeast Roseville Specific Plan); -NW (Northwest Roseville Specific Plan); -NC (North Central Roseville Specific

Plan); -DW (Del Webb Specific Plan), -NR (North Roseville Specific Plan), -HR (Highland Reserve Specific Plan), -SR (Stoneridge Specific Plan), -WR (West Roseville Specific Plan), RG (Riverside Gateway), and DT (Downtown Specific Plan).

SECTION 8: Section 19.49.030 of Chapter 19.49 of Title 19 of the Roseville Municipal Code is hereby amended to read as follows:

Section 19.49.030 - General Standards

The following requirement applies to nightclubs where permitted within any zone district (except for nightclubs located within the Downtown Specific Plan area):

- A. Nightclubs are prohibited to be located within 500 feet of a residential zone district as measured from the residential zone district boundary to the structure where the nightclub use is proposed.

SECTION 9: Section 19.74.010(C) of Chapter 19.74 of Title 19 of the Roseville Municipal Code is hereby amended to read as follows:

Section 19.74.010(C)(2)(a) - Permit Requirements

C. 2. Approving Authority:

a. Administrative Process.

- I.** The Planning Director may approve, conditionally approve or deny a Minor Design Review Permit provided the improvement complies with the following:
 - 1) There has been no previous Design Review Permit for the building/site;
 - 2) The improvement is limited to facade improvements;
 - 3) The improvement consists of a color change;
 - 4) The improvement consists of a modification to or the introduction of a new exterior building material; or
 - 5) The project is within the Downtown Specific Plan area and is consistent with the design guidelines and regulations outlined within the Downtown Code.
- II.** The Planning Director may approve, conditionally approve or deny a Minor Design Review Permit pursuant to the Administrative Permit procedures, except those identified as required by this Title, to be reviewed by the Design Committee or Planning Commission. Design Review Permits approved by the Planning Director shall be in substantial conformance with adopted Specific Plan.

If in the opinion of the Planning Director, a project is not in substantial conformance with applicable, adopted design guidelines, prior conditions of approval, or if the Planning Director determines that, because of location, size or design that the public hearing should not be waived, the Planning Director shall refer the project for public hearing by the Design

Committee or the Planning Commission. The Director shall determine whether the project is to be heard by the Design Committee or the Planning Commission.

The Planning Director may approve:

- 1) Design Review Permit extensions and modifications, including changes in project phasing.
- 2) Design Review Permits for projects within a master or specific plan area where the applicable plan provides for an administrative process.
- 3) Within specific plan areas, subsequent Design Review Permits following Design Committee approval of the first Design Review Permit as provided for in Sub Section b. 2) of this Section.
- 4) Within infill areas, subsequent Design Review Permits following Planning Commission approval of the first Design Review permit as provided in Sub Section c2) of this Section.

SECTION 10: Chapter 19.32 heading is hereby amended to read as follows:

CHAPTER 19.32 – LOCATION AND AMORTIZATION OF ADULT ORIENTED BUSINESSES

19.32.010 – Purpose

19.32.020 – Definitions

19.32.030 – Minimum Proximity Requirements

19.32.040 – Amortization of Nonconforming Adult-Oriented Business Uses

19.32.050 – Extension of Time for Termination of Nonconforming Use

SECTION 11: Chapter 19.31 of Title 19 of the Roseville Municipal Code is hereby added to read as follows:

**Chapter 19.31
DOWNTOWN SPECIFIC PLAN DOWNTOWN CODE**

Sections:

- | | |
|-----------|--------------------------|
| 19.31.010 | Purpose. |
| 19.31.020 | Definition. |
| 19.31.030 | Downtown Code - Adopted. |
| 19.31.040 | Conflicts. |
| 19.31.050 | Violations. |
- 19.31.010 Purpose.**

The purpose of the Downtown Specific Plan Downtown Code is to direct public and private development consistent with the community vision for the Downtown Specific Plan area. Redevelopment within the older areas of the City of Roseville presents unique development challenges. The Downtown Specific Plan Downtown Code is therefore a comprehensive document for the Downtown Specific Plan area that provides detailed performance criteria and development standards that are intended to facilitate development while recognizing the area's

unique character. Key elements addressed in the Downtown Specific Plan Downtown Code include:

- A. Permitted and conditionally permitted uses for various zone districts.
- B. Prescriptive development standards including setbacks, height requirements, parking standards, and floor area ratios.
- C. Development guidelines addressing buffers and adjacency issues, landscaping, entry monumentation, and public realm improvements.
- D. Entitlement processes that vary from applications throughout the remainder of the City of Roseville.
- E. Downtown sign regulations.
- F. Details that define the character of the Downtown Specific Plan area.
- G. Downtown Specific Plan area incentives.
- H. Parcel specific considerations.

The Downtown Specific Plan Downtown Code is consistent with the City of Roseville's goals, policies and applicable regulations and is intended to be the primary resource for development review within the Downtown Specific Plan area.

19.31.020 Definition.

"Downtown Specific Plan area" means a 176 acre area encompassing historic old town, Vernon Street, and Royer and Saugstad Parks. This area is further defined in the Downtown Specific Plan.

19.31.030 Downtown Code - Adopted.

The Downtown Specific Plan Downtown Code, as amended by the City Council from time to time, is hereby adopted and is incorporated into this Chapter by reference as though it were fully set forth herein. A copy of the Downtown Specific Plan Downtown Code is available for use and examination by the public in the City of Roseville's Planning Department and the City Clerk's Office, and can be found on the City of Roseville's web site.

19.31.040 Conflicts.

In the event of any conflict between the provisions of the Downtown Specific Plan Downtown Code and the provisions of the Roseville Municipal Code, the provisions of the Downtown Specific Plan Downtown Code shall prevail. However, with regard to topics that the Downtown Specific Plan Downtown Code does not address, the provisions of the Roseville Municipal Code shall prevail.

19.31.050 Violations.

A violation of the requirements of the Downtown Specific Plan Downtown Code is punishable as an infraction.

SECTION 12. This ordinance shall be effective at the expiration of thirty (30) days from the date of adoption.

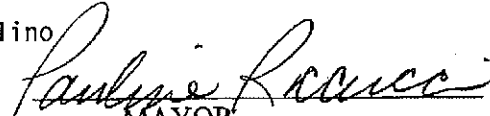
SECTION 13. The City Clerk is hereby directed to cause this ordinance to be published in full at least once within fourteen (14) days after it is adopted in a newspaper of general circulation in the City, or shall within fourteen (14) days after its adoption cause this ordinance to be posted in full in at least three (3) public places in the City and enter in the Ordinance Book a certificate stating the time and place of said publication by posting.

PASSED AND ADOPTED by the Council of the City of Roseville this 15th day of April, 2009, by the following vote on roll call:

AYES COUNCILMEMBERS: Allard, Gray, Garcia, Roccucci

NOES COUNCILMEMBERS: None

ABSENT COUNCILMEMBERS: Garbolino


MAYOR

ATTEST:


City Clerk

624728

3.6 Regulatory Incentives

3.5 Fee Incentives

3.5.1 Park Dedication Strategy

Based on the number of new residential units within the Plan Area, the park dedication acreage is approximately 29 acres. An important goal of the Specific Plan is to encourage the development of residential units to promote activity and potential consumers on a constant basis. Based on this desire, the plan exempts future residential units from having to dedicate land or pay an in-lieu fee.

Assuming that land values are approximately \$20 per square foot, on average, exempting residential projects from park dedication would amount to a savings of approximately \$19,800 per residential unit. Based on 1,020 new dwelling units, this is a savings benefit of nearly \$20 million in park land acquisition and dedication costs.

Park fees will still be collected in order to fund park improvements, but these fees will be specifically allocated to improvements in the Downtown. Approximately \$1,949,220 in new city-wide park fees, and \$1,042,440 in neighborhood park fees will be generated and specifically allocated to Downtown park improvements.

3.5.2 Parking In lieu Fee



To create a “Park-Once” philosophy within the Downtown, the **Downtown Code** establishes a parking in lieu fee program. With the adoption of the **Downtown Code**, the City Council has approved a parking in lieu fee that allows non-residential uses to meet their parking demand through the public realm parking provided within the Plan Area.

The initial fee shall be determined by the City Council and updated once yearly, based on the construction cost to the City and adjustments to the Construction Cost Index. Future yearly updates will be set by the Director. The fee is intended to be an incentive and will not necessarily recoup the cost of developing parking within the Downtown. The fee is to be paid to satisfy parking requirements in-lieu of providing any or all spaces on-site and shall be further discounted according to Table 3.5.1.

Parking In lieu Fee

Table 3.5.1

Required Parking Spaces	Fee for Parking Space
First Stall	10% of the in-lieu fee
Second Stall	25% of the in-lieu fee
Third Stall	50% of the in-lieu fee
Fourth Stall	75% of the in-lieu fee
Fifth Stall and beyond	100% of the in-lieu fee



Other provisions associated with the payment of the parking in-lieu fee program include:

- 1) Prior to issuance of a building permit, the developer shall enter into a parking in-lieu fee agreement to be reviewed and approved by the Director.
- 2) Before approving payment of a fee for in-lieu of providing off-street parking, the Director shall find:
 - a. That there is adequate capacity within the existing or planned public parking resources to accommodate the requested parking in-lieu off-site, and
 - b. The project benefiting from this approval is furthering the goals and policies of the Downtown Specific Plan and the General Plan relative to uses, revitalization, pedestrian amenities and design.
- 3) Funds collected by the city from in-lieu payment shall be deposited in a special fund and used only by the City to acquire and/or develop on-street or off-street parking and related facilities which are determined to alleviate the need for parking spaces in the Specific Plan Area.
- 4) Such parking will be available to the public and shall be developed per the provisions of the Downtown Specific Plan.
- 5) Funds paid to the City for in-lieu of parking shall not be refundable, except as otherwise provided by State law.
- 6) All in-lieu of parking fees shall be paid prior to the issuance of certificate of occupancy. In the case of multi-tenant buildings, the fees shall be calculated based on, and paid prior to, the issuance of certificate of occupancy for each individual tenant space.

3.6 Process Incentives

3.6.1 Review Process

Chapter 9 of the Specific Plan establishes the various approval processes that are being established in order to streamline the development process. As part of the fiscal analysis associated with the Visioning for Downtown, reducing the timeframes associated with processing projects was a key strategy identified to implement a successful revitalization effort. The following outlines the various modifications to the City's current review process that are meant to streamline the development process.



Park Fees:

Neighborhood and Community Park Fees

Ordinance No. 2178

Citywide Park Fee

Ordinance No. 2424

ORDINANCE NO. 2178

ORDINANCE OF THE COUNCIL OF THE CITY OF ROSEVILLE
ADDING CHAPTER 4.37 TO TITLE 4 OF THE ROSEVILLE
MUNICIPAL CODE, RELATING TO THE NEIGHBORHOOD AND COMMUNITY
PARK FEE
(URGENCY ORDINANCE)

THE CITY OF ROSEVILLE ORDAINS:

SECTION 1: Chapter 4.37 is hereby added to Title 4 of the
Roseville Municipal Code to read as follows:

CHAPTER 4.37

NEIGHBORHOOD AND COMMUNITY PARK FEE

4.37.010 Purpose.

The City Council finds and declares that the purpose of this chapter is as follows:

A. The General Plan of the City requires that the City be provided, in a time frame related to its development, with an adequate level of neighborhood and community park and recreation facilities so as to maintain 4 acres of developed neighborhood and community parks per 1,000 population.

B. New development, and the expansion of existing development, within the City imposes a burden on the existing park and recreation facilities by adding additional population and by creating a need for new neighborhood and community parks and recreation facilities. The cost of such facilities may vary by the location of the new development within the City.

C. Analysis of the land use expected at buildout of the City pursuant to the General Plan makes it possible to estimate the number of dwelling units to be generated, and the population generated by those dwelling units. It is also possible to determine which dwelling units will utilize which portions of such park and recreation infrastructure. It is therefore possible to construct a fee, based on dwelling unit generation, which equitably spreads the burden of neighborhood and community park and recreation facilities to those who will create the need for them and utilize them. It is the intent of this chapter to create such a fee, spreading costs of neighborhood and community park and recreation facilities to those who create the need for such facilities, without generating any surplus to the general fund. It is the further purpose of this chapter to implement the General Plan by assuring that adequate neighborhood and community park and recreation facilities are financed and provided to serve the City.

D. The Fee established by this chapter has been calculated in the manner set forth in the Study so as to pay for those Facilities listed in the Capital Improvement Program.

E. The Fee established by this chapter is in addition to any other fees or charges, or taxes, required by law as a condition of development, including, but not limited to, the Residential Construction Tax levied by Chapter 4.36 or any

[December 21, 1988 Revision]

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[Urgency Version]

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subsequent fee established for City-wide park and recreation facilities.

F. The Fee established by this chapter is to be collected for public improvements and facilities for which an account has been established and funds appropriated, and for which a proposed construction schedule has been adopted.

G. That the failure to impose the conditions and regulations of this chapter relating to payment of the Fee on building permits would jeopardize residents of the community, in that it would permit construction to proceed without adequate infrastructure or means of financing said infrastructure.

H. The requirement of this chapter to pay the Fee is necessary in order to assure compliance with the applicable Zoning Ordinance and General Plan requirements for the infrastructure funded by this chapter.

I. That for a period of greater than 10 days prior to adoption of this chapter, data has been available to the public and to developers and their representatives indicating the cost or estimated cost of all the infrastructure to be funded, the revenue sources anticipated and the means of spreading these costs.

J. That the City Council has considered the effect of the Fee imposed by this chapter with respect to the housing needs of the City as a whole and of the region, particularly as required by the Housing Element of the General Plan, and the City Council finds that this chapter does not unduly adversely affect the City's ability to provide for such needs.

K. That the establishment of the Fee is for the purpose of obtaining funds for capital projects, necessary to maintain service required by the General Plan within existing service areas and existing portions of the City which are developed or for which land use has already been granted.

16.37.020 Definitions.

The following words are defined for purposes of this chapter as follows:

A. "Building Permit" means the permit issued or required by the City for the construction of any dwelling unit pursuant to and as defined by the Building Code.

B. "Capital Improvement Program" means that list of proposed neighborhood and community park and recreation facilities, improvements, or infrastructure totaling \$8,434,276 (in 1988 dollars) prepared by the Department and attached to the Study as Exhibit "A".

C. "Department" means the Department of Parks and Recreation.

D. "Director" means the Director of the Department.

E. "Facilities" means those public neighborhood and community park and recreation facilities, land, improvements, or infrastructure shown and included on the Capital Improvement Program.

F. "Fee" or "Neighborhood and Community Park Fee" means the Fee established by this Chapter 4.37. The Fee shall be collected prior to the approval of any Building Permit. The Fee shall be used solely to finance the Facilities.

G. "Neighborhood and Community Park Funds" means those special interest-bearing funds established pursuant to Section 4.37.030.

H. "Study" means the study entitled "Proposed Park Fees for Specific Plan Areas" dated December 14, 1988 by the Director. The Study is on file in the Offices of the Director and the City Clerk. The Study includes a discussion of the Fee in the Infill and North Industrial Areas.

I. "Infill Area" means that portion of the City not within the Northeast, Northcentral, Northwest, or Southeast Roseville Specific Plan Areas, nor within the North Industrial Area.

J. "Dwelling Unit" means a building or part of a building designed for occupancy as a residence by one family.

K. "Single Family Dwelling" means a building designed for occupancy as a residence by one family, including without limitation, mobile homes.

L. "Multiple Family Dwelling" means a building designed for occupancy as a residence by two or more families, living independently of each other. Provided, that multiple family dwelling also includes forms of congregate living, including, without limitation, senior citizen homes, retirement homes, or boarding homes.

4.37.030 Establishment and Administration of Neighborhood and Community Park Funds.

The Finance Director is hereby directed to establish special interest-bearing funds entitled the Neighborhood and Community Park Funds. One such fund shall be established for each Specific Plan Area. In addition, one such fund shall be established for both the North Industrial Area and the Infill Area. All Fees collected pursuant to this chapter shall be deposited in the Neighborhood and Community Park Fund for the area from which it was collected and shall be expended solely to finance the Facilities planned for that area.

4.37.040 Payment of Neighborhood and Community Park Fee.

Except as otherwise provided by this chapter, the Fee imposed pursuant to this chapter shall be paid at or prior to the issuance of any Building Permit for a dwelling unit. Calculation of the Fee shall be determined in accordance with the Study and this chapter depending upon the location of the City in which development occurs, the type of development, and the extent of development.

4.37.050 Neighborhood and Community Park Fee -- Southeast Roseville Specific Plan Area.

The Fee in the Southeast Roseville Specific Plan Area shall be:

<u>Land Use Category</u>	<u>Amount of Fee</u>
Residential, Single Family Dwelling	\$265.00 per dwelling unit
Residential, Multiple Family Dwelling	\$198.00 per dwelling unit

4.37.060 Neighborhood and Community Park Fee -- Northeast Roseville Specific Plan Area.

The Fee in the Northeast Roseville Specific Plan Area shall be:

<u>Land Use Category</u>	<u>Amount of Fee</u>
Residential, Single Family Dwelling	\$293.00 per dwelling unit
Residential, Multiple Family Dwelling	\$216.00 per dwelling unit

4.37.070 Neighborhood and Community Park Fee -- Northcentral Roseville Specific Plan Area. [reserved]

4.37.080 Neighborhood and Community Park Fee -- Northwest Roseville Specific Plan Area.

The Fee in the Northwest Roseville Specific Plan Area shall be:

<u>Land Use Category</u>	<u>Amount of Fee</u>
Residential, Single Family Dwelling	\$124.00 per dwelling unit
Residential, Multiple Family Dwelling	\$104.00 per dwelling unit

4.37.090 [Reserved]

4.37.100 Neighborhood and Community Park Fee -- North Industrial and Infill Areas.

The Fee in the North Industrial and Infill Areas shall be:

<u>Land Use Category</u>	<u>Amount of Fee</u>
Residential, Single Family Dwelling	\$240.00 per dwelling unit
Residential, Multiple Family Dwelling	\$165.00 per dwelling unit

4.37.110 [Reserved]

4.37.120 Existing Development.

No Fee shall be charged for already existing development or for projects which rebuild or remodel without increasing the number of dwelling units.

4.37.130 Fee Adjustments.

A. A developer of any project subject to the Fee established by this chapter may apply to the Director for a reduction or adjustment to the Fee based upon the absence of any reasonable relationship or nexus between the impacts of the project and either the amount of the Fee or the Facilities to be financed by the Fee. The application shall be made in writing and filed with the Director not later than twenty (20) calendar days after notification of the amount of the Fee. The application shall state in detail the factual basis for the claim of reduction or adjustment and the amount of the proposed reduction or adjustment. The Director shall consider the application and render his decision in writing not later than

forty-five (45) calendar days after the filing of the Fee adjustment request. Any person aggrieved by the decision of the Director may, within twenty (20) calendar days thereafter, appeal the decision in writing to the City Council by filing an appeal with the City Clerk. The City Council shall consider such appeals within forty-five (45) calendar days after filing. The decision of the City Council shall be final. No Building Permit shall be issued for the project until the final decision pursuant to this section has been made. No application for a project shall be considered final or complete for purposes of the Permit Streamlining Act (Government Code Section 65920, et seq.), or any other purpose, until a final decision pursuant to this section has been made.

B. Notwithstanding the provisions of Subsection A, a project proponent or applicant may pay the Fee "under protest" and receive a Building Permit. Provided, however, that the application for reduction or adjustment shall thereafter be filed within ten (10) calendar days or any objection shall be deemed waived. If a reduction or adjustment is received after payment pursuant this subsection is made, a refund to the applicant shall be made of that amount by which the Fee is reduced or adjusted.

C. The project proponent or applicant applying for a reduction or adjustment shall have the burden of proof, by a preponderance of the evidence, that a reasonable relationship or nexus is lacking between the Fee, or the Facilities to be financed by the Fee, and the particular project.

D. In the event of any reduction or adjustment in the Fee granted pursuant to this section, any later change in the use, zoning, or land use designation for the property involved shall subject the then owner to payment of the then applicable Fee for such new uses, zoning, or land use designation, whether or not a Building Permit is required.

4.37.140 Inflationary Adjustments.

The Fee established by this chapter shall automatically be adjusted on January 1 of each calendar year by a percentage equal to the inflation rate for the prior year for construction costs as determined by the Director on December 1 of each calendar year. The Director's determination shall be based upon the Engineering News Record, Construction Cost Index for the calendar year as of December 1.

4.37.150 Adoption in Compliance with Capital Improvement Plan.

When the monies in the Neighborhood and Community Park Funds are disbursed for use, the Fees shall be used to finance the Facilities. To the extent sufficient Fees are available, all Facilities financed by the Fees shall be constructed or acquired in accordance with the priorities established in the Capital Improvement Program.

4.37.160 Chapter is Severable.

If any provision of this chapter or the application thereof to any person or circumstances held invalid, such invalidity shall not affect the other provisions of this chapter which can be given effect without the invalid provisions or its application, and to this end the provisions of this chapter are severable.

SECTION 2. Ordinance is Severable.

If any provision of this ordinance or the application thereof to any person or circumstances held invalid, such invalidity shall not affect the other provisions of this ordinance which can be given effect without the invalid provisions or its application, and to this end the provisions of this ordinance are severable.

SECTION 3. City-wide Park Fee. The City Council hereby declares its intention to adopt a fee to recover the costs of providing city-wide park and recreation facilities required by the General Plan. No building permit for a dwelling unit shall be issued unless the applicant shall agree, in writing, to be subject to such a City-wide Park Fee up to the amount of \$735.00 if it is adopted within one hundred and twenty (120) days of the effective date of this ordinance.

SECTION 4. Urgency Ordinance. This ordinance is declared to be an urgency measure, immediately necessary for the public peace, health and safety. It shall take effect immediately upon its adoption. A statement of urgency is as follows:

The extraordinarily rapid pace of development within the City necessitates immediate imposition of fees to fund the infrastructure to serve that development. Delay in adoption or the effective date of this ordinance would result in hundreds of building permits being issued without those permits bearing their fair share of costs.

SECTION 5. Posting. The City Clerk is hereby authorized and directed to post a true copy of the foregoing ordinance in each of three (3) conspicuous locations within the City and she shall immediately after such posting enter in the Ordinance Book, under the record of the ordinance, a certificate under her hand stating the time and place of said publication by posting.

PASSED AND ADOPTED by the Council of the City of Roseville this 4th day of January, 1989, by the following vote on roll call:

AYES COUNCILMEMBERS: Tom Chambliss, Phil Ozenick, John M. Byouk,
Mel Hamel, Bill Santucci

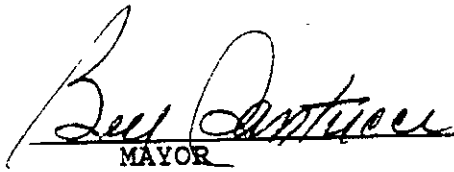
NOES COUNCILMEMBERS: None

ABSENT COUNCILMEMBERS: None

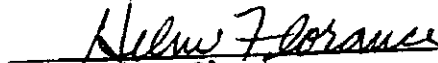
[December 21, 1988 Revision]

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[Urgency Version]


MAYOR

ATTEST:


City Clerk

This Ordinance amends the
Roseville Municipal Code. Case
fasten in codebook until
next update.

ORDINANCE NO. 2424

ORDINANCE OF THE COUNCIL OF THE CITY OF ROSEVILLE
AMENDING SECTIONS 4.38.020 AND 4.38.050 OF CHAPTER 4.38
OF TITLE 4 OF THE ROSEVILLE MUNICIPAL CODE, RELATING
TO CITY-WIDE PARK FEES

THE CITY OF ROSEVILLE ORDAINS:

Section 1: Sections 4.38.020 and 4.38.050 of Chapter 4.38
of Title 4 of the Roseville Municipal Code are hereby amended to
read as follows:

4.38.020 Definitions.

The following words are defined for purposes of this chapter
as follows:

A. "Building Permit" means the permit issued or required by
the City for the construction of any Dwelling Unit pursuant to
and as defined by the Building Code.

B. "Capital Improvement Program" means that list of
proposed City-wide park and recreation facilities, improvements,
or infrastructure totaling \$35,660,062 (in 1991 dollars) prepared
by the Department and attached to the Study as Exhibit "A".

C. "Department" means the Department of Parks and
Recreation.

D. "Director" means the Director of the Department.

E. "Facilities" means those city-wide park and recreation
facilities, land, improvements, or infrastructure shown and
included on the Capital Improvement Program.

F. "Fee" or "City-Wide Park Fee" means the Fee established
by this Chapter 4.38. The Fee shall be collected prior to the
approval of any Building Permit. The Fee shall be used solely to
finance the Facilities.

G. "City-Wide Park Fund" means the special interest-bearing
fund established pursuant to Section 4.38.030.

H. "Study" means both the study entitled "Proposed City-
wide Park Fees" dated March 3, 1989 and the study entitled
"Increase of the City-Wide Park Fee" dated March 14, 1991 by the
Director. The Study is on file in the Offices of the Director
and the City Clerk.

I. "Dwelling Unit" means a building or part of a building
designed for occupancy as a residence by one family.

J. "Single Family Dwelling" means a building designed for
occupancy as a residence by one family, including without
limitation, mobile homes.

K. "Multiple Family Dwelling" means a building designed for
occupancy as a residence by two or more families, living
independently of each other. Provided, that multiple family
dwelling also includes forms of congregate living, including,
without limitation, senior citizen homes, retirement homes, or
boarding homes.

L. "Credit" means a reduction in the Fee representing the pro-rata share of City-wide park lands already dedicated during approval or development of a development agreement for a specific plan.

4.38.050 Amount of City-Wide Park Fee.

The Fee shall be:

Land Use Category

Amount of Fee

Residential, Single Family Dwelling

\$1,195.50 per Dwelling
Unit

Residential, Multiple Family Dwelling

\$1,195.50 per Dwelling
Unit

SECTION 2. This ordinance shall be effective at the expiration of sixty (60) days from the date of adoption.

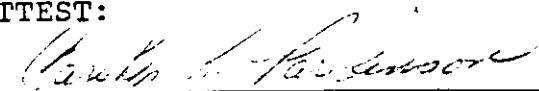
SECTION 3. The City Clerk is hereby directed to cause this ordinance to be published in full at least once within fourteen (14) days after it is adopted in a newspaper of general circulation in the City, or shall within fourteen (14) days after its adoption cause this ordinance to be posted in full in at least three (3) public places in the City and enter in the Ordinance Book a certificate stating the time and place of said publication by posting.

PASSED AND ADOPTED by the Council of the City of Roseville this 15th day of May, 1991, by the following vote on roll call:

AYES COUNCILMEMBERS: Bill Santucci, Harry Crabb, Jr., John Byouk,
Mel Hamel, Pauline Roccucci
NOES COUNCILMEMBERS: None
ABSENT COUNCILMEMBERS: None


MAYOR

ATTEST:


ASSISTANT City Clerk

Electric Backbone Impact Fee
Ordinance No. 5319

ORDINANCE NO. 5319

ORDINANCE OF THE COUNCIL OF THE CITY OF ROSEVILLE AMENDING
SECTIONS 4.54.010(D), (I), 4.54.020(B), (G), (H), 4.54.040, AND 4.54.050 OF
CHAPTER 4.54 OF TITLE 4 OF THE ROSEVILLE MUNICIPAL CODE REGARDING
ELECTRIC BACKBONE MITIGATION FEE

THE CITY OF ROSEVILLE ORDAINS:

SECTION 1. Sections 4.54.010(D), (I), 4.54.020(B), (G), (H), 4.54.040, AND 4.54.050 OF Chapter 4.54 of Title 4 of the Roseville Municipal Code are hereby amended to read as follows:

Chapter 4.54 ELECTRIC BACKBONE MITIGATION FEE

4.54.010 Purpose.

D. The fee established by this chapter has been calculated in the manner set forth in the Utility Financial Solutions (UFS) Consultant Study ("Study") so as to pay for those facilities listed in the capital improvement program.

I. That for a period of greater than 10 days prior to adoption of this chapter, data has been available to the public and to developers and their representatives indicating the cost or estimated cost of the entire infrastructure to be funded.

4.54.020 Definitions.

B. "Capital improvement program" means that list of proposed electric system facilities, improvements, or infrastructure totaling \$81,371,000 referenced in the 2013 UFS Study.

G. "Fee" or "electric backbone mitigation fee" or "backbone fee" means the fee established by this Chapter 4.54. The fee shall be collected prior to the approval of any building permit. The fee shall be used solely to finance the facilities. The fee as codified in this chapter has previously been imposed for the same purposes, pursuant to motion of the city council.

H. "Study" or "System Study" means the 2013 UFS Consultant Study. The Study is on file in the office of the city clerk.

4.54.040 Payment of electric backbone mitigation fee.

Except as otherwise provided by this chapter, the fee imposed pursuant to this chapter shall be paid at the time of permit and prior to a request for any electrical inspection. Calculation of the fee shall be determined on a per unit basis in accordance with the billing units defined in the UFS Consultant Study and Section 4.54.050 of this chapter, the number of single-family units, multifamily units, and general service customers (all other commercial/office/industrial types of development) service panel rating of the development. Descriptions of land use categories and type of development in this chapter, except as otherwise noted, are utilized in the same manner as in the city general plan.

4.54.050 Electric backbone mitigation fee.

The electric backbone mitigation fee shall be:

Type of Development	Amount of Fee
Apartments, condominiums, townhouses and mobile homes	\$469.22 per dwelling unit
Other residential units including single-family homes	\$645.18 per dwelling unit
General Service (all other commercial/office/industrial)	\$117.31 per kVA

The fee shall be subject to adjustments for inflation as provided in this chapter.

SECTION 2. This ordinance shall be effective as of July 1, 2014.

SECTION 3. The City Clerk is hereby directed to cause this ordinance to be published in full at least once within fourteen (14) days after it is adopted in a newspaper of general circulation in the City, or shall within fourteen (14) days after its adoption cause this ordinance to be posted in full in at least three (3) public places in the City and enter in the Ordinance Book a certificate stating the time and place of said publication by posting.

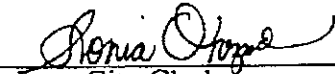
PASSED AND ADOPTED by the Council of the City of Roseville this 2nd day of April, 2014, by the following vote on roll call:

AYES	COUNCILMEMBERS:	Roccucci, Herman, Garcia, Gore, Rohan
NOES	COUNCILMEMBERS:	None
ABSENT	COUNCILMEMBERS:	None



MAYOR

ATTEST:



City Clerk

Solid Waste Impact Fee
Ordinance No. 4380

ORDINANCE NO. 4380

ORDINANCE OF THE COUNCIL OF THE CITY OF ROSEVILLE AMENDING SECTION
9.12.101 OF CHAPTER 9.12 OF TITLE 9 OF THE ROSEVILLE MUNICIPAL CODE
REGARDING SOLID WASTE IMPACT FEE

THE CITY OF ROSEVILLE ORDAINS:

SECTION 1. Section 9.12.101 of Chapter 9.12 of Title 9 of the Roseville Municipal Code is hereby amended to read as follows:

Section 9.12.101 Solid Waste Impact Fees.

A. Solid Waste Impact Fee Established. Each residential dwelling unit and/or commercial/industrial development to be serviced by City-owned containers collection shall pay a Solid Waste Impact Fee upon issuance of a building permit as described below. The fee is based on a "study" (Solid Waste Impact Fee Model), which is attached to the Council Communication, dated February 15, 2006, entitled Solid Waste Impact Fee.. Containers shall be delivered upon issuance of a certificate of occupancy for the unit/development by the chief building inspector.

1. Non-Commercial
 - a) Single Family Residential Dwelling Unit: \$410 per unit
 - b) Multi-Family Residential Dwelling Unit: \$139 per unit
2. Commercial/Industrial Development: \$0.34 per square foot

B. Ownership. The City shall retain ownership of the refuse containers. Persons owning or renting property served by such containers are responsible for the security of the containers. In the event of fire, theft, or other disappearance of container from the property a replacement container will be obtained from the City upon payment of the fee established in subsection A of this section. Persons owning or renting property served by such containers shall, upon vacating the premises, leave the primary container for the next occupant in a secure location upon the premises. Persons who have ordered an extra container shall, upon vacating the premises, call the City to have the extra container removed. Persons owning or renting property served by such containers are responsible for the appearance and cleanliness of the container.

C. Replacement Containers. A replacement container may be obtained upon payment of the fee established in subsection A of this section. Replacement of a container no longer usable due to normal wear shall not be subject to a replacement fee.

SECTION 2. This ordinance shall be effective at the expiration of thirty (30) days from the date of adoption.

SECTION 3. The City Clerk is hereby directed to cause this ordinance to be published in full at least once within fourteen (14) days after it is adopted in a newspaper of general circulation in the City, or shall within fourteen (14) days after its adoption cause this ordinance to be posted in full in at least three (3) public places in the City and enter in the Ordinance Book a certificate stating the time and place of said publication by posting.

PASSED AND ADOPTED by the Council of the City of Roseville this 19th day of
April, 2006, by the following vote on roll call:

AYES	COUNCILMEMBERS:	Gray, Allard, Roccucci, Rockholm, Garbolino
NOES	COUNCILMEMBERS:	None
ABSENT	COUNCILMEMBERS:	None


MAYOR

ATTEST:


City Clerk

**Development Agreement Fees
Imposed Since 2004**

Water Meter Retrofit/Conservation Program

Ordinance No. 4001

ORDINANCE NO. 4001

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ROSEVILLE ADDING SECTION 14.04.100 OF CHAPTER 14.04, AND CHAPTER 14.07, AMENDING SECTIONS 14.08.020, 14.08.090, 14.08.091, 14.08.105, 14.08.106, 14.08.125, AND 14.08.126 OF CHAPTER 14.08, AND SECTION 14.16.100 OF CHAPTER 14.16 AND DELETING SECTION 14.08.110 OF CHAPTER 14.08 OF TITLE 14 RELATING TO WATER AND WASTEWATER ISSUES AND THE WATER METER RETROFIT PROGRAM

THE CITY OF ROSEVILLE ORDAINS:

SECTION 1. Section 14.04.100 of Chapter 14.04 of Title 14 of the Roseville Municipal Code is hereby added to read as follows:

Section 14.04.100 Billing for metered water services on multi-family parcels

As part of the meter retrofit program, billing for water services will be as follows:

- A. Multiple dwelling units on a single assessor parcel operating off of a single water service line.
 - 1. For a water service feeding three or less dwelling units, a monthly service charge based on the meter size will be established for each connection and residential metered water rates will be used to bill commodity charges.
 - 2. For a water service feeding more than three dwelling units, a monthly service charge based on meter size will be established and non-residential metered water rates will be used to bill commodity charges.
- B. Multiple water services serving a single dwelling unit, or multiple parcels maintained as a single residence.
 - 1. A monthly service charge based on the meter size will be established for each connection.
 - 2. Residential metered water rates will be used to bill commodity charges.
- C. Multiple units on multiple assessor parcels operating off of a single water service line.
 - 1. In the event a water service line serves two or more dwelling units on two or more parcels, the billing charges will be determined by the Environmental Utilities Director.
- D. Multiple privately owned units operating off of a common water system (such as, but not limited to, condominiums).
 - 1. Each owner unit will receive a flat-rate water bill. The flat rate will be calculated based on the amount due for the prior year's usage for the entire complex (not limited to a building or unit within the complex). The Environmental Utilities Director has the authority to calculate the rate each June using the prior twelve months of usage ending in April. The amount will be calculated as follows:
 - i. A monthly service charge based on the meter size for each connection.
 - ii. Non-residential water rates will be used to calculate commodity charges.

- iii. The monthly amount billed to each unit will be the total amount due for all meters and backflow maintenance and repair for the complex for the prior year, divided by the total number of units, divided by 12 months.
 - iv. If an owner (or owners) is/are delinquent, the unpaid balance will be collected through the use of all available legal means.
 - v. The water rates used will be the rates in effect on June 1st.
 - 2. The usage used to calculate the flat rate will include all usage to the complex including landscape irrigation, pools and common areas.
 - 3. The City will not adjust the rate to accommodate differences in dwelling size or occupancy.
 - 4. Each property owner, whether the dwelling is occupied or vacant, is required to maintain water service.
- E. Mobile home parks with a private on-site water system and metered as part of the retrofit program.
- 1. Each dwelling owner will receive a flat-rate water bill. The flat rate will be calculated based on the amount due for the park for the prior year's usage. The Environmental Utilities Director will calculate the rate each June using the prior twelve months of usage ending in April. The amount will be calculated as follows:
 - i. A monthly service charge based on the meter size for each connection.
 - ii. Non-residential water rates will be used to calculate commodity charges.
 - iii. The monthly amount billed to each unit will be the total amount due for all meters and backflow maintenance and repair for the park for the prior year, divided by the total number of mobile home pads, divided by 12 months.
 - iv. If a bill recipient is delinquent, the unpaid balance will be collected through the use of all available legal means.
 - v. The water rates used will be the rates in effect on June 1st.
 - 2. The usage used to calculate the flat rate will include all usage to the park including landscape irrigation, pools and common areas.
 - 3. The City will not adjust the rate to accommodate differences in dwelling size or occupancy.
 - 4. The dwelling owner, if the dwelling is vacant, is required to maintain water service. If the mobile home pad is not leased, the bill will be the responsibility of the owner of the mobile home park.
- F. Apartment complexes with a private on-site water system.
- 1. A monthly service charge based on the meter size will be established for each connection.
 - 2. Non-residential metered water rates will be used to bill commodity charges.
 - 3. The City will not provide individual water bills or allocate bills to individual occupants/users.

SECTION 2. Chapter 14.07 of Title 14 of the Roseville Municipal Code is hereby added to read as follows:

Chapter 14.07 Water Meter Retrofit Program

Section 14.07.010 Definitions

For the purposes of this chapter, the following are defined as:

- A. "Director" means the Environmental Utilities Director of the City.
- B. "Single-family parcel" means a single dwelling unit with one water service line and only one service connection point on a single assessor's parcel.
- C. "Multi-family parcel" means more than one dwelling unit operating off of one or more shared water service lines on a single assessor's parcel. (Excludes apartments, condominiums, and mobile home parks).
- D. "Apartment complex" means a complex where multiple dwelling units are located on a single parcel and dwelling units are not owned individually.
- E. "Condominium complex" means a complex where dwelling units are individually owned.
- F. "Private water system" means a water system where the service lines and related equipment are owned and maintained by the property owner.
- G. "Public water system" means a water system where the service lines and related equipment are owned and maintained by the City.
- H. "Master meter" means a meter that services more than one dwelling unit on a private water system.
- I. "Sub-metering" means breaking a master meter into components based on individual on-site meters.

Section 14.07.020 General meter retrofit installation provisions

- A. Installation of a water meter will be made at the separation of the public and private system within the public easement.
- B. City will install meter sized to meet anticipated demands based on owner direction.
- C. Meter installation work will be completed by the City of Roseville.
- D. The owner of the real property served by the City shall be charged with, and personally responsible for, all associated costs related to the installation of a water meter, or meters, on owned property and for any subsequent water meter surcharge.
- E. Each parcel shall have at least one metered service connection regardless of the number of dwelling units served.
- F. If owner chooses to abandon a water service line the City will disconnect it from the City's system.
- G. Sub-meters will not be utilized for billing by the City.

Section 14.07.030 Multi-family parcel meter installations

- A. Multiple units on a single assessor parcel operating off of a single water service line.
 - 1. A single meter will be installed on the existing water service line within the right of way (at existing curb stop).
 - 2. If requested by owner, the City can install additional meters at the property line within the public utility easement. Owner will be responsible for additional meter

installations. Full payment of meter installation cost is due upon installation. A ten-year repayment plan may be authorized by the Director, as provided in 14.07.050.

3. If multiple water services exist, the owner may combine the services to a single water service. The owner is responsible for combining the services and abandoning on site services where no meter will be installed.
 4. If multiple surcharges are currently being billed, but fewer meter installations are actually installed, a refund (up to a maximum of 12 months) will be made for surcharges paid over and above the number of actual installations made.
- B. Multiple water services serving a single dwelling unit, or multiple parcels owned by a single owner and maintained as a single residence.
1. Connections at each parcel will be verified by City.
 2. The owner shall identify which connection(s) a meter will be installed on.
 3. If multiple water services exist, the owner may combine the services to a single water service. The owner is responsible for combining the on-site services and abandoning on site services where no meter will be installed.
 4. If multiple connections exist, the installation will be evaluated for cross connection control. Meter setters with dual check assemblies may be required, requiring the owner to install a thermal expansion relief to the system.
 5. If property owner requests additional services, full payment of meter installation costs for these additional services is due upon installation. An alternate payment plan may be authorized by the Finance Director.
- C. Multiple units on multiple assessor parcels operating off of a single water service line.
1. A single meter will be installed on the existing service line and additional meters, one for each parcel, will be installed at the property line within the public utility easement.
 2. The property owner will be required to connect additional service lines and make whatever separation is required on site (including obtaining the proper building permit).
 3. If separation is not completed, the owner of the property served through the adjacent parcel will be required to separate the on-site services upon any improvements to the property that would result in a water/sewer tenant improvement or upon sale of the property.
 4. A ten-year repayment plan may be authorized by the Director, as provided in 14.07.050.
- D. Multiple privately owned units operating off of a common (either public or private) water system (such as, but not limited to, condominiums).
1. One or more master meters will be installed at the separation between the public and private systems but within the existing public utilities easement.
 2. Multiple points of connection will require multiple meter installations.
 3. Cross connection surveys will be completed by City to determine the degree of hazard involved. Appropriate backflow prevention shall be installed by City with the meter improvements. This may require the owner to install a pressure relief feature on the water system.
 4. A surcharge will be calculated based on the actual cost of metering and cross connection control. The total cost will be amortized over 10 years using the 5-

year average City pooled investment interest rate. The annual amount due will be divided on a per unit basis and billed to each unit owner monthly.

- E. Mobile home parks with a private on-site water system.
 - 1. One or more master meters will be installed at the separation between the public and private systems but within the existing public utilities easement.
 - 2. Multiple points of connection will require multiple meter installations.
 - 3. Cross connection surveys will be completed by City to determine the degree of hazard involved. Appropriate backflow prevention shall be installed by City with meter improvements. This may require the owner to install a pressure relief feature on the water system.
 - 4. Mobile home park owner is responsible for the cost of meter installation and system modification, if required.
 - 5. Payment terms for meter installation services will be arranged between the owner and the Finance Director.
- F. Apartment complexes with a private on-site water system.
 - 1. One or more master meters will be installed at the separation between the public and private systems but within the existing public utilities easement.
 - 2. Multiple points of connection will require multiple meter installations.
 - 3. Cross connection surveys will be completed by City to determine the degree of hazard involved. Appropriate backflow prevention shall be installed by City with meter improvements. This may require the owner to install a pressure relief feature on the water system.
 - 4. Mobile home park owner is responsible for the cost of meter installation and system modification, if required.
 - 5. Payment terms for meter installation services will be arranged between the owner and the Finance Director.

Section 14.07.050 Meter Retrofit Program.

- A. Surcharges for the meter retrofit program shall be imposed on each single-family and multi-family parcel based on the number of meters installed.
- B. The water meter surcharge and related water bill is the responsibility of the property owner.
- C. In order to account for the cost of retrofitting meters throughout the community, pursuant to federal mandate, the following rates are hereby imposed:
 - 1. Already metered: \$0.00/mo.
 - 2. Meter-ready: \$1.58/mo.
 - 3. Full meter retrofit: \$7.20/mo.
 - 4. Nonresidential customers: \$0.00/mo./DUE.
 - 5. Under certain circumstances, the surcharge will be based on actual cost of meter installation as identified within this chapter.
- D. For the purposes of this section "meter-ready" shall mean those services which have been made meter-ready by installation of a meter box and meter setter per city standards. Services made meter-ready by the city shall be charged according to the full meter retrofit rate.

E. For purposes of this section, "non-residential customers" shall be defined as commercial, industrial, manufacturing, or other non-residential land uses including residential complexes. Actual costs associated with meter installation will be due from these "non-residential customers" upon meter installation.

Section 14.07.060 Low-income meter retrofit surcharge reduction.

- A. Effective July 1, 2001, any household with total income no greater than that specified by the U.S. Department of Housing and Urban Development as "very low income" may apply for a fifty percent reduction in the water meter retrofit surcharge as charged under the provisions of Section 14.08.106. Applications for a reduced surcharge shall be on forms supplied by the City. All information required to be given on such forms shall be supplied by the applicant on behalf of the household under penalty of perjury.
- B. A reduced surcharge shall be granted a qualifying household which files applications with the Finance Director. A change of address terminates the reduction provided in this section, but a new application at a new address may be made and the reduced surcharge rate shall be allowed, if the requirements set out in this section are satisfied.
- C. For the purposes of this section, a "qualifying household" is defined as any household which owns and currently resides at the address for which application is made, with a verifiable gross household income no greater than that specified by the U.S. Department of Housing and Urban Development as "Very Low Income" for Placer County.
- D. The reduced surcharge will apply to future utility bills for the premises occupied by the applicant at the time of application. The reduction will not be applied retroactively.
- E. The reduction provided in this section may be allowed in addition to the senior citizen rate reduction provided under Section 14.08.120.

Section 14.07.070 Prepayment of meter retrofit surcharge.

- A. Effective with the inclusion of the meter retrofit surcharge on the monthly utility bill as provided in Section 14.08.106, the remaining meter retrofit surcharge due may be paid in full. The prepayment will be in accordance with a schedule discounting the monthly surcharge using a five and five tenths percent (5.5%) discount rate.
- B. The prepayment will apply to the balance of the surcharge assigned to a premises. A change of address will not result in a credit for prior prepayment. If a surcharge has been assigned to the new premises, it will not be affected by a prepayment on a prior premises.
- C. Prepayments may not be required as a result of sale or exchange of a residence.
- D. Prepayments will be made to the utility billing office of the finance department.

SECTION 3: Sections 14.08.020, 14.08.090, 14.08.091, 14.08.105, 14.08.106, 14.08.110, 14.08.125 and 14.08.126 of Chapter 14.08 of Title 14 of the Roseville Municipal Code are hereby amended to read as follows:

Section 14.08.020 Service connections-Application-Costs.

- A. The water division shall install service connections and lay service pipes up to the coterminous of the public easement or interest in land and the property of the applicant, except in

the case of improvements installed pursuant to the subdivision regulations, all of which improvements shall be the sole responsibility of the developer. Ordinarily, such service pipes shall terminate within two feet in back of a sidewalk. Where there is no sidewalk, the location of the terminal of the service pipes shall be determined by the Environmental Utilities Director based upon where a sidewalk would ordinarily be located. The responsibility of the city with respect to maintenance of such service connections and service pipes shall not extend, in any case, beyond the terminal of the service pipes or located of the water meter if one is installed.

B. The size of such service connections and pipes shall be determined by the applicant by reference to the Uniform Plumbing Code. The Environmental Utilities Director is not responsible for verifying the calculations and is not responsible for any pressure problems related to improperly sized services.

C. Prior to the installation of such service connections and pipes, the applicant shall pay to the city the estimated costs of installation.

D. The cost of installation shall be established by the Environmental Utilities Director or his designee, based upon the estimated costs of labor, materials, equipment costs and rentals, and administrative costs. Upon the completion of an installation and approving inspection of any connection, the director or his designee shall refund any amounts collected with the application which exceed the actual costs.

Section 14.08.090 Service charges for metered service

There shall be due and payable the following monthly charges, upon submission of the bill by the City to the owner of the property supplied with service, for all treated water measured by meters for residential, commercial, industrial and manufacturing or other purposes:

A. Monthly Quantity Rates.

		Inside City	Outside City
1.	Residential Accounts		
	First 1,200 cu. ft.	0.22 per 100 cu. ft.	.35 per 100 cu. ft.
	Next 3,800 cu. ft.	0.44 per 100 cu. ft.	.71 per 100 cu. ft.
	Over 5,000 cu. ft.	0.66 per 100 cu. ft.	1.05 per 100 cu. ft.
2.	Non-residential Accounts		
	All water use	0.44 per 100 cu. ft.	.71 per 100 cu. ft.

B. Monthly Service Charges.

Meter Size (Inches)	Peak Flow Rate (gallons per minute)	Inside City	Outside City
5/8	20	\$ 10.35	\$ 16.60
3/4	30	10.35	16.60
1	50	16.70	26.70
1-1/2	100	32.20	51.50
2	160	50.85	81.40
3	350	94.55	151.30
4	600	157.40	251.80
6	1250	312.30	499.70
8	1800	500.20	800.30
10	2900	718.60	1149.70
12	4300	1342.00	2147.20

C. The total amount due and payable shall be the sum of the monthly service charge plus the quantity rate. The monthly service charge is due and payable regardless of whether water has been consumed. The service charge shall be the greater of the charge based on the meter size or flow rate. No service charge shall be made for fire service that has backflow prevention with detector check devices approved by the Environmental Utilities Director.

D. For purposes of charging for treated water measured by meters:

1. A residential account is defined as a single metered water service which serves three or less dwelling units.
2. A nonresidential account is defined as a single metered water service which serves more than three dwelling units, or serves commercial, industrial, manufacturing, irrigation or other nonresidential land uses.

Section 14.08.091 Service charge outside city limits.

Charges for water service delivered outside the corporate limits of the city will be at a rate 60% higher than the customers residing within City of Roseville City limits.

Section 14.08.105 Installation of water meters-New Construction

- A. New Construction. A water meter shall be required for all residential dwelling units for which a building permit was issued after January 1, 1992.
- B. Installation and Location.

Out. 4201

1. All water meters and metering equipment will be supplied and installed by the City upon the service premises at a location approved by the Environmental Utilities Director.
 2. The following charges for water meter installation shall be made:
 - a. A seventy-five dollar (\$75.00) labor charge for installation shall be paid by the applicant for service prior to installation. The labor charge shall be increased by the Finance Director as labor costs increase, as reflected in the adoption of the City's salary ordinances.
 - b. A meter supply charge shall be paid by the applicant for service prior to installation. The meter supply charge shall be equal to the per meter amount of the most recent water meter bid awarded by the City.
 - c. In addition to the direct meter supply charge, additional charges any apply for meter appurtenances as required by the Environmental Utilities Director. This includes, but is not limited to, features required to make meter ready for remote reading.
 - d. A seventy-five dollar (\$75.00) water quantity charge per unit for water use during construction of residential units shall be paid by the applicant prior to meter installation. The water quantity charge shall be increased by the Environmental Utilities Director to reflect increases in water supply rates.
 3. All water meters shall be safely accessible to authorized employees of the City at all times for inspection, testing and reading.
 4. The City may require a customer to relocate a metering installation, at customer's expense, if any existing water meter location becomes inaccessible or for other operational needs.
 5. Property owners of condominium and apartment complexes are liable for costs to install meters on their property upon receipt of bill for such services.
- C. Rights of Access.
1. The City shall have the right of access to the customer's premises, at all reasonable hours for any purpose related to the furnishing of water service including, but not limited to meter reading, testing, inspection, construction, maintenance and repair of meter.
 2. Service may be refused or disconnected if permanent safe accessibility is not provided by the customer.
 3. Upon termination of service, the City shall have the right of access to the service premises to remove the water meter.
- D. Customer Responsibilities.
- It shall be the duty of each customer upon whose premises the city has installed a water meter to ensure that such meters are not damaged, destroyed or interfered with and, in the case of any defect in any such meter, to notify the city. The customer is also responsible for keeping the meter box clear and accessible for reading and maintenance by keeping landscape and other improvements from covering or encroaching over the meter box.
- E. Metered Water Rate.
- New services installed after January 1, 2002 will be placed on a metered water rate.

SECTION 4. Section 14.08.110 of Chapter 14.08 of Title 14 of the Roseville Municipal Code is hereby deleted.

Ord. 4001

SECTION 5. Sections 14.16.100.2 of Chapter 14.16 of Title 14 of the Roseville Municipal Code is hereby amended to read as follows:

Section 14.16.100.2 Low strength-low quantity commercial or industrial users.

A. For commercial or industrial users described in subsection A of Section 14.16.100.1, sewer units are as follows:

1. Special low-density use, one per five employees or fraction:
 - a. Parking garages,
 - b. Warehouses,
 - c. Storage facilities;
2. Low-density users, one-sixth per one thousand square feet:
 - a. Churches (without kitchen, meeting hall),
 - b. Low-usage retail stores:
 - Hardware stores
 - Appliance stores
 - Furniture stores
3. Medium-density users, one-third per one thousand square feet:
 - a. Theaters,
 - b. Offices,
 - c. Auditoriums, halls, lodges,
 - d. Retail stores,
 - e. Schools (without cafeterias or gymnasiums),
 - f. Banks, financial offices,
 - g. Bowling/entertainment centers (without kitchen);
4. High-density users, two-thirds per one thousand square feet:
 - a. Barber/beauty shops (with lavatories),
 - b. Bars,
 - c. Medical/dental offices,
 - d. Schools (with cafeterias or gymnasiums),
 - e. Service stations,
 - f. Sports/fitness centers;
5. Special commercial users:
 - a. Carwashes (per automatic washing stall), eight units,
 - b. Carwashes (per self-service stall), two units,
 - c. Laundromats, two-thirds per washer,
 - d. Markets (without disposal), two-thirds per one thousand square feet,
 - e. Markets (with disposal), two per one thousand square feet,
 - f. Restaurants, bakeries, cafes, two per one thousand square feet,
 - g. Mortuaries two per one thousand square feet,
 - h. Hospitals, one-half per licensed bed,
 - i. Resthome/convalescent hospital, one-third per licensed bed;
6. Other commercial or industrial users, based on study by the Environmental Utilities Director.

B. General Regulations:

1. Not less than one connection per building.
2. Special provisions can be made within each category where, in the judgment of the city Environmental Utilities Director, application of ordinance produces inequities or irregularities requiring revision.
3. Prescribed connection charges apply only to the particular uses listed; where multiple uses, within the meaning of the connection charge ordinance, are contained in the same structure, the city Environmental Utilities Director, at his discretion, will allocate the respective square footage or employment dedicated to each use, and will determine a composite collection charge composed of the respective collection charges for each such use.
4. Classification of shell buildings having no use when connecting to the sewage system shall be determined based on the judgment of the city Environmental Utilities Director based on building permit data, applicable zoning, and plans of the developer. Subsequent modifications to such buildings may result in reclassification and the assessment of additional incremental charges. No refunding of previously paid connection charges will be made where modifications are made to any structure which place it in a classification with a lower connection charge rates.

SECTION 6. This ordinance shall be effective at the expiration of thirty (30) days from the date of adoption.

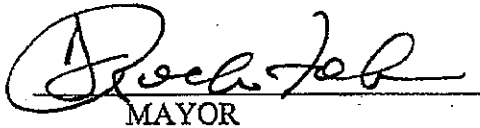
SECTION 7. The City Clerk is hereby directed to cause this ordinance to be published in full at least once within fourteen (14) days after it is adopted in a newspaper of general circulation in the City, or shall within fourteen (14) days after its adoption cause this ordinance to be posted in full in at least three (3) public places in the City and enter in the Ordinance Book a certificate stating the time and place of said publication by posting.

PASSED AND ADOPTED by the Council of the City of Roseville this 5th day of November, 2003, by the following vote on roll call:

AYES COUNCILMEMBERS: John Allard, Richard Roccucci, Jim Gray, Gina Garbolino, Rocky Rockholm

NOES COUNCILMEMBERS: None

ABSENT COUNCILMEMBERS: None


MAYOR

ATTEST:


City Clerk

**Sierra Vista Specific Plan Infrastructure Fee
Ordinance No. 5392**

ORDINANCE NO. 4932

**ORDINANCE OF THE COUNCIL OF THE CITY OF ROSEVILLE
ADDING CHAPTER 4.47 TO TITLE 4 OF THE ROSEVILLE MUNICIPAL CODE
RELATING TO THE SIERRA VISTA SPECIFIC PLAN MITIGATION FEE**

THE CITY OF ROSEVILLE ORDAINS:

SECTION 1. Chapter 4.47 of Title 4 of the Roseville Municipal Code is hereby added to read as follows:

Chapter 4.47

Sierra Vista Specific Plan Mitigation Fee

4.47.010	Purpose.
4.47.020	Definitions.
4.47.030	Establishment and Administration of SVSP Mitigation Fund.
4.47.040	Payment of SVSP Mitigation Fee.
4.47.050	Sierra Vista Plan Area and Owner Subarea Boundaries.
4.47.060	Residential Land Uses
4.47.070	SVSP Fee—CG Barbaccia Trust.
4.47.080	SVSP Fee—MILLC (Connely).
4.47.090	SVSP Fee—DF Properties.
4.47.100	SVSP Fee—Westpark Federico/MILLC.
4.47.110	SVSP Fee—MILLC (Bagley).
4.47.120	SVSP Fee—MILLC (Computer).
4.47.130	SVSP Fee—MILLC (Wealth).
4.47.140	SVSP Fee—Baseline P&R LLC.
4.47.150	SVSP Fee—Baybrook LP.
4.47.160	(Reserved.)
4.47.170	Existing development.
4.47.180	Fee challenges.
4.47.190	Annual Fee adjustments.
4.47.200	Adoption in compliance.
4.47.210	Chapter is severable.

Section 4.47.010 Purpose.

The City Council finds and declares that the purpose of this chapter is as follows:

- A. The General Plan of the City requires that new development within the City be provided, in a time frame related to its development, with an adequate level of public infrastructure so as to maintain adequate levels of public services and not adversely impact other areas.

- B. Development within newly approved specific plan areas of the City creates a need for additional public improvements to serve such specific plans. Such burdens may vary by the type of land use. Such burdens should be shared equitably between the areas of a specific plan approved for development.
- C. Analysis of the approved land uses within the Sierra Vista Specific Plan ("SVSP" or "Specific Plan") makes it possible to estimate the burden or need for various public improvements generated by different types of land uses. Analysis of the land use expected at buildout within the SVSP pursuant to the SVSP and the General Plan makes it possible to estimate the type and amount of public improvements and dedicated City park land necessary to support that additional land use. It is therefore possible to construct a fee, imposed on new development within the SVSP (excluding the portion thereof designated as Urban Reserve, for which no land use entitlements have been approved), which equitably spreads the burden of public improvements and park land dedication to development within the SVSP which creates the need for them. It is the intent of this chapter to create such a fee, spreading costs of public improvements and City Park Land dedication equitably to development within the SVSP which creates the need for such required public improvements and park land dedication, without generating any surplus to the general fund.
- D. The Fee established by this chapter has been calculated in the manner set forth in the Study, as hereinafter defined, so as to pay for those required public improvements and City park land dedication listed and identified in the Study and equitably allocate the costs and burdens thereof throughout the areas approved for development within the SVSP (excluding the portion thereof designated as Urban Reserve).
- E. The Fee established by this chapter is in addition to any other fees or charges required by law as a condition of development.
- F. The Fee established by this chapter is to be collected for public improvements, City park land dedication, and administration of the Fee, for which an account, with separate sub-accounts, has been established.
- G. That the failure to impose the conditions and regulations of this chapter relating to payment of the Fee on building permits (or small-lot final maps for single-family development, when applicable) would jeopardize the purpose of this Fee to equitably spread the costs and burdens of providing the required public improvements and City park land dedication throughout the Specific Plan, which will promote development of the Specific Plan as planned to the benefit of the future residents of the Specific Plan.
- H. The requirement of this chapter to pay the Fee for new development within the SVSP is necessary in order to assure compliance with the applicable zoning ordinance and general plan requirements for the public improvements and dedicated City park land funded by this chapter.

- I. That for a period of greater than 10 days prior to adoption of this chapter, data has been available to the public and to developers and their representatives indicating the cost or estimated cost of all the required public improvements and dedicated City park land to be funded, the revenue sources anticipated, and the means of spreading these costs.
- J. That the City Council has considered the effect of the Fee imposed by this chapter with respect to the housing needs of the City as a whole and of the region, particularly as required by the housing element of the General Plan, and the City Council finds that this chapter does not unduly adversely affect the City's ability to provide for such needs.
- K. That the establishment of the Fee is for the purpose of equitably sharing the costs and burdens of development throughout the Specific Plan, thereby promoting the financing of the capital projects necessary to provide and maintain the facilities required by the SVSP and the General Plan to serve the portion of the SVSP for which land use has been granted by the City.

Section 4.47.020 Definitions.

The following words are defined for purposes of this chapter as follows:

- A. "Administration" means the administration of this Fee by the City and/or its consultants in accordance with the Study and this chapter.
- B. "Administrator" means the administrator employed or retained by the City of Roseville for organizing, monitoring and administering this Fee.
- C. "Building permit" means the permit issued or required by the city for the construction of any structure pursuant to and as defined by the building code.
- D. "City Park Land" means the approximately 40-acre property within the Specific Plan to be dedicated to the City for a community park.
- E. "Fee" or "SVSP Fee" means the fee established by this Chapter 4.47. The Fee shall be collected prior to the approval of any building permit, or, if any Fee Reimbursements are then outstanding, prior to the approval of any Small-Lot Final Map for any single family residential development. The Fee shall be used solely to finance the Improvements and the City Park Land.
- F. "Fee Credit and Reimbursement Agreement" means an agreement between an SVSP developer and the City to provide Fee credits and/or Fee Reimbursements, to be funded solely by the Fee, in exchange for the construction of Improvements by the developer.
- G. "Fee Reimbursement" means a reimbursement to be paid to a developer from the Fee for financing the construction of Improvements pursuant to a Fee Credit and Reimbursement Agreement.

- H. "Improvements" means those public improvements or infrastructure shown and included in the Study, including ancillary appurtenances.
- I. "Public Facilities" means buildings or other improvements owned or to be owned by the City of Roseville, Placer County, school district, or other public entity or utility.
- J. "SVSP Mitigation Fund" means that special interest-bearing fund, including the sub-accounts thereof dedicated to fund the costs of Administration, City Park Land, and Improvement, established pursuant to Section 4.47.030.
- K. "Small-Lot Final Map" means a final subdivision map recorded in accordance with the Subdivision Map Act that creates lots upon which Building permits may be issued for the construction of single-family homes.
- L. "Study" means the "Sierra Vista Specific Plan Fee Program Nexus Study" prepared by Economic and Planning Systems, Inc., and dated March 2011, as may be updated from time to time by the City to support adjustments to the Fee. The Study and any fee update(s) are and shall be maintained on file in the office of the city clerk.

Section 4.47.030 Establishment and Administration of SVSP Mitigation Funds.

The finance director is directed to establish a special interest-bearing fund entitled the SVSP Mitigation Fund and to establish three (3) separate sub-accounts thereof to fund the costs of Administration, Improvements and City Park Land. All Fees collected pursuant to this chapter shall be deposited in the appropriate sub-accounts of the SVSP Mitigation Fund and expended solely to finance Administration, Improvements and City Park Land, as applicable.

Section 4.47.040 Payment of SVSP Mitigation Fee.

Except as otherwise provided by this chapter, the Fee imposed pursuant to this chapter shall be paid at or prior to the issuance of any building permit within the SVSP. If a Fee Reimbursement is then outstanding pursuant to a Fee Credit and Reimbursement Agreement when an owner seeks to record a Small-Lot Final Map for single-family development, the Fee imposed pursuant to this chapter shall be paid at or prior to the recordation of such Small-Lot Final Map, in accordance with the Study.

Calculation of the Fee shall be determined in accordance with the Study and this chapter depending upon where within the SVSP such development occurs, the type of development, and the extent of development. Descriptions of land use categories in this chapter, except as otherwise noted in the Study or the SVSP, are utilized in the same manner as in the General Plan. Portions of the Specific Plan planned for Public Facilities and for church use are exempt from the Fee.

Section 4.47.050 Sierra Vista Plan Area and Owner Subarea Boundaries.

The boundaries of the Sierra Vista Plan Area, excluding the portion thereof designated as Urban Reserve, and the Owner Subareas thereof responsible for payment of the Fee, are established as shown on that certain map entitled "Sierra Vista Specific Plan Owner Subarea Map," which is on file in the office of the city clerk and the Administrator and is incorporated herein by reference.

Section 4.47.060 Residential Land Uses

Consistent with the designations in the Specific Plan for the different types of residential uses within the Specific Plan, the abbreviations applied to the residential uses in the Fee Tables below mean the following: LDR: 0.5 to 6.9 units/acre; MDR: 7.0 to 12.9 units/acre; HDR: 13.0 or more units/acre; and MU: residential units within mixed use developments.

Section 4.47.070 SVSP Mitigation Fee — CG Barbaccia Trust.

The Fee in that portion of the SVSP which is in the CG Barbaccia Trust Owner Subarea shall be:

Land Use	Residential				Nonresidential		
	LDR	MDR	HDR	MU	CC	BP	MU
				[1]	[1]	[1]	[1]
Net Fee Rates	<i>per unit</i>	<i>per unit</i>	<i>per unit</i>	<i>per unit</i>	<i>per sq. ft.</i>	<i>per sq. ft.</i>	<i>per sq. ft.</i>
City Park Land Fee	\$933	\$797	\$661	\$661	\$0.00	\$0.00	\$0.00
Infrastructure Fee	\$14,963	\$13,242	\$8,262	\$7,763	\$15.17	\$16.02	\$15.17
Administration Fee (Gross) @ 2%	\$276	\$243	\$150	\$155	\$0.30	\$0.32	\$0.30
Total SVSP Fee	\$16,172	\$14,282	\$8,073	\$8,579	\$15.47	\$16.34	\$15.47

"Fee_CGB"

[1] Equals unadjusted gross infrastructure fee amount because this ownership entity does not currently have any of this type of land use within its area. Amounts would be adjusted if necessary because of land use changes.

Section 4.47.080 SVSP Mitigation Fee — MILLC (Connely).

The Fee in that portion of the SVSP which is in the MILLC (Connely) Owner Subarea shall be:

Land Use	Residential				Nonresidential		
	LDR	MDR	HDR	MU	CC	BP	MU
			[1]	[1]		[1]	[1]
Net Fee Rates	<i>per unit</i>	<i>per unit</i>	<i>per unit</i>	<i>per unit</i>	<i>per sq. ft.</i>	<i>per sq. ft.</i>	<i>per sq. ft.</i>
City Park Land Fee	\$933	\$797	\$661	\$661	\$0.00	\$0.00	\$0.00
Infrastructure Fee	\$11,003	\$9,672	\$7,480	\$7,763	\$12.82	\$16.02	\$15.17
Administration Fee (Gross) @ 2%	\$276	\$243	\$150	\$155	\$0.30	\$0.32	\$0.30
Total SVSP Fee	\$12,212	\$10,712	\$8,291	\$8,579	\$13.12	\$16.34	\$15.47

"Fee_ML"

[1] Equals unadjusted gross infrastructure fee amount because this ownership entity does not currently have any of this type of land use within its area. Amounts would be adjusted if necessary because of land use changes.

Section 4.47.090 SVSP Mitigation Fee — DF Properties.

The Fee in that portion of the SVSP which is in the DF Properties Owner Subarea shall be:

Land Use	Residential				Nonresidential		
	LDR	MDR	HDR [1]	MU [1]	CC	BP [1]	MU [1]
Net Fee Rates	<i>per unit</i>	<i>per unit</i>	<i>per unit</i>	<i>per unit</i>	<i>per sq. ft.</i>	<i>per sq. ft.</i>	<i>per sq. ft.</i>
City Park Land Fee	\$933	\$797	\$661	\$661	\$0.00	\$0.00	\$0.00
Infrastructure Fee	\$14,876	\$13,214	\$7,480	\$7,763	\$16.60	\$16.02	\$15.17
Administration Fee (Gross) @ 2%	\$276	\$243	\$150	\$155	\$0.30	\$0.32	\$0.30
Total SVSP Fee	\$16,085	\$14,254	\$8,291	\$8,579	\$16.90	\$16.34	\$15.47

fee_DF

[1] Equals unadjusted gross infrastructure fee amount because this ownership entity does not currently have any of this type of land use within its area. Amounts would be adjusted if necessary because of land use changes.

Section 4.47.100 SVSP Mitigation Fee — Westpark Federico/MILLC.

The Fee in that portion of the SVSP which is in the Westpark Federico/MILLC Owner Subarea shall be:

Land Use	Residential				Nonresidential		
	LDR	MDR	HDR	MU	CC	BP [1]	MU
Net Fee Rates	<i>per unit</i>	<i>per unit</i>	<i>per unit</i>	<i>per unit</i>	<i>per sq. ft.</i>	<i>per sq. ft.</i>	<i>per sq. ft.</i>
City Park Land Fee	\$933	\$797	\$661	\$661	\$0.00	\$0.00	\$0.00
Infrastructure Fee	\$11,988	\$10,442	\$6,310	\$6,593	\$13.10	\$16.02	\$13.10
Administration Fee (Gross) @ 2%	\$276	\$243	\$150	\$155	\$0.30	\$0.32	\$0.30
Total SVSP Fee	\$13,197	\$11,482	\$7,121	\$7,409	\$13.40	\$16.34	\$13.40

fee_FED

[1] Equals unadjusted gross infrastructure fee amount because this ownership entity does not currently have any of this type of land use within its area. Amounts would be adjusted if necessary because of land use changes.

Section 4.47.110 SVSP Mitigation Fee — MILLC (Bagley).

The Fee in that portion of the SVSP which is in the MILLC (Bagley) Owner Subarea shall be:

Land Use	Residential				Nonresidential		
	LDR	MDR	HDR [1]	MU	CC [1]	BP [1]	MU
Net Fee Rates	<i>per unit</i>	<i>per unit</i>	<i>per unit</i>	<i>per unit</i>	<i>per sq. ft.</i>	<i>per sq. ft.</i>	<i>per sq. ft.</i>
City Park Land Fee	\$933	\$797	\$661	\$661	\$0.00	\$0.00	\$0.00
Infrastructure Fee	\$14,941	\$13,128	\$7,480	\$8,586	\$15.17	\$16.02	\$15.91
Administration Fee (Gross) @ 2%	\$276	\$243	\$150	\$155	\$0.30	\$0.32	\$0.30
Total SVSP Fee	\$16,150	\$14,168	\$8,291	\$9,402	\$15.47	\$16.34	\$16.21

fee_BAG

[1] Equals unadjusted gross infrastructure fee amount because this ownership entity does not currently have any of this type of land use within its area. Amounts would be adjusted if necessary because of land use changes.

Section 4.47.120 SVSP Mitigation Fee — MILLC (Computer).

The Fee in that portion of the SVSP which is in the MILLC (Computer) Owner Subarea shall be:

Land Use	Residential				Nonresidential		
	LDR	MDR	HDR	MU	CC	BP	MU
		[1]		[1]	[1]		[1]
Net Fee Rates	<i>per unit</i>	<i>per unit</i>	<i>per unit</i>	<i>per unit</i>	<i>per sq. ft.</i>	<i>per sq. ft.</i>	<i>per sq. ft.</i>
City Park Land Fee	\$933	\$797	\$661	\$661	\$0.00	\$0.00	\$0.00
Infrastructure Fee	\$14,562	\$12,146	\$7,990	\$7,763	\$15.17	\$16.89	\$15.17
Administration Fee (Gross) @ 2%	\$276	\$243	\$150	\$155	\$0.30	\$0.32	\$0.30
Total SVSP Fee	\$15,771	\$13,186	\$8,801	\$8,579	\$15.47	\$17.21	\$15.47

"Fee_COMP"

[1] Equals unadjusted gross infrastructure fee amount because this ownership entity does not currently have any of this type of land use within its area. Amounts would be adjusted if necessary because of land use changes.

Section 4.47.130 SVSP Mitigation Fee — MILLC (Wealth).

The Fee in that portion of the SVSP which is in the MILLC (Wealth) Owner Subarea shall be:

Land Use	Residential				Nonresidential		
	LDR	MDR	HDR	MU	CC	BP	MU
			[1]	[1]	[1]	[1]	[1]
Net Fee Rates	<i>per unit</i>	<i>per unit</i>	<i>per unit</i>	<i>per unit</i>	<i>per sq. ft.</i>	<i>per sq. ft.</i>	<i>per sq. ft.</i>
City Park Land Fee	\$933	\$797	\$661	\$661	\$0.00	\$0.00	\$0.00
Infrastructure Fee	\$13,847	\$12,379	\$7,480	\$7,763	\$15.17	\$16.02	\$15.17
Administration Fee (Gross) @ 2%	\$276	\$243	\$150	\$155	\$0.30	\$0.32	\$0.30
Total SVSP Fee	\$15,056	\$13,419	\$8,291	\$8,579	\$15.47	\$16.34	\$15.47

"Fee_WEALTH"

[1] Equals unadjusted gross infrastructure fee amount because this ownership entity does not currently have any of this type of land use within its area. Amounts would be adjusted if necessary because of land use changes.

Section 4.47.140 SVSP Mitigation Fee — Baseline P&R LLC.

The Fee in that portion of the SVSP which is in the Baseline P&R LLC Owner Subarea shall be:

Land Use	Residential				Nonresidential		
	LDR	MDR	HDR	MU	CC	BP	MU
Net Fee Rates	<i>per unit</i>	<i>per unit</i>	<i>per unit</i>	<i>per unit</i>	<i>per sq. ft.</i>	<i>per sq. ft.</i>	<i>per sq. ft.</i>
City Park Land Fee	\$933	\$797	\$661	\$661	\$0.00	\$0.00	\$0.00
Infrastructure Fee	\$14,828	\$13,073	\$8,199	\$8,482	\$16.05	\$16.90	\$16.05
Administration Fee (Gross) @ 2%	\$276	\$243	\$150	\$155	\$0.30	\$0.32	\$0.30
Total SVSP Fee	\$16,037	\$14,113	\$9,010	\$9,298	\$16.35	\$17.22	\$16.35

"Fee_BASE"

Section 4.47.150 SVSP Mitigation Fee — Baybrook LP.

The Fee in that portion of the SVSP which is in the Baybrook LP Owner Subarea shall be:

Land Use	Residential				Nonresidential		
	LDR	MDR [1]	HDR [1]	MU	CC [1]	BP [1]	MU
Net Fee Rates	<i>per unit</i>	<i>per unit</i>	<i>per unit</i>	<i>per unit</i>	<i>per sq. ft.</i>	<i>per sq. ft.</i>	<i>per sq. ft.</i>
City Park Land Fee	\$933	\$797	\$661	\$661	\$0.00	\$0.00	\$0.00
Infrastructure Fee	\$9,695	\$12,146	\$7,480	\$4,959	\$15.17	\$16.02	\$11.66
Administration Fee (Gross) @ 2%	\$276	\$243	\$150	\$155	\$0.30	\$0.32	\$0.30
Total SVSP Fee	\$10,904	\$13,186	\$8,291	\$5,775	\$15.47	\$16.34	\$11.96

fee_BAY

[1] Equals unadjusted gross infrastructure fee amount because this ownership entity does not currently have any of this type of land use within its area. Amounts would be adjusted if necessary because of land use changes.

Section 4.47.160 (Reserved.)

Section 4.47.170 Existing development.

No Fee pursuant to this chapter shall be charged for already existing development or for projects which rebuild or remodel without increasing the number of residential units and/or square footage of non-residential development, except as provided in this section. Where any development or project expands or remodels, it shall be charged the appropriate Fee as provided by Sections 4.47.070 through 4.47.150; provided, however, that the Fee shall be calculated only as to that portion of the development or project which is expanded or remodeled.

Section 4.47.180 Fee challenges.

- A. In their development agreements with the City for the development of the SVSP, the owners requested that the City adopt and administer this Fee to be applied to all projects within the SVSP. When this Fee is adopted, and as and when the Fee is updated, any owner within the SVSP may apply to the Administrator for a reduction or adjustment to the Fee as applied to its Owner Subarea based on the absence of any reasonable relationship or nexus between the impacts of the owner's project and the amount of the Fee or based on any alleged errors in the calculation of the Fee consistent with the Study. The application shall be made in writing and filed with the Administrator not later than 20 calendar days after adoption of the Fee or any update or annual adjustment of the Fee by the City. The application shall state in detail the factual basis for the claim of reduction or adjustment and the amount of the proposed reduction or adjustment. The Administrator shall consider the application and render his decision in writing not later than 45 calendar days after the filing of the fee adjustment request. Any person aggrieved by the decision of the Administrator may, within 20 calendar days thereafter, appeal the decision in writing to the City Council by filing an appeal with the city clerk. The City

Council shall consider such appeals within 45 calendar days after filing. The decision of the City Council shall be final. No building permit shall be considered final or complete for purposes of the Permit Streamlining Act (Government Code Section 65920, et seq.), or any other purpose, until a final decision pursuant to this section has been made.

- B. Notwithstanding the provisions of subsection A, a project proponent or applicant with an application timely pending pursuant to subsection A may pay the Fee "under protest" and receive a building permit or approval to record a Small-Lot Final Map. If a reduction or adjustment is approved after payment pursuant to this subsection is made, a refund to the applicant shall be made of that amount by which the fee is reduced or adjusted.
- C. The project proponent or applicant applying for a reduction or adjustment shall have the burden of proof, by a preponderance of the evidence, that a reasonable relationship or nexus is lacking between the Fee and the project, or that the calculation of the Fee is incorrect and inconsistent with the Study and this chapter.
- D. In the event of any reduction or adjustment in the Fee granted pursuant to this section, any later change in the use, zoning, or land use designation for the property involved shall subject the then owner to payment of the then applicable fee for new uses, zoning, or land use designation, whether or not a building permit is required.

Section 4.47.190 Annual Fee adjustments.

The Fee established by this chapter shall be adjusted annually on July 1st in accordance with the provisions of the Study. Such adjustments may include percentage changes based on general changes in construction costs over the prior year and/or based on actual cost experiences and/or revised cost estimates for the Improvements, as determined by the Administrator. The Administrator's determination of general changes in annual construction costs may be based upon averaging the Construction Cost Index (CCI) for 20 cities and for San Francisco, as published in the Engineering News Record publication for the preceding 12 months ending in May. Adjustments to the portion of the Fee for the City Park Land (and for adjustments based on dedications of land for the Improvements) shall be based on re-appraisals and/or updated appraisals of land values. The resultant Fee shall be rounded to the nearest dollar figure.

Section 4.47.200 Adoption in compliance.

When monies in the SVSP Mitigation Fund are disbursed for use, the Fees shall be used to finance the acquisition of the City Park Land, the construction of the Improvements and the administration of the Fee Program. To the extent sufficient Fees are available, all Improvements financed by the Fees shall be constructed or acquired in accordance with the priorities established in the Study and any Fee Credit and Reimbursement Agreements.

Section 4.47.210 Chapter is severable.

If any provision of this chapter or the application thereof to any person or circumstance held invalid, such invalidity shall not affect the other provisions of this chapter which can be given effect without the invalid provision or its application, and to this end the provisions of this chapter are severable.

SECTION 2. This ordinance shall be effective at the expiration of thirty (30) days from the date of adoption.

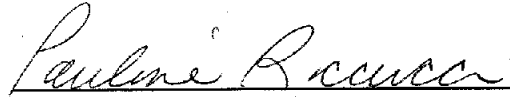
SECTION 3. The City Clerk is hereby directed to cause this ordinance to be published in full at least once within fourteen (14) days after it is adopted in a newspaper of general circulation in the City, or shall within fourteen (14) days after its adoption cause this ordinance to be posted in full in at least three (3) public places in the City and enter in the Ordinance Book a certificate stating the time and place of said publication by posting.

PASSED AND ADOPTED by the Council of the City of Roseville this 20th day of April, 2011, by the following vote on roll call:

AYES: COUNCILMEMBERS: Allard, Herman, Garcia, Rohan, Roccucci

NOES: COUNCILMEMBERS: None

ABSENT: COUNCILMEMBERS: None


MAYOR

ATTEST:


City Clerk

Development Agreements

Please refer to the Development Agreements on the
City of Roseville's website:

<http://www.roseville.ca.us/cms/One.aspx?portalId=7964922&pageId=8774576>

Annual Development Impact Fee Report
(JPA and SPWA Funds)



Fiscal Year Ended June 30, 2018

Table of Contents

Reporting Requirements for Development Impact Fees	1
Description of Development Impact Fees.....	2
<u>Fund Balance and Project Descriptions</u>	
Sewer Connection Fees.....	3
Traffic Mitigation Fees	5
Attachment 1	6

Reporting Requirements for Development Impact Fees

In California, State legislation sets certain legal and procedural parameters for the charging of development impact fees (“DIFs”). This legislation was passed as AB1600 by the California Legislature and is now codified as California Government Code Sections (GC §) 66000 through 66008 (“Mitigation Fee Act”). This State law went into effect on January 1, 1989.

GC § 66006(b) states the following requirements as pertains to DIFs:

For each separate account or fund established, the local agency shall, within 180 days after the last day of each fiscal year, make available to the public the following information for the fiscal year:

- (A) A brief description of the type of fee in the account or fund.
- (B) The amount of the fee.
- (C) The beginning and ending balance of the account or fund.
- (D) The amount of the fees collected and interest earned.
- (E) An identification of each public improvement on which fees were expended and the amount of expenditures on each improvement including the total percentage of the cost of the public improvement that was funded with fees.
- (F) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement and the public improvement remains incomplete.
- (G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.
- (H) The amount of refunds made (as pursuant to GC § 66001(e)) due to sufficient funds being collected to complete financing on incomplete public improvements, and the amount of reallocation of funds made (as pursuant to GC § 66001(f)) due to administrative costs of refunding unexpended revenues exceeding the amount to be refunded.

GC § 65865(e) also requires that any development agreement entered into on or after January 1, 2004, the City shall comply with GC § 66006 with respect to any fee it receives or cost it recovers.

Description of Development Impact Fees

Sewer Connection Fees

Sewer connection fees are established pursuant to Municipal Code Chapter 14.16. Two sewer connection fees are collected when development occurs – a regional sewer connection fee and a local sewer connection fee. The local sewer connection fee is reported in the City of Roseville's Annual Development Impact Fee Report. Additional fees may be applicable to properties within sewer special benefit assessment areas.

- *Regional Sewer Connection Fees* - The regional sewer connection fee is charged for each sewer unit required within the Regional Treatment Plan Service Area connected to the city-owned public sewer. The service area includes the City of Roseville and portions of Placer County and South Placer Municipal Utility District.

Traffic Mitigation Fees

In 1988 the City of Roseville adopted a citywide Traffic Mitigation Fee Program, requiring new development within the City to pay traffic impact fees. The fees collected through this program, in addition to other funding sources, allows the City to construct transportation improvements identified in its Capital Improvement Program (CIP). The fee program assesses fair-share costs to other jurisdictions based on their impact on the individual roadways from new development.

This fee applies to all new development in the City. The developers in Specific Plan Areas have built, or will construct, more than the minimum amount of improvements from their funds and will receive a credit for those improvements. Additional fees collected by the City on behalf of regional fee programs:

- *Highway 65 Joint Powers Authority Fee Program* – The cities of Roseville and Rocklin, along with Placer County, formed a joint powers authority for the purpose of funding four interchanges on Highway 65. The interchanges include Stanford Ranch Road/Galleria Boulevard, Pleasant Grove Boulevard, Blue Oaks Boulevard and Sunset Boulevard. The fee program assesses fair-share costs to each jurisdiction based on their impact on the individual improvements from new development. City of Roseville serves as staff to the JPA and administers the fee program.

Fund Balance Summary

Sewer Connection Fees										
Regional Sewer Connection Fees										
Document Establishing Fee	Project	Fee Formula	Starting Balance	Fees Collected (Refunded)	Interest Earned	Interfund Transfer In/(Out)	Expenditures	Ending Balance as of June 30, 2018	Sufficient Funds to Complete Project?	% of CIP Funded by Fee
Roseville Municipal Code Chapters 14.16		Ordinances 4739 § 11, 2009; 4461 § 1 2006; 2855 § 1, 1995; 1744 § 1, 1983	\$120,315,399	18,259,798	1,762,225	-	(15,773,889)			
	Dry Creek Bank Stabilization						(471)		Project Complete	100%
	Pleasant Grove WWTP Exp						(1,985,918)		Yes- Started 2015	100%
								\$122,577,144		

Regional Sewer Connection Project Fee Project Descriptions

Dry Creek Bank Stabilization (Project# 133504) – Improvements to halt bank erosion near a SPWA trunk sewer line are complete. Staff are working to close out the construction contracts.

Pleasant Grove WWTP Exp (Project# 153507) - Expand wastewater treatment plant capacity.

Traffic Mitigation Fees										
Highway 65 Joint Powers Authority Fee Program										
Document Establishing Fee	Project	Fee Formula	Starting Balance	Fees Collected (Refunded)	Interest Earned	Interfund Transfer In/(Out)	Expenditures	Ending Balance as of June 30, 2018	Sufficient Funds to Complete Project?	% of CIP Funded by Fee
Resolution No. 90-312		Joint Powers Agreement Oct, 15, 1990; Amended Aug. 18, 1992	(\$7,161,050)	1,227,286	51,835	-	(11,166)			
	Highway 65- Galleria/ Stanford						(125,793)		No	100%
								(\$6,018,888)		

The Highway 65 Joint Powers Authority Board approved a plan for funding the construction of various Highway 65 Interchange Projects that included the commitment of funds from the Authority along with funds from the Cities of Roseville and Rocklin and the County of Placer. The participants remitted funds to the Authority in advance of the construction. In addition, the City of Roseville constructed projects using City of Roseville funds. The projects were dedicated to the Authority through a reimbursement agreement. Pursuant to the agreement, the cities and the County will be reimbursed through future traffic mitigation fees collected by the Authority. The deficit balance is due to reimbursements owed to the Cities of Roseville and Rocklin and the County of Placer.

Traffic Mitigation Fee Project Descriptions

Highway 65-Galleria/Stanford (Project# 152515) –The proposed project would modify the SR 65 NB ramps at the Galleria Boulevard/Stanford Ranch Road interchange as well as reconfigure the lanes along Galleria Boulevard/Stanford Ranch Road. The project would construct the following:

- Dual left turn lanes onto the NB SR 65 slip on-ramp.
- Protected median left turn pockets at the NB and SB ramp intersections, eliminating the inside trap lanes.

- Right turn pocket for the SB approach along Stanford Ranch Road to the NB slip on-ramp.
- Widened NB SR 65 to NB Stanford Ranch Road slip off-ramp from one to two lanes at the ramp terminus. Off-ramp will include a signalized intersection at Stanford Ranch Road.
- Widened NB slip on-ramp to two metered general purpose lanes plus an HOV preferential lane.
- Modified terminus of the NB loop off-ramp to reduce speeds and enhance safety for all modes utilizing the facility.

Attachment 1:
Fee Ordinances, Resolutions and
Agreements

Sewer Connection Fees:

Regional Sewer Connection Fees

Ordinance No. 4739

ORDINANCE NO. 4739

ORDINANCE OF THE COUNCIL OF THE CITY OF ROSEVILLE AMENDING SECTIONS 4.37.140 OF CHAPTER 4.37; 4.38.090 OF CHAPTER 4.38; 4.44.140 OF CHAPTER 4.44, 4.45.140 OF CHAPTER 4.45; 4.48.140 OF CHAPTER 4.48; 4.49.170 OF CHAPTER 4.49; 4.52.140 OF CHAPTER 4.52; 4.53.140 OF CHAPTER 4.53; 4.54.140 OF CHAPTER 4.54 OF TITLE 4; SECTIONS 14.08.031 OF CHAPTER 14.08; 14.16.060, 14.16.070 AND 14.16.080 OF CHAPTER 14.16 OF TITLE 14 OF THE ROSEVILLE MUNICIPAL CODE REGARDING INFLATIONARY ADJUSTMENTS

THE CITY OF ROSEVILLE ORDAINS:

SECTION 1. Section 4.37.140 of Chapter 4.37 of Title 4 of the Roseville Municipal Code is hereby amended to read as follows:

4.37.140 Inflationary adjustments.

The fee established by this chapter shall be adjusted annually July 1st beginning on July 1, 2010 by a percentage equal to the adjustment rate for the prior year for construction costs as determined by the director in the preceding June. The director's determination shall be based upon averaging the Construction Cost Index (CCI) for twenty cities and for San Francisco, as published in the Engineering News Record publication for the preceding 12 months ending in May. The resultant fee shall be rounded to the nearest dollar (\$1.00) figure.

SECTION 2. Section 4.38.090 of Chapter 4.38 of Title 4 of the Roseville Municipal Code is hereby amended to read as follows:

4.38.090 Inflationary adjustments.

The fee established by this chapter shall be adjusted annually July 1st beginning on July 1, 2010 by a percentage equal to the adjustment rate for the prior year for construction costs as determined by the director in the preceding June. The director's determination shall be based upon averaging the Construction Cost Index (CCI) for twenty cities and for San Francisco, as published in the Engineering News Record publication for the preceding 12 months ending in May. The resultant fee shall be rounded to the nearest dollar (\$1.00) figure.

SECTION 3. Section 4.44.140 of Chapter 4.44 of Title 4 of the Roseville Municipal Code is hereby amended to read as follows:

4.44.140 Inflationary adjustments.

The fee established by this chapter shall be adjusted annually July 1st beginning on July 1, 2010 by a percentage equal to the adjustment rate for the prior year for construction costs as determined by the director in the preceding June. The director's determination shall be based upon averaging the Construction Cost Index (CCI) for twenty cities and for San Francisco, as

published in the Engineering News Record publication for the preceding 12 months ending in May. The resultant fee shall be rounded to the nearest dollar (\$1.00) figure.

SECTION 4. Section 4.45.140 of Chapter 4.45 of Title 4 of the Roseville Municipal Code is hereby amended to read as follows:

4.45.140 Inflationary adjustments.

The fee established by this chapter shall be adjusted annually on July 1st by a percentage equal to the adjustment rate for the prior year for construction costs as determined by the director in the preceding June. The director's determination shall be based upon averaging the Construction Cost Index (CCI) for twenty cities and for San Francisco, as published in the Engineering News Record publication for the preceding 12 months ending in May. The resultant fee shall be rounded to the nearest dollar (\$1.00) figure.

SECTION 5: Section 4.48.140 of Chapter 4.48 of Title 4 of the Roseville Municipal Code is hereby amended to read as follows:

4.48.140 Inflationary adjustments.

The fee established by this chapter shall be adjusted annually July 1st beginning on July 1, 2010 by a percentage equal to the adjustment rate for the prior year for construction costs as determined by the director in the preceding June. The director's determination shall be based upon averaging the Construction Cost Index (CCI) for twenty cities and for San Francisco, as published in the Engineering News Record publication for the preceding 12 months ending in May. The resultant fee shall be rounded to the nearest dollar (\$1.00) figure.

SECTION 6. Section 4.49.170 of Chapter 4.49 of Title 4 of the Roseville Municipal Code is hereby amended to read as follows:

4.49.170 Inflationary adjustments.

The fee established by this chapter shall be adjusted annually on July 1st by a percentage equal to the adjustment rate for the prior year for construction costs as determined by the director in the preceding June. The director's determination shall be based upon averaging the Construction Cost Index (CCI) for twenty cities and for San Francisco, as published in the Engineering News Record publication for the preceding 12 months ending in May. The resultant fee shall be rounded to the nearest dollar (\$1.00) figure.

SECTION 7. Section 4.52.140 of Chapter 4.52 of Title 4 of the Roseville Municipal Code is hereby amended to read as follows:

4.52.140 Inflationary adjustments.

The fee established by this chapter shall be adjusted annually July 1st beginning on July 1, 2010 by a percentage equal to the adjustment rate for the prior year for construction costs as determined by the director in the preceding June. The director's determination shall be based upon averaging the Construction Cost Index (CCI) for twenty cities and for San Francisco, as published in the Engineering News Record publication for the preceding 12 months ending in May. The resultant fee shall be rounded to the nearest dollar (\$1.00) figure.

SECTION 8. Section 4.53.140 of Chapter 4.53 of Title 4 of the Roseville Municipal Code is hereby amended to read as follows:

4.53.140 Inflationary adjustments.

The fee established by this chapter shall be adjusted annually July 1st beginning on July 1, 2010 by a percentage equal to the adjustment rate for the prior year for construction costs as determined by the director in the preceding June. The director's determination shall be based upon averaging the Construction Cost Index (CCI) for twenty cities and for San Francisco, as published in the Engineering News Record publication for the preceding 12 months ending in May. The resultant fee shall be rounded to the nearest dollar (\$1.00) figure.

SECTION 9. Section 4.54.140 of Chapter 4.54 of Title 4 of the Roseville Municipal Code is hereby amended to read as follows:

4.54.140 Inflationary adjustments.

The fee established by this chapter shall be adjusted annually July 1st beginning on July 1, 2010 by a percentage equal to the adjustment rate for the prior year for construction costs as determined by the director in the preceding June. The director's determination shall be based upon averaging the Construction Cost Index (CCI) for twenty cities and for San Francisco, as published in the Engineering News Record publication for the preceding 12 months ending in May. The resultant fee shall be rounded to the nearest dollar (\$1.00) figure.

SECTION 10. Section 14.08.031 of Chapter 14.08 of Title 14 of the Roseville Municipal Code is hereby amended to read as follows:

14.08.031 Special area water connection fee.

A. A special area water connection fee (for example, but not limited to, water pressure zone, waterline reimbursement and water benefit fees) shall be charged for each water unit connected to the city-owned public water system for infrastructure for areas of special

benefit as identified and in amounts as set forth by the city council by resolution, from time to time.

B. The fee established by this chapter shall be adjusted annually July 1st beginning on July 1, 2010 by a percentage equal to the adjustment rate for the prior year for construction costs as determined by the director in the preceding June. The director's determination shall be based upon averaging the Construction Cost Index (CCI) for twenty cities and for San Francisco, as published in the Engineering News Record publication for the preceding 12 months ending in May. The resultant fee shall be rounded to the nearest dollar (\$1.00) figure.

SECTION 11. Sections 14.16.060, 14.16.070 and 14.16.080 of Chapter 14.16 of Title 14 of the Roseville Municipal Code are hereby amended to read as follows:

14.16.060 Local sewer connection fee.

A. A local sewer connection fee shall be charged in accordance with Section 14.16.010 for each connection to the city-owned public sewer.

B. The local sewer connection fee shall be \$200.00 per sewer unit.

C. The fee established by this chapter shall be adjusted annually July 1st beginning on July 1, 2010 by a percentage equal to the adjustment rate for the prior year for construction costs as determined by the director in the preceding June. The director's determination shall be based upon averaging the Construction Cost Index (CCI) for twenty cities and for San Francisco, as published in the Engineering News Record publication for the preceding 12 months ending in May. The resultant fee shall be rounded to the nearest dollar (\$1.00) figure.

14.16.070 Special area sewer connection fee.

A. A special area sewer connection fee (for example, but not limited to, special benefit fees) shall be charged in accordance with Section 14.16.010 for each sewer unit connected to the city-owned public sewer for sewer line replacement, enlargement, lift stations or other improvements for areas of special benefit as identified and in amounts as set forth by the city council by resolution, from time to time.

B. The fee established by this chapter shall be adjusted annually on July 1st by a percentage equal to the adjustment rate for the prior year for construction costs as determined by the director in the preceding June. The director's determination shall be based upon averaging the Construction Cost Index (CCI) for twenty cities and for San Francisco, as published in the Engineering News Record publication for the preceding 12 months ending in May. The resultant fee shall be rounded to the nearest dollar (\$1.00) figure.

14.16.080 Regional sewer connection fee.

A. Regional sewer connection fee shall be charged in accordance with Section 14.16.010 for each sewer unit connected to the city-owned public sewer.

B. The regional sewer connection fee shall be \$5,500.00.

C. The fee established by this chapter shall be adjusted annually on July 1st by a percentage equal to the adjustment rate for the prior year for construction costs as determined by the director in the preceding June. The director's determination shall be based upon averaging the Construction Cost Index (CCI) for twenty cities and for San Francisco, as published in the Engineering News Record publication for the preceding 12 months ending in May. The resultant fee shall be rounded to the nearest dollar (\$1.00) figure.

SECTION 12. This ordinance shall be effective at the expiration of thirty (30) days from the date of adoption.

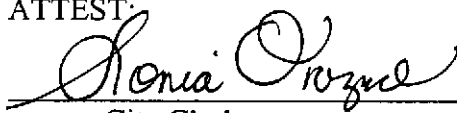
SECTION 13. The City Clerk is hereby directed to cause this ordinance to be published in full at least once within fourteen (14) days after it is adopted in a newspaper of general circulation in the City, or shall within fourteen (14) days after its adoption cause this ordinance to be posted in full in at least three (3) public places in the City and enter in the Ordinance Book a certificate stating the time and place of said publication by posting.

PASSED AND ADOPTED by the Council of the City of Roseville this 20th day of May, 2009, by the following vote on roll call:

AYES	COUNCILMEMBERS:	Allard, Gray, Garbolino
NOES	COUNCILMEMBERS:	Roccucci
ABSENT	COUNCILMEMBERS:	Garcia


MAYOR

ATTEST:


City Clerk

Traffic Mitigation Fees

Highway 65 Joint Powers Authority Fee Program

Joint Powers Agreement

October 15, 1990

As Amended August 18, 1992

9169

JOINT POWERS AGREEMENT FOR THE FINANCING AND
CONSTRUCTION OF INTERCHANGES ON STATE HIGHWAY 65
CITY OF ROCKLIN CITY OF ROSEVILLE
COUNTY OF PLACER

This Agreement is entered into as of October 15, 1990 by and between the County of Placer, a political subdivision of the State ("County"), and the City of Rocklin and the City of Roseville, municipal corporations organized and existing under the laws of the State of California ("Cities").

RECITALS

1. The County and Cities have the common powers to acquire real property and, with the consent and cooperation of the California State Department of Transportation, to finance and construct freeway interchanges.

2. The County and Cities have determined that the public interest will be served by the joint exercise of these powers through this Agreement and the creation of a joint powers authority to plan for, finance, and construct four interchanges on State Highway 65 to serve their respective jurisdictions and spheres of influence.

AGREEMENT

3. Authority and Purpose.

This Agreement is made pursuant to Chapter 5 of Division 7 of the Title 1 of the California Government Code (commencing with section 6500) (the "Law") relative to the joint exercise of powers common to the County and Cities. The purpose of this Agreement is to provide for the planning, financing, and construction of four interchanges to State Highway 65 located in the jurisdictions of the County and Cities through the creation of a joint powers authority. The four interchanges and their approximate location are shown on Exhibit A attached to this Agreement and incorporated herein.

4. Creation of Authority and Jurisdiction.

There is hereby created the "Bizz Johnson" Highway Interchange Joint Powers Authority ("Authority") a public entity separate from the County and Cities, whose

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CITY OF ROSEVILLE
BY ma

jurisdiction is as shown and described in Exhibit B, attached hereto and by this reference incorporated herein.

5. Term and Termination.

This Agreement shall be effective as of that date first stated above. It shall remain in effect until the purpose stated in paragraph 3 is fully accomplished and all bonds or other instruments of indebtedness issued by the Authority, if any, have been paid, or until terminated by the unanimous agreement of the respective governing bodies of the County and Cities in accordance with the law.

6. Powers

The Authority shall have all powers necessary or reasonably convenient to carry out the purpose stated in paragraph 3, including but not limited to the following:

A. Administration:

- 1) to secure administrative office space and furnishings;
- 2) to contract for or employ administrative, technical, and support staff;
- 3) to acquire, operate, maintain, and dispose of materials, supplies, equipment and insurance of all types to effect or facilitate achievement of the Authority's purpose;
- 4) all powers incidental to the foregoing.

B. Interchange Construction:

- 1) To develop a plan or formula for determining the timing and sequence of construction of the four interchanges;
- 2) to contract for or employ staff to conduct studies and surveys; to prepare reports; to prepare plans, specifications, and other bid documents; to administer construction contracts; and to coordinate the construction projects with all affected governmental agencies;
- 3) to lease, acquire or dispose of real property by negotiation, dedication, or eminent domain;

4) to lease, acquire, operate, maintain and dispose of materials, supplies, and equipment of all types to effect the construction of the four interchanges;

5) to construct or cause to be constructed the four interchanges and all related or appurtenant structures;

6) all powers incidental to the foregoing.

C. Financing:

1) to accept, hold, invest (pursuant to section 6509.5 of the Law), manage, and expend monies for administrative purposes and for construction of the interchanges;

2) to levy fees and taxes, enter into lease-purchase agreements, and to issue bonds and incur other forms of indebtedness as provided in sections 6547.1, 6547.5, and 6547.6 of the Law to fund the construction of the interchanges and all related costs, including all administrative costs;

3) to form a special assessment district under the Improvement Act of 1911, the Municipal Improvement Act of 1913, the Improvement Bond Act of 1915, or any other authority that exists now or in the future;

4) to form a special tax district under the Mello-Ross Community Facilities District Act or any other authority that may exists now or in the future;

5) to negotiate and enter into reimbursement agreements when monies to construct one or more interchanges are advanced;

6) to develop and adopt an interchange construction financing plan that may include a mechanism for borrowing funds collected for one interchange to fund another;

7) all powers incidental to the foregoing.

7. Duties.

The Authority shall have the duty to do the following within the times specified or, if no time is specified, within a reasonable time:

A. to retain legal counsel for all Authority business, including litigation;

B. to secure liability and errors and omission insurance;

C. to develop and adopt, within 12 months of the date of this Agreement, a plan or formula for determining the timing and sequence of construction of the four interchanges, and an interchange construction financing plan. The plan or formula for determining the timing and sequence of construction shall provide that the Harding Boulevard interchange shall be the first to be constructed. The construction financing plan shall acknowledge the payment of any fees transferred to the Authority under paragraph 8.D.6) and any reimbursement obligations relating thereto, and shall incorporate the relevant terms and conditions of any agreement entered into by the County or either member City with a landowner under which funds were advanced for the construction of one or more of the four interchanges, or a waiver of protest rights was made.

8. Administration.

A. Governing Board -- Membership. The Authority shall be administered by a board of directors ("Board") consisting of three directors and three alternates. One director and one alternate shall be current members of the County's Board of Supervisors; one director and one alternate shall be current members of the Rocklin City Council; and one director and one alternate shall be current members of the Roseville City Council. Each director and each alternate shall be appointed by the Board of Supervisors or the City Council of which he or she is a member and shall serve at the pleasure of the appointing body. Alternates shall serve as directors in the absence of the director representing the same jurisdiction as the alternate.

B. Meetings.

1) Regular Meetings. The Board shall by resolution establish the number of regular

meetings to be held each year and the date, hour, and location at which such regular meetings shall be held; provided, however, that the resolution shall provide for at least one (1) regular meeting quarterly.

2) Special Meetings. Special meetings of the Board may be called in accordance with the provisions of section 54956 of the California Government Code.

3) Conduct of Meetings. All meetings of the Board shall be held in accordance with Chapter 9 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with 54950) (California Open Meeting Law).

4) Minutes. The Secretary of the Authority shall cause minutes of all meetings of the Board to be kept and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each member of the Board and to the County and Cities.

5) Quorum. Two (2) directors of the Board shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn from time to time. Except as provided in paragraph 9, actions of the Board shall require the affirmative vote of a majority of the entire Board.

C. Procedures.

1) The Board shall elect a Chair from among its membership to preside at meetings and shall select a Secretary who may, but need not, be a member of the Board.

2) The Board may adopt by resolution rules of procedure not inconsistent with the provisions of this Agreement to govern the conduct of its meetings.

3) Members of the Board of Directors shall comply with Title 9 of the California Government Code (commencing with 81000) (Political Reform Act of 1974).

D. Fiscal Matters.

1) Treasurer and Auditor.

a) Except as provided in b) below, the treasurer and auditor of County are designated the treasurer and auditor of the Authority with the powers, duties, and responsibilities specified in section 6505 and 6505.5 of the Law.

b) In lieu of the designations in a), above, the Board may appoint one or more of its employees to either or both of the positions of treasurer or auditor as provided in section 6505.6 of the Law. Such appointment shall supersede the designation made in a), above. The persons or persons appointed by the Board under this paragraph shall have the powers, duties and responsibilities specified in sections 6505 and 6505.5 of the Law.

2) Custodian of Property. The treasurer and auditor of the Authority shall be the public officers who have charge of, handle, and have access to the Authority's property and shall file with the Authority an official bond in the amount fixed by the County and Cities.

3) Accounts and Reports. The Board shall establish and maintain such funds and accounts as may be required by good accounting practice. The books and records of the Authority shall be open to inspection at all reasonable times to the County and Cities and their respective representatives. The Authority, within 120 days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the County and Cities. The accounts shall be prepared and maintained by the treasurer and auditor of the Authority. The written reports shall be prepared by an independent certified public accountant employed by the Authority.

4) Budgets. The Board shall adopt a budget no later than 90 days after the effective date of this Agreement and no later than June 30 of each year thereafter.

5) Contributions. Within 90 days of the effective date of this Agreement the County and Cities shall contribute to the Authority start-up funds in the amounts determined by the Board. The Board may request additional amounts to be contributed in the future from the County and the Cities which amounts shall be allocated proportionately among the County and Cities based on the traffic trip ends contained in the report entitled "Final Report Interagency Plan for the Financing of Highway 65 Interchange Improvements" dated July 1, 1988 and prepared by Ralph Andersen & Associates or based on another allocation method adopted by the Board. The Board may provide for the reimbursement of all funds contributed by the County and Cities under this Agreement from funds collected for the interchange construction projects.

6) Assignment and Transfer of Funds. Within 90 days of the effective date of this Agreement, the County and each member City shall assign or otherwise transfer to the Authority its rights and obligations relating to the financing and construction of one or more of the four interchanges in connection with the payment of any fee or under any agreement with a landowner under which funds were advanced for the construction of one or more of the four interchanges or a waiver of protest rights was made. The County and each member City shall, concurrent with the assignment or other method of transfer, transfer to the Authority any funds received from a landowner.

9. Voting.

Notwithstanding paragraph 8.B.5), the following actions require three votes of the Board, with each director or alternate voting in accordance with the direction given by his or her appointing body:

- A. To acquire real property by eminent domain;
- B. To levy a tax;
- C. To order formation of an assessment or special tax district;
- D. To authorize the sale of bonds;
- E. To award contracts in excess of \$1,000,000.00;

F. To approve the annual budget.

G. To make a financial commitment with a term of more than one year;

H. To establish limits of liability and errors and omissions insurance;

I. To adopt or amend the plan or formula for determining the timing and sequence of construction of the four interchanges, or to approve construction that is at variance with the approved plan or formula;

J. To determine the amount of the initial contributions of start-up funds, and to adopt or to amend the method of allocating contribution obligations under paragraph 8.D.5).

10. Exercise of Powers.

The powers and duties described in this Agreement shall be exercised and carried out subject only to such restrictions upon the manner of exercising such powers or carrying out such duties as are imposed upon the City of Roseville in the exercise of similar powers or in carrying out similar duties as provided in section 6509 of the law.

11. Debts and Liabilities.

The debts, liabilities and obligations of the Authority shall not constitute a debt, liability or responsibility of the County or the Cities, either jointly or individually.

12. Liberal Construction.

The provisions of the Agreement, and in particular the provisions of paragraphs 6, 7 and 8, shall be liberally construed as necessary or reasonably convenient to achieve the purposes of the Authority.

13. Disposition of Property.

Prior to termination under paragraph 5 the Authority shall dispose of all of its property in a manner determined by the Authority to be most beneficial to the parties hereto. The proceeds of such disposal and any other surplus money shall be distributed to the parties in the same proportion as their original contribution.

14. Severability.

Should any part, term, or provisions of this Agreement be decided by the courts to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining portions or provisions shall not be affected thereby.

15. Successor and Assignment.

This agreement shall be binding upon and shall inure to the benefit of the successors of the parties. No party may assign any right or obligation hereunder without the consent of the others.

16. Amendments.

This Agreement may be amended only by the unanimous agreement of the County and Cities.

The parties have executed and attested this Agreement as of the date first above written.

COUNTY OF PLACER

By *Alfred Ferreira*
Chair, Board of Supervisors

ATTEST:

Georgia Hake
Clerk Placer County

10.3.89

CITY OF ROCKLIN
A MUNICIPAL CORPORATION

By *Carlos Dominguez*
Mayor

ATTEST:

Andrea Bidwell
City Clerk, City of Rocklin

CITY OF ROSEVILLE
A MUNICIPAL CORPORATION

By *Alex Vannon*
City Manager

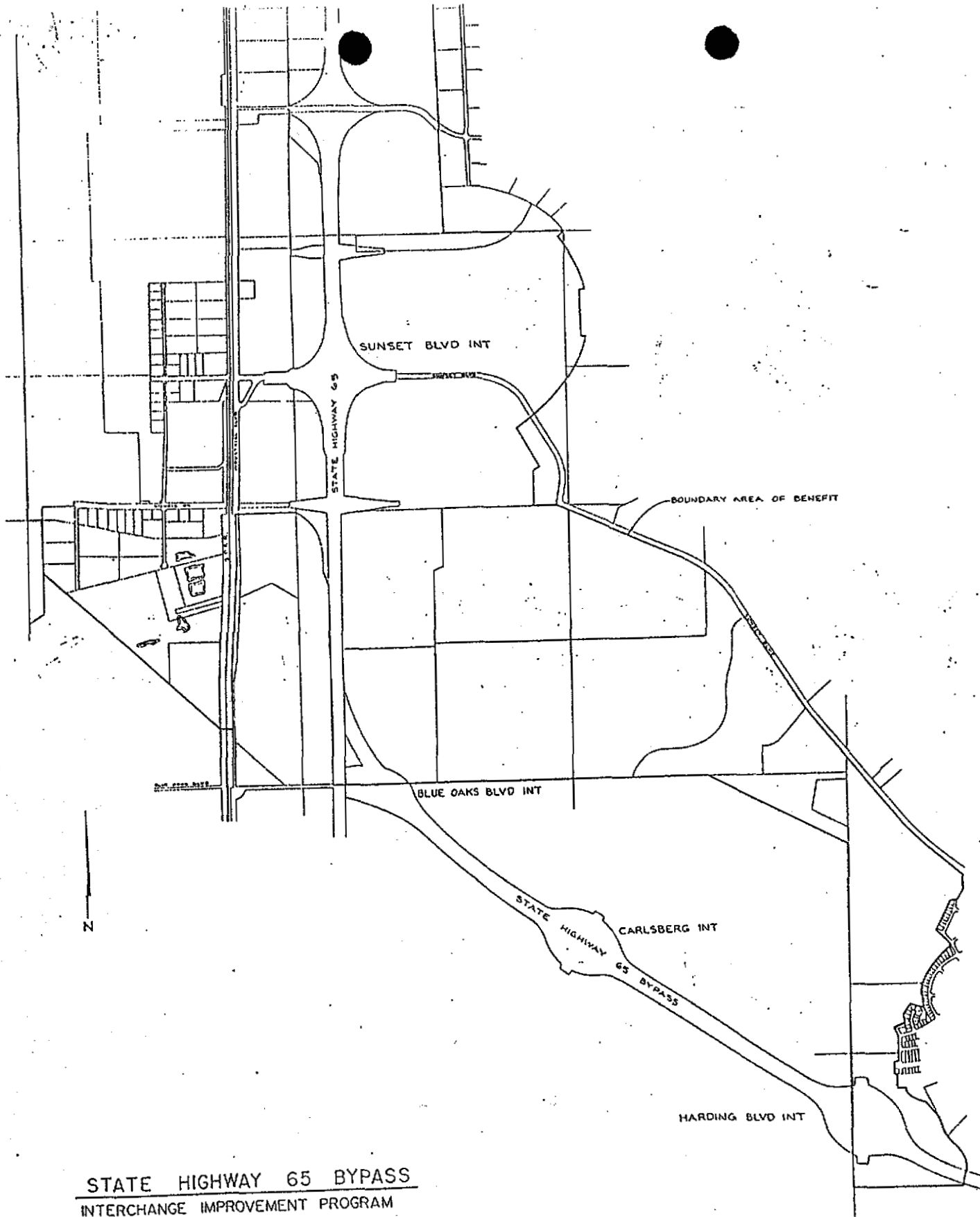
ATTEST:

Helene Florence
City Clerk, City of Roseville

JPAAGRMT092009

Michael Dees
CITY ATTORNEY
City of Roseville, Calif.

Date 12/4/90



STATE HIGHWAY 65 BYPASS
INTERCHANGE IMPROVEMENT PROGRAM

EXHIBIT A

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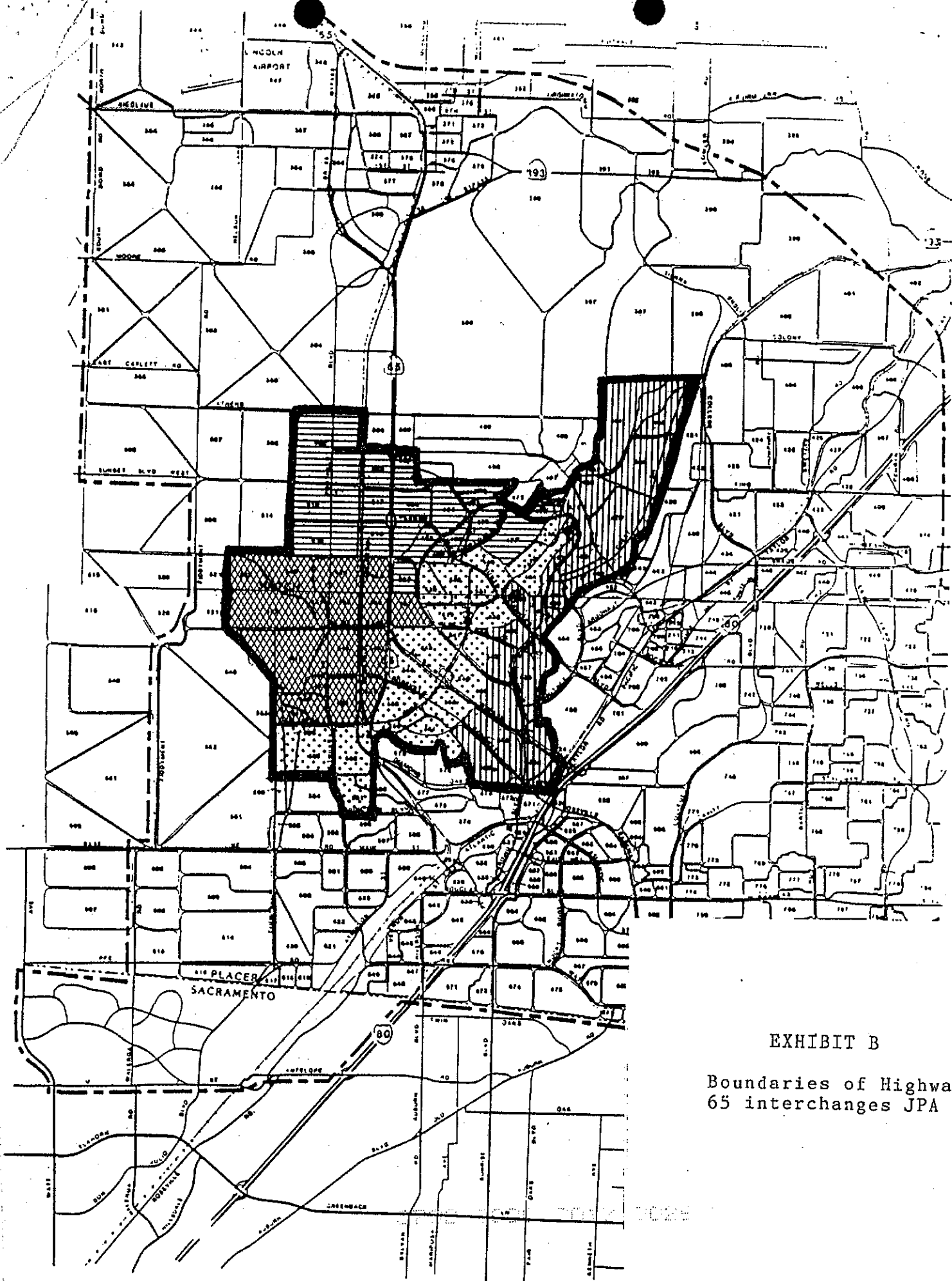


EXHIBIT B
Boundaries of Highway
65 interchanges JPA

RESOLUTION NO. 90-302

RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF ROCKLIN APPROVING AND AUTHORIZING
THE MAYOR TO EXECUTE A JOINT
POWERS AUTHORITY AGREEMENT
FOR THE HIGHWAY 65 INTERCHANGES

BE IT RESOLVED by the City Council of the City of
Rocklin as follows:

Section 1. The City Council of the City of Rocklin
hereby approves and authorizes the Mayor to execute a Joint
Powers Authority Agreement for the Highway 65 Interchanges,
in the form attached hereto as Exhibit A and by this
reference incorporated herein.

PASSED AND ADOPTED this 25th day of September, 1990, by
the following roll call vote:

AYES: Councilmembers: Hill, Lund, Huson, Mitchell,
Dominguez
NOES: Councilmembers: None
ABSENT: Councilmembers: None
ABSTAIN: Councilmembers: None

Leanne Dominguez
Mayor

ATTEST:

B. L. L. L.
City Clerk

CERTIFICATION OF RESOLUTION NO. 90-302

I hereby certify that the foregoing is a full, true and
correct copy of Resolution No. 90-302 passed
and adopted by the City Council of Rocklin at a regular
meeting thereof, held 25 Sept. 1990

B. L. L. L.
City Clerk of the City of Rocklin

RESOLUTION NO. 90-312

RESOLUTION OF THE COUNCIL OF THE CITY OF ROSEVILLE
APPROVING A JOINT POWERS AGREEMENT WITH THE CITY OF
ROCKLIN AND COUNTY OF PLACER FORMING THE BIZZ JOHNSON
HIGHWAY INTERCHANGE JOINT POWERS AUTHORITY, AND
AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF
OF THE CITY OF ROSEVILLE

WHEREAS, a joint powers agreement between the Cities of Roseville and Rocklin and the County of Placer ("the JPA") for the purpose of forming the Bizz Johnson Highway Interchange Joint Powers Authority ("the Authority") has been prepared and reviewed by the City Council, and

WHEREAS, the City Council has previously approved and authorized the City Manager to execute said JPA in October, 1989 and said JPA has now been executed by the other public agencies who will be members of the Authority, and

WHEREAS, the City Council now desires to re-approve the said JPA, thereby signifying its continued support and approval of the Authority,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Roseville that the said JPA forming the Bizz Johnson Highway Interchange Joint Powers Authority is hereby approved and that the City Manager is authorized to execute it on behalf of the City of Roseville.

PASSED AND ADOPTED by the Council of the City of Roseville this 12th day of December, 1990, by the following vote on roll call:

AYES COUNCILMEMBERS: Bill Santucci, Harry Crabb, Jr., John Byouk
Mel Hamel, Pauline Roccucci

NOES COUNCILMEMBERS: None

ABSENT COUNCILMEMBERS: None

Pauline Roccucci
MAYOR

ATTEST:

Helene Florence
City Clerk

The foregoing instrument is a correct copy of the original on file in this office.

ATTEST
City Clerk of the City of Roseville, California
Elly Ortiz
DEPUTY CLERK

Before the Board of Supervisors County of Placer, State of California

In the matter of: A RESOLUTION APPROVING
AND AUTHORIZING EXECUTION OF A
JOINT POWERS AUTHORITY (JPA)
AGREEMENT FOR FUNDING AND
CONSTRUCTION OF INTERCHANGES
ALONG STATE HIGHWAY 65

Resol. No: 89-358

Ord. No:

First Reading:

The following RESOLUTION was duly passed by the Board of Supervisors
of the County of Placer at a regular meeting held October 3, 1989,
by the following vote on roll call:

Ayes: MAHAN, BELAND, HOGG, FLUTY, FERREIRA

Noes: NONE

Absent: NONE

Signed and approved by me after its passage.

Attest:
Clerk of said Board

Georgia Hake

Alfredo Ferreira
Chairman, Board of Supervisors

BE IT HEREBY RESOLVED by the Board of Supervisors, County of
Placer, State of California, that this Board approves and
directs the Chairman to sign the attached Joint Powers Authority
(JPA) Agreement for Funding and Construction of Interchanges
Along State Highway 65.

FIRST AMENDMENT TO JOINT POWERS AGREEMENT
FOR THE FINANCING AND CONSTRUCTION OF
INTERCHANGES ON STATE HIGHWAY 65
CITY OF ROCKLIN CITY OF ROSEVILLE
COUNTY OF PLACER

This First Amendment to the Joint Powers Agreement for the Financing and Construction of Interchanges on State Highway 65 ("Joint Powers Agreement"), dated October 15, 1990, by and between the County of Placer, a political subdivision of the State ("County"), and the City of Rocklin and the City of Roseville, municipal corporations organized and existing under the laws in the State of California ("Cities"), is entered into as of August 18, 1992.

RECITALS

WHEREAS, County and Cities desire to amend the Joint Powers Agreement; and

WHEREAS, County and Cities have determined that the jurisdiction of the Joint Powers Authority should be larger than initially agreed by the County and Cities, the County and Cities desire to revise and amend the area of jurisdiction, to include all of the city limits of Roseville, and Rocklin and parts of Placer County shown and described on Exhibit B, to the original Joint Powers Agreement for the financing and construction of interchanges on State Highway 65.

WITNESSETH: NOW, THEREFORE, County and Cities do mutually agree as follows;

Section 1: Exhibit B to the Joint Powers Agreement for the Financing and Construction of Interchanges on State Highway 65, dated October 15, 1990, is hereby deleted in its entirety and substituted with a new Exhibit B, which is attached hereto and, by this reference, incorporated herein.

Section 2: All remaining provisions of the Joint Powers Agreement shall remain the same and in full force and effect.

IN WITNESSETH WHEREOF, the parties have entered into this agreement as of the date and year above provided.

COUNTY OF PLACER

By



8-18-92

Chair, Board of Supervisors

ATTEST:

Georgia Pike
Clerk, Placer County

CITY OF ROCKLIN
A MUNICIPAL CORPORATION

By [Signature]
Mayor

ATTEST:

[Signature]
City Clerk, City of Rocklin

CITY OF ROSEVILLE
A MUNICIPAL CORPORATION

By [Signature]
City Manager

ATTEST:

Helene Florence
City Clerk, City of Roseville

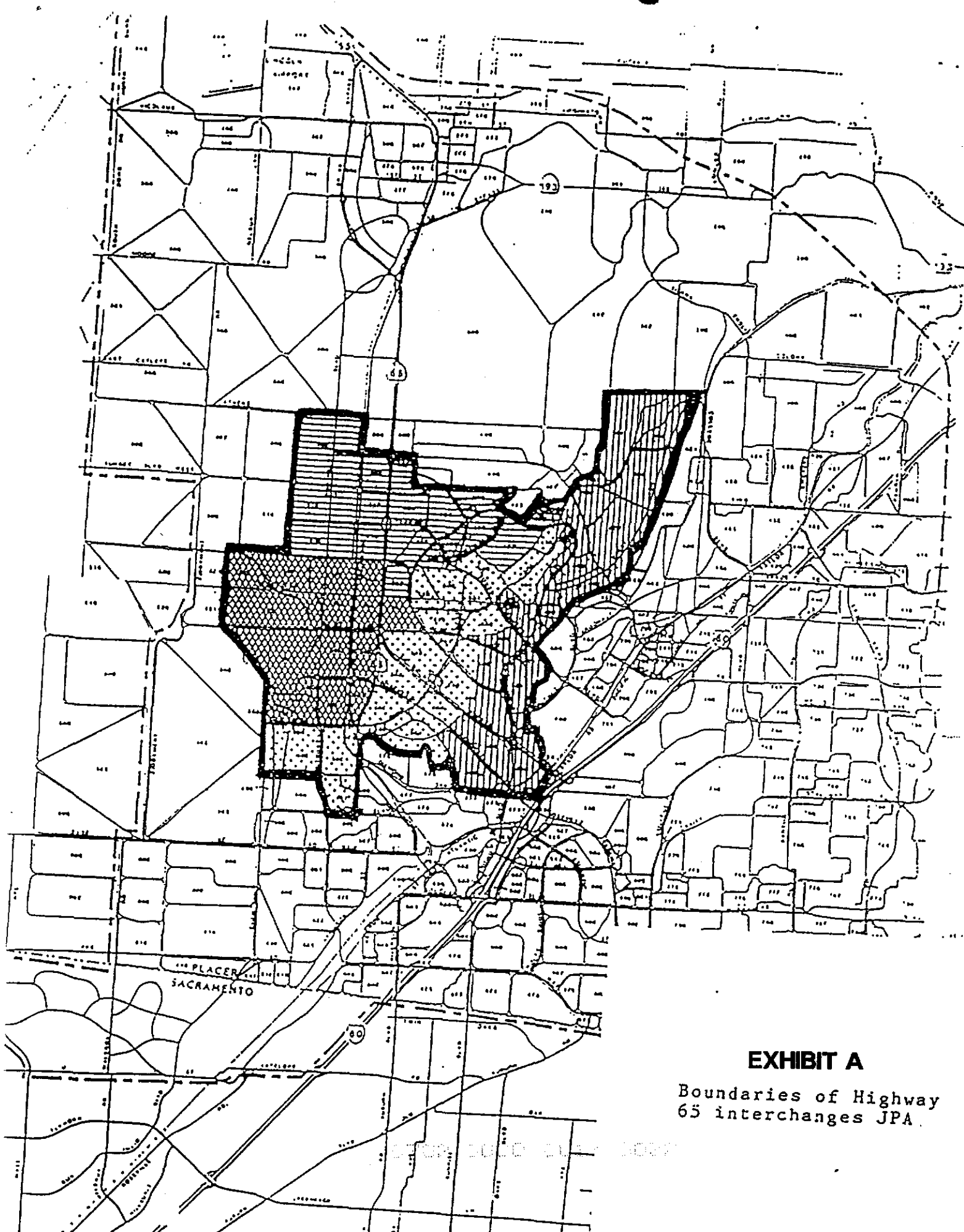


EXHIBIT A

Boundaries of Highway
65 interchanges JPA.

2000 01 01 10 00

BOUNDARIES OF HIGHWAY 65 INTERCHANGE JPA

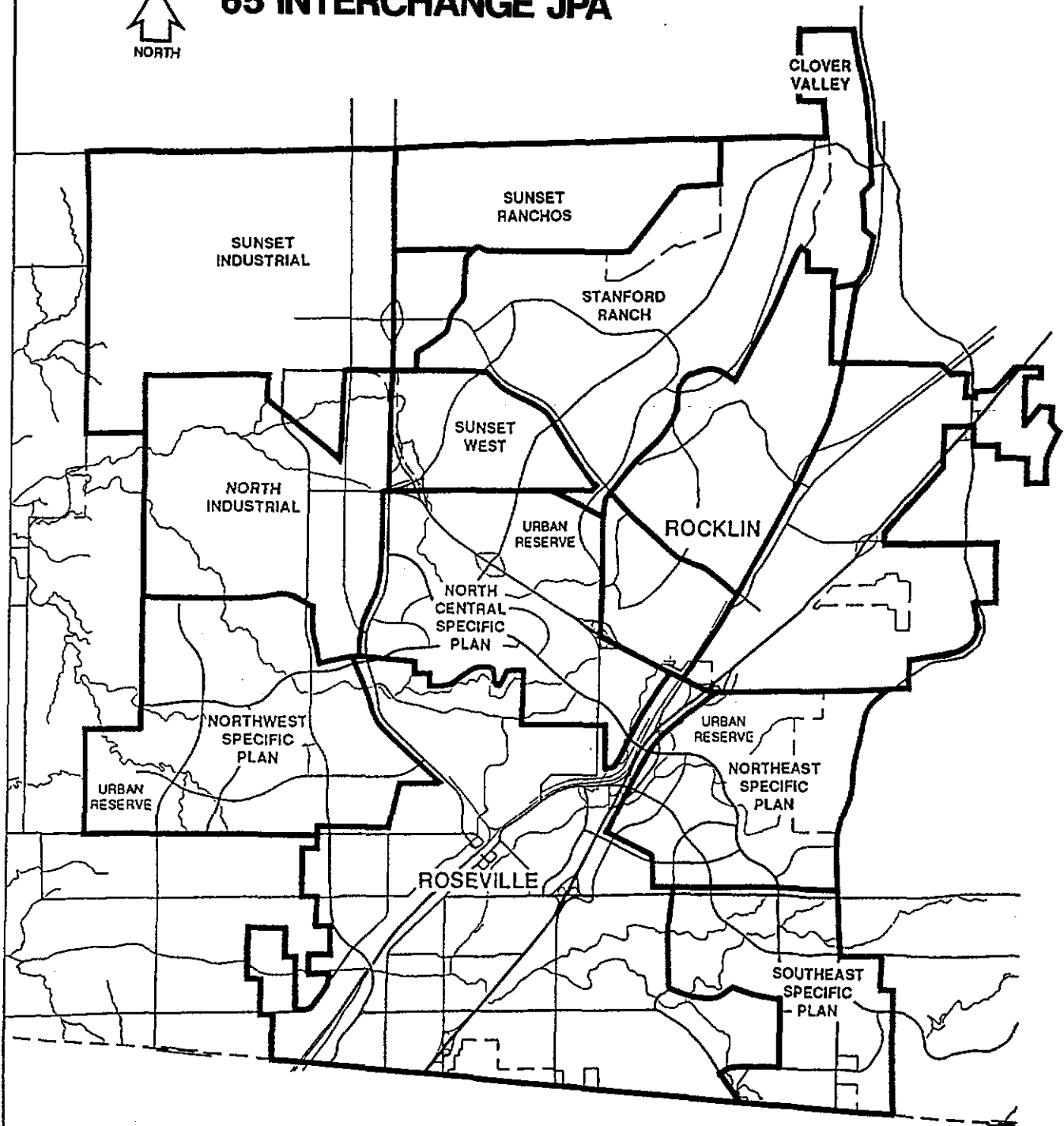


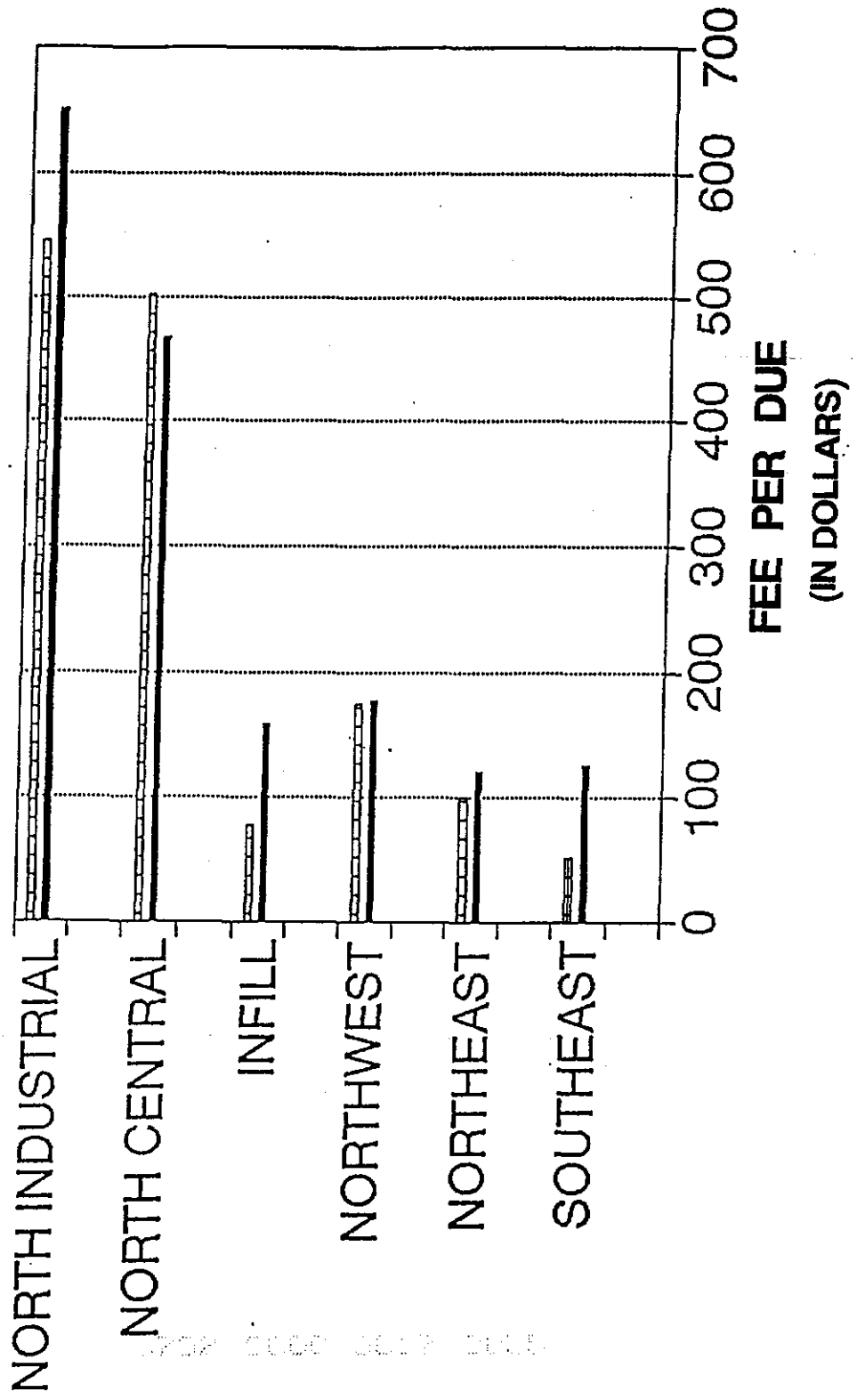
EXHIBIT B

**NOTE: The boundaries of the JPA shall include
all of the city limits of Roseville and Rocklin.**

PROPOSED JPA FEES

Summary of Costs Per DUE		
Jurisdiction	Fee District	Cost Per DUE
Roseville	Infill	\$101
	Northeast	112
	Southeast	69
	Northwest	220
	North Central	534
	North Industrial	<u>722</u>
	<i>Average</i>	<i>\$307</i>
Rocklin	Stanford Ranch/Clover Valley	\$514
	Sunset West	891
	South of Sunset	246
	North of Sunset	269
	East of SPRR	<u>127</u>
	<i>Average</i>	<i>\$441</i>
Placer County	Sunset Industrial	\$532
	Sunset Ranchos	762
	Atherton Tech	<u>696</u>
	<i>Average</i>	<i>\$618</i>
Overall Average		\$368

COMPARISON OF EXISTING TMF V.S. PROPOSED JPA FEES



EXISTING PROPOSED

RESOLUTION NO. 92-161

RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF ROCKLIN APPROVING AND AUTHORIZING THE
MAYOR TO EXECUTE A FIRST AMENDMENT
TO JOINT POWERS AGREEMENT FOR THE FINANCING
AND CONSTRUCTION OF INTERCHANGES ON HIGHWAY 65

BE IT RESOLVED by the City Council of the City of
Rocklin as follows:

Section 1. The City Council of the City of Rocklin
hereby approves and authorizes the Mayor to execute a First
Amendment to Joint Powers Agreement for financing and
construction of interchanges on Highway 65, in the form
attached hereto as Exhibit A and by this reference
incorporated herein.

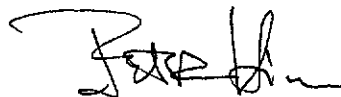
PASSED AND ADOPTED this 14th day of July, 1992, by the
following roll call vote:

AYES: Councilmembers: Lund, Huson, Magnuson, Hill

NOES: Councilmembers: None

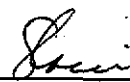
ABSENT: Councilmembers: Dominguez

ABSTAIN: Councilmembers: None



Mayor

ATTEST:



City Clerk

The foregoing instrument is a
correct copy of the original document
on file in this office.

Attest: 

City Clerk, City of Rocklin

RESOLUTION NO. 92-205

RESOLUTION OF THE COUNCIL OF THE CITY OF ROSEVILLE APPROVING
AN AGREEMENT BETWEEN THE CITY OF ROSEVILLE AND COUNTY OF
PLACER AND THE CITY OF ROCKLIN
AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF
THE CITY OF ROSEVILLE

WHEREAS, an agreement -- First Amendment to Joint Powers
Agreement for the Financing and Construction of Interchanges on
State Highway 65
has been prepared and has been reviewed by the Council;

NOW THEREFORE, BE IT RESOLVED by the Council of the City
of Roseville that said agreement is approved and that the
City Manager is authorized to execute it on behalf of the
City of Roseville.

PASSED AND ADOPTED by the Council of the City of Roseville
this 8th day of July , 1992, by the following vote
on roll call:

AYES COUNCILMEMBERS: Pauline Roccucci, Fred M. Jackson, Harry Crabb, Jr.,
Bill Santucci
NOES COUNCILMEMBERS: None
ABSENT COUNCILMEMBERS: Mel Hamel

Bill Santucci
MAYOR

ATTEST:

Helen Florance
City Clerk

The foregoing instrument is a correct copy of the
original on file in this office.

ATTEST:
City Clerk: Elly Ortiz
DEPUTY CLERK



COUNCIL COMMUNICATION

CC #: 9742
File #: 0202-01

Title: Financial Reports for Fiscal Year Ended June 30, 2018
Contact: Jacquelyn Flickinger 916-774-5516 jflickinger@roseville.ca.us

Meeting Date: 1/16/2019
Item #: 6.21.

RECOMMENDATION TO COUNCIL

This item requires no Council action and is for information only.

BACKGROUND

The following three informational reports are included on this communication:

- Comprehensive Annual Financial Report (CAFR)
- Single Audit Report
- Independent Accountant's Report on Applying Agreed-Upon Procedures Related to the Article XIII-B Appropriations Limit for the year ended June 30, 2019.

The City Charter requires that the City Council engage an independent certified public accounting firm to conduct the annual financial audit. Vavrinek, Trine, Day & Co. LLP, a certified public accounting firm, conducted the audits of the City's financial statements for the fiscal year ended June 30, 2018. The City received an unmodified (clean) opinion on the CAFR. The CAFR conforms to generally accepted accounting principles and the latest applicable Governmental Accounting Standards Board Statements. This report continues to reflect financial stability and proper accounting practices of the City. In addition, the 2017 CAFR received the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting. GFOA awarded this certificate to the City for the 15th consecutive year and it is included in the 2018 CAFR.

A Single Audit is required for any non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year. There were no financial statement or compliance findings included in this year's report.

Article XIII-B Appropriations Limit placed limits on the growth of expenditures for publicly funded programs. The Independent Accountant's Report on Applying Agreed-Upon Procedures Related to the Article XIII-B Appropriations Limit for the year ended June 30, 2019 was performed to assist the City in meeting the requirements of Section 1.5 of the Article XIII-B which requires the

annual calculation of the appropriations limit to be reviewed as part of an annual financial audit. No exceptions are included in the report.

FISCAL IMPACT

There is no fiscal impact as a result of this informational report.

ECONOMIC DEVELOPMENT / JOBS CREATED

This is an informational report. No jobs will be created.

ENVIRONMENTAL REVIEW

This informational report is not considered a project defined by the California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment (CEQA Guidelines 15061(b) (3).

Respectfully Submitted,

Jacquelyn Flickinger, Controller

Dennis Kauffman, Chief Financial Officer



Dominick Casey, City Manager

ATTACHMENTS:

Description

2018 City of Roseville CAFR

2018 City of Roseville Single Audit

2018 City of Roseville GANN Limit

Comprehensive Annual Financial Report

Fiscal Year Ending June 30, 2018



316 Vernon Street, Downtown Roseville, California

CITY OF ROSEVILLE, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018

Prepared by

FINANCE DEPARTMENT

**CITY OF ROSEVILLE, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018**

INTRODUCTORY SECTION

Table of Contents	i
Letter of Transmittal	v
Organization Chart.....	xi
Elected Officials.....	x
GFOA Certificate	xi

FINANCIAL SECTION

Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	20
Statement of Activities.....	21
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	23
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	24
Statement of Revenues, Expenditures and Changes in Fund Balances	25
Reconciliation of the Net Change in Fund Balances - Total Governmental Funds to the Statement of Activities.....	26
Proprietary Funds:	
Statement of Net Position.....	28
Statement of Revenues, Expenses and Changes in Fund Net Position	30
Statement of Cash Flows.....	32
Fiduciary Funds:	
Statement of Fiduciary Net Position.....	37
Statement of Changes in Fiduciary Net Position.....	38

**CITY OF ROSEVILLE, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018**

FINANCIAL SECTION (CONTINUED)

Notes to the Basic Financial Statements

1. Summary of Significant Accounting Policies.....	39
2. Cash and Investments	50
3. Interfund Transactions	56
4. Notes Receivable	60
5. Developer Permit Fees Receivable	63
6. Development Agreements and Land Held for Resale.....	63
7. Capital Assets	64
8. Long-Term Debt	66
9. Derivative Instruments.....	77
10. Net Position and Fund Balances	79
11. Pension Plans	81
12. Other Post-Employment Benefits	86
13. Post-Employment Benefits Trust Fund.....	90
14. Risk Management	93
15. Northern California Power Agency (NCPA).....	95
16. South Placer Wastewater Authority.....	99
17. Municipal Solid Waste Landfill Closure and Post Closure Care Costs.....	99
18. Commitments and Contingent Liabilities	100
19. Gas Supply Acquisitions and Resale	102
20. Redevelopment Agency Dissolution and Successor Agency Activities.....	103
21. Restatement.....	107

SUPPLEMENTAL INFORMATION SECTION

Required Supplementary Information

General Fund:

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Non GAAP Legal Basis)	110
Schedule of Changes in the Net Pension Liability and Related Ratios.....	114
Schedule of Contributions - Pensions.....	116
Schedule of Changes in the Net OPEB Liability and Related Ratios.....	118
Schedule of Contributions - OPEB.....	119
Modified Approach to Reporting Street Pavement Costs	120
Notes to Required Supplementary Information.....	121

**CITY OF ROSEVILLE, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018**

SUPPLEMENTAL INFORMATION SECTION (CONTINUED)

Supplemental Information

Non-Major Governmental Funds:

Combining Balance Sheet.....	125
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	131
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual	137

Non-Major Enterprise Funds

Combining Statement of Fund Net Position	147
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	148
Combining Statement of Cash Flows.....	149

Internal Service Funds:

Combining Statement of Fund Net Position	151
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	153
Combining Statement of Cash Flows.....	155

Private-Purpose Trust Funds:

Combining Statement of Net Position	158
Combining Statement of Changes in Net Position.....	159

Agency Funds:

Statement of Changes in Assets and Liabilities	162
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STATISTICAL SECTION

Net Position by Component – Last Ten Fiscal Years.....	168
Changes in Net Position – Last Ten Fiscal Years	169
Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	171
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	172
Sales Tax Revenue – Last Ten Fiscal Years.....	173
Assessment Roll Values – Last Ten Fiscal Years	174
Property Tax Rates – Direct & Overlapping Governments - Last Ten Fiscal Years.....	175
Principal Property Tax Payers – Current Year and Nine Years Ago	176
Property Tax Levies and Collections – Last Ten Fiscal Years.....	177
Electric Customers and Revenues	178
Residential Energy Prices.....	179
Business Energy Prices	180
Ratio of Outstanding Debt by Type – Last Ten Fiscal Years.....	181

**CITY OF ROSEVILLE, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018**

STATISTICAL SECTION (CONTINUED)

Revenue Bond Coverage:

2011 Refunding Fixed Rate-Wastewater Revenue Bonds – Series C – Last Eight Fiscal Years.....	182
2013 Refunding Variable Rate-Wastewater Revenue Bonds – Last Six Fiscal Years.....	183
2017 Wastewater Revenue Bonds – First Fiscal Year	184
2014 Redevelopment Tax Allocations Bonds – Last Four Years	185
2016 Redevelopment Tax Allocation Bonds – Last Two Fiscal Years.....	186
Computation of Direct and Overlapping Debt	187
Computation of Legal Bonded Debt Margin.....	188
Demographic and Economic Statistics – Last Ten Fiscal Years	189
Principal Employers – Current Year and Nine Years Ago	190
Full-Time Equivalent City Employees by Function – Last Ten Fiscal Years.....	191
Operating Indicators by Function/Program – Last Ten Fiscal Years	192
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years	193



December 21, 2018

Honorable Mayor and Members of the City Council:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Roseville (City) for the fiscal year ended June 30, 2018. The format and content of this CAFR complies with the principles and standards of accounting and financial reporting adopted by the Governmental Accounting Standards Board (GASB) and contains all information needed for readers to gain a reasonable understanding of the City's financial activities.

Management takes sole responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. The objective of internal controls is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City's financial statements have been audited by Vavrinek, Trine, Day & Co., LLP, Certified Public Accountants. The goal of the audit is to obtain reasonable assurance that the financial statements are free of material misstatements and are fairly presented in conformity with generally accepted accounting principles (GAAP). The City's auditors have issued an unmodified ("clean") opinion on the City's financial statements for the fiscal year ended June 30, 2018. The independent auditors' report is presented as the first component of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

THE REPORTING ENTITY AND ITS SERVICES

Roseville is a charter law city in the State of California. The City was incorporated on April 10, 1909 and operates under a Council-Manager form of government. The City's political and legislative body is the City Council and is empowered by the City's charter to formulate citywide policy, including a fiscal program, City services, and appointment of the City Manager and City Attorney. There are five City Council members who are elected at large for staggered four-year terms, and the Mayor is determined by which member received the highest number of votes in the previous election.

Residents of the City may assist the City Council in formulating government policy by serving on a City commission, committee, or board. The commissions, committees, and boards act in an advisory capacity to the City Council. They are Hearing Examiners/Appeals Board, Design Committee, Economic Development Advisory Committee, Library Board, Parks and Recreation Commission, Personnel Board, Placer Mosquito & Vector Control District, Planning Commission, Public Utilities Commission, Roseville Grants Advisory Commission, Senior Citizen Commission, Transportation Commission, and Youth Sports Coalition.

Roseville is a full-service City providing a full range of municipal utilities and services. These services include: police; fire; economic development and housing; parks, recreation and libraries; planning; building and public facility inspection; engineering; streets; electric; water, wastewater and solid waste utilities; and general administrative services.

The CAFR includes blended component units of the Roseville Finance Authority (Finance Authority), Roseville Natural Gas Financing Authority (RNGFA), Roseville Community Development Corporation (RCDC), the City of Roseville Housing Authority (Housing Authority), and fiduciary component units of the Successor Agency to the Redevelopment Agency (Successor Agency), and the City of Roseville Other Post-Employment Benefits Trust (OPEB Trust) which constitutes a single reporting entity. The Finance Authority, the Housing Authority, RNGFA, and OPEB Trust are separate legal entities from the City, but have the same governing board. RCDC has a separate governing board, however, the board members are appointed by the City Council. The Successor Agency has a governing board determined by State law that does not report to the City Council. RNGFA, RCDC, and the OPEB Trust issue separate component unit financial statements. Separate financial statements are not issued for the Finance Authority, the Housing Authority, or the Successor Agency.

MAJOR ACTIVITIES IN THE CITY

Many of the major activities undertaken in fiscal year 2018 are consistent with the City Council's direction to focus on projects and funding that provide economic stability and enhance the City's long-term financial condition while maintaining high levels of service to the older parts of the community. Major projects included:

- **Public Works:** The City has completed the following projects: the 2017 Arterial ADA Ramps Project; the seven story Oak Street Parking Garage; the new Fire Station #1; reconstruction of Washington Boulevard, Atkinson Street, and Hickory Street with an innovative paving material called Roller Compacted Concrete; the widening of Woodcreek Oaks Boulevard from north of Pleasant Grove Boulevard to Crimson Ridge Way; the Miner's Ravine Trail Slope Protection Project; the Harding to Royer Bike Trail Segment 3 under Folsom Road; and the Sierra Gardens Transfer Point Project where a quarter mile of Sierra Gardens Drive was reconstructed and two bus stops with bus shelters were upgraded to provide better security. The City has also begun or continued design of the following projects: Eureka/Atlantic to Westbound I-80 Onramp Widening; Hillcrest Drainage; Washington "Andora" Underpass Widening; Pleasant Grove Changeable Message Sign; Oakridge Bridge Replacement; a new traffic signal at the intersection of Junction Boulevard with Park Regency; a new traffic signal at the intersection of Vallejo Avenue with Junction Boulevard; the 2018 Residential Resurfacing Project; and the 2018 Arterial Resurfacing Project. The City continues construction of the Downtown Bridges Project.
- **Water:** The City has completed the Sunrise Avenue water main rehabilitation project, which included the replacement of 150 feet of a 24 inch water main to fix an existing leak. The final phase of the West Side Tank & Pump Station Project for the design of two 6 MG water tanks, a pumping station and crew facilities which will provide water to support growth in the western portion of the city; and destruction of three of the City's oldest wells, which have not been used for decades.
- **Wastewater:** The City finalized design work for the Pleasant Grove Wastewater Treatment Plant Expansion Project which will increase the treatment capacity by 3.5 million gallons per day to accommodate growth within the South Placer Wastewater Authority service area through 2040. The City has also finalized design work for the Pleasant Grove Energy Recovery Project, which

will utilize gas from the Pleasant Grove Wastewater Treatment Plant to create compressed natural gas to fuel the City's solid waste fleet.

- Electric: The City continued ongoing expansion of its electric distribution system to serve new customers and rehabilitation of existing electric assets to maintain reliable service.
- Parks and Recreation: The City completed the Johnson Pool ADA repairs; EJ Fiddymment Park; Waltrip Park; Kennedy Park; Stizzo Park; and has begun construction on the Astill Family, Sierra Crossing, Bev Bos, and Nela Luken Parks;

The City has experienced an overall increase in total permit activity with 6,387 permits being issued, compared to 6,226 permits issued last fiscal year. Single-family residential permits decreased slightly compared to last fiscal year with 1,007 new single family and 1 new multi-family permit issued in 2018 as compared to 1,055 and 33, respectively, in fiscal year 2017. Several new development proposals should keep single-family and multi-family permits on the rise in the near future. The number of commercial permits increased to 27, up by 7 permits, as compared to the prior year. The square footage of these buildings increased to 1,201,860 square feet from 1,026,364 square feet in the prior year. Of the new commercial permits, the largest permits were issued to Kaiser Permanente for just over 193,000 square feet for the construction of a Medical Office Building shell and core and Villa Sport Athletic Club and Spa for over 89,000 square feet of a two-story athletic facility.

The major growth areas of the Sierra Vista, Creekview, and Amoruso Ranch Specific Plan areas are located on the north and south boundaries of the West Roseville Specific Plan. Sierra Vista is annexed and fully entitled, including the Westbrook portion of the plan area adopted in June 2012 which is currently under construction. The Creekview Specific Plan, approved by the City Council in September 2012, was annexed on April 17, 2013. The Creekview Specific Plan includes 2,011 single family and multi-family residential units and 19.3 acres for commercial development (161 acres are planned for open space, parks, a school and utility sites). The Amoruso Ranch Specific Plan (ARSP) was approved by City Council in June 2016 and annexed on December 14, 2018. The ARSP plan includes the establishment of 2,827 residential units, commercial, parks, open space and public land use designations. Development of the ARSP is dependent on the extension of infrastructure through the Creekview Specific Plan area and will require the issuance of federal wetland permits. The Campus Oaks Master Plan is a centrally located growth area and was approved in 2015. Campus Oaks is planned for 952 residential units, 240,000 square feet of commercial uses and 300,000 square feet of light industrial uses. Infrastructure construction and the development of a 396 unit multi-family development is underway within the Campus Oaks plan area.

LONG-TERM FINANCIAL PLANNING

The City of Roseville has consistently planned its budgets with an eye to the long-term needs of the City. This is accomplished through the establishment of several funds that serve to direct City revenues to long-term financial needs. This ensures that funding is available for needs as they arise. These funds include:

Operating Reserves: The City maintains an emergency reserve in its General Fund of 10 percent of operating expenditures. The Council adopted a policy on July 11, 2018, and revised it on November 7, 2018, to increase the operating reserve target up to 25 percent of operating expenditures.

Rate Stabilization Funds: The Electric Department maintains a rate stabilization fund targeted at a minimum policy level of 40 percent of operating expenses. This allows the City time to react with major changes to the cost of electricity without having to impose an emergency rate increase. The City also uses this fund as a reserve for the Electric utility. Rate stabilization funds are also used in the Environmental Utilities Funds, Water, Wastewater, and Solid Waste, to help ease the impacts of rate increases over a period of years.

Automotive Fund: The City funds the cost of replacement vehicles over the useful life of the vehicle. This ensures that money is available to keep the City's vehicle fleet operating properly and safely.

Strategic Improvement Fund: The City developed a fund that provides Council with funds that can be used for periodic, strategic investments on behalf of the City. This fund has been used to acquire land and fund improvements, primarily in redevelopment areas. This fund is included in the City's General Fund.

OPEB Trust: In fiscal year 2011, the City established an irrevocable trust to address the City's long-term liability for post-retirement health benefits and transferred \$34 million of accumulated resources into the OPEB Trust. The investments in the trust have performed well, achieving a return of 7.72% since inception. In fiscal year 2018, the OPEB plan assets grew to \$84.16 million. In fiscal year 2014, the City negotiated with labor groups to cap future liabilities by creating a Tier III benefit for new hires. Tier III employees are required to set aside a portion of their salary into a Retirement Health Savings account. In the long-term the OPEB unfunded liability should start decreasing with increased contributions and investment returns.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended June 30, 2017. The organization of the City's CAFR follows the guidelines set forth by GFOA. This marks the fifteenth consecutive year the City has been recognized with this award.

In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR. The report must satisfy both generally accepted accounting principles and applicable legal requirements. We believe this CAFR also meets the requirements of the program and we will be submitting it to GFOA to determine its eligibility for the certificate.

The Finance Department, in particular the Accounting Division, takes great pride in the preparation of the CAFR. The professionalism, commitment and effort of each employee of the Accounting Division have made this report possible. We also want to thank the other employees of the Finance Department as well as those in other City departments who contributed to the preparation of this report. Finally, we thank the Mayor and City Council for their support, interest, and integrity in directing the financial affairs of the City in a responsible, professional, and progressive manner.

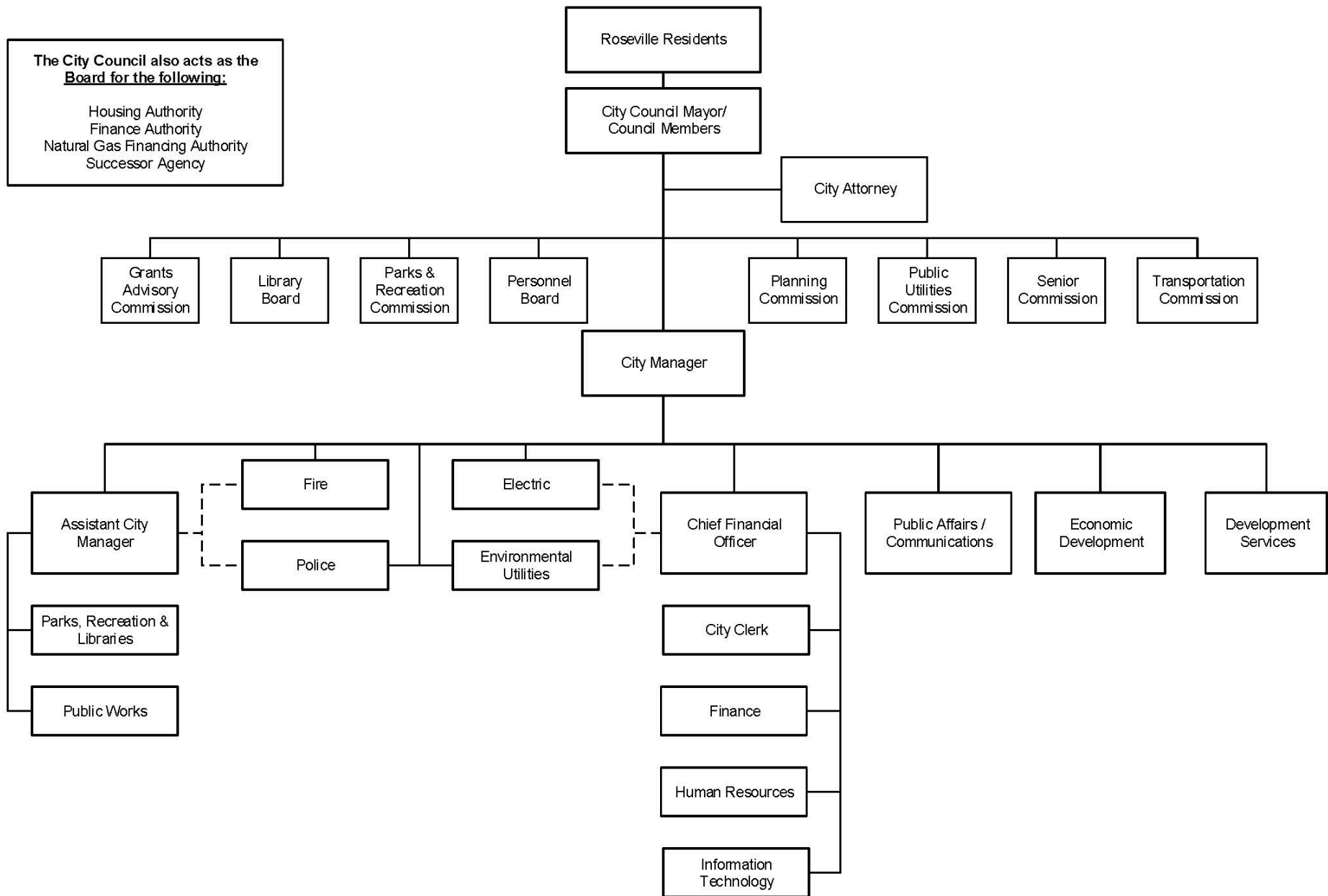
Respectfully submitted,



Dennis Kauffman, CPA
Director of Finance



Jacquelyn Flickinger, CPA
Controller



City Wide Organization (1,148.73 FTE)

CITY OF ROSEVILLE
ELECTED OFFICIALS
JUNE 30, 2018

Mayor	Susan Rohan
Vice Mayor	Bonnie Gore
Council Member	John Allard
Council Member	Scott Alvord
Council Member	Tim Herman



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Roseville
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

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VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

VALUE THE *difference*

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members of the City Council
City of Roseville, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Roseville, California, (City) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions* and Statement No. 85, *Omnibus*, effective July 1, 2017. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 18, the budgetary comparison information for the General Fund on pages 110 through 113, the schedule of changes in the net pension liability and related ratios on page 114, the schedule of pension contributions on page 112, schedule of changes in the net OPEB liability and related ratios on page 118, schedule of contributions to the OPEB plan on page 119, and the Modified Approach to Reporting Street Pavement Costs on page 120 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Varinek, Trine, Day & Co LLP". The signature is written in a cursive, flowing style.

Sacramento, California
December 21, 2018

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CITY OF ROSEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

The following discussion provides readers of the City of Roseville's (City) financial statements a narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2018. This document should be read in conjunction with the accompanying Letter of Transmittal and Basic Financial Statements.

FISCAL YEAR 2018 FINANCIAL HIGHLIGHTS

Financial highlights of fiscal year 2018 include the following:

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources as of June 30, 2018 by \$2,453.4 million, an increase of \$93.6 million or 3.8 percent from the prior year.
- The City's governmental funds reported a combined fund balance of \$224.7 million. Unassigned fund balances comprise \$32.7 million of this total, or 14.5% of the combined fund balance, which is available for use at the discretion of the City.

OVERVIEW OF THE CITY'S COMPREHENSIVE ANNUAL FINANCIAL STATEMENT

The City's Comprehensive Annual Financial Report (CAFR) is divided into four sections:

- Introductory section, including the letter of transmittal, list of City elected officials, and the City's organization chart.
- Financial section, including the independent auditors' report, management's discussion and analysis, and the basic financial statements.
- Supplemental Information section, including the required supplementary information and supplemental information.
- Statistical section, including a number of tables and graphs on unaudited data depicting 10 years of financial history about the City and information on its overlapping governmental debt.

The government-wide financial statements provide both long-term and short-term information about the City's overall financial status. The fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.

The basic financial statements also include notes that provide additional information essential to understanding the data contained in the government-wide and fund financial statements. The statements and notes are followed by the Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Contributions for the City's pension plans, Schedule of Changes in Net OPEB Liability and Related Ratios, Schedule of Contributions for the OPEB and budgetary schedule for the General Fund,, which are required supplementary information. In addition to these required elements, we have included combining statements and schedules that provide details about the City's non-major governmental funds, non-major enterprise funds, internal service funds, private purpose trust funds, and agency funds, each of which is presented in a column in the basic financial statements.

CITY OF ROSEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

Government-wide Financial Statements

The government-wide statements report information about the City using accounting methods like those used by private-sector companies. The statement of net position includes all the City's assets and liabilities, as well as any deferred outflows or inflows of resources. The statement of activities includes all current year revenues and expenses regardless of when cash is received or paid. These government-wide statements report the City's net position and how the City's net position has changed during the fiscal year.

The government-wide financial statements of the City present information about the following:

- *Governmental Activities:* Most of the City's basic services are considered to be governmental activities. These services are supported by general City revenues such as taxes, and by specific program revenues such as user fees and charges.
- *Business-type Activities:* The City's enterprise activities of electric, water, wastewater, solid waste, natural gas, local transportation, and school-age child care are reported in this area. Unlike governmental activities, these services are supported by charges paid by users based on the amount of the service they use.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide more detailed information about the City's largest funds, not the City as a whole.

The City has three types of fund financial statements:

- *Governmental funds:* Governmental fund statements provide information about how the general government services such as police, fire and public works were financed in the short-term as well as what remains for future spending. Most of the City's basic services are included in governmental funds, which focus on (1) short-term inflows and outflows of spendable resources, and (2) the remaining year-end balances available for spending. Because this information does not encompass the additional long-term focus of the government-wide statements, reconciliations that explain the relationship (or differences) between governmental funds and governmental activities follow the governmental fund statements.
- *Proprietary funds:* Proprietary fund statements provide information about the services for which customer fees are intended to finance the costs of operations are generally reported in proprietary funds. Proprietary fund statements, like the government-wide statements, provide short-term and long-term financial information about the activities the City operates like businesses, such as utility services.
- *Fiduciary funds:* Fiduciary fund statements provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of others, to whom the resources belong. The City is the trustee or fiduciary. It is also responsible for other assets, reported in an investment trust fund, which because of trust agreements, can be used only for the trust beneficiaries. The City elected to serve as the successor agency for its former redevelopment agency which was dissolved by state law. The successor agency activity is accounted for in a private purpose trust fund. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the City's government-wide financial statements because the City cannot use these resources to finance its operations.

CITY OF ROSEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

This analysis focuses on the City's net position and changes of its governmental and business-type activities for the fiscal year ending June 30, 2018.

Statement of Net Position - Primary Government
As of June 30, 2018 and 2017
(in millions)

	Governmental Activities		Business-type Activities		Government-wide Activities	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Assets						
Cash and investments	\$ 259.3	\$ 255.0	\$ 378.2	\$ 337.8	\$ 637.5	\$ 592.8
Other assets	89.1	88.7	399.4	397.9	488.5	486.6
Capital assets	946.7	990.7	1,527.3	1,513.1	2,474.0	2,503.9
Total Assets	<u>1,295.2</u>	<u>1,334.4</u>	<u>2,304.9</u>	<u>2,248.8</u>	<u>3,600.1</u>	<u>3,583.3</u>
Deferred Outflows of Resources	<u>55.7</u>	<u>44.0</u>	<u>58.2</u>	<u>50.9</u>	<u>113.9</u>	<u>95.0</u>
Liabilities						
Long-term debt outstanding	28.8	27.3	497.8	504.8	526.6	532.1
Other liabilities	358.4	292.9	231.0	182.4	589.4	475.3
Total Liabilities	<u>387.2</u>	<u>320.2</u>	<u>728.7</u>	<u>687.2</u>	<u>1,116.0</u>	<u>1,007.4</u>
Deferred Inflows of Resources	<u>28.1</u>	<u>9.2</u>	<u>116.6</u>	<u>114.6</u>	<u>144.6</u>	<u>123.8</u>
Net Position						
Net investment in capital assets	930.4	963.4	1,174.5	1,164.4	2,104.8	2,127.9
Restricted	130.8	128.5	48.7	35.6	179.5	164.1
Unrestricted	(125.5)	(42.9)	294.6	298.0	169.1	255.1
Total Net Position	<u>\$ 935.6</u>	<u>\$ 1,049.0</u>	<u>\$ 1,517.8</u>	<u>\$ 1,498.0</u>	<u>\$ 2,453.4</u>	<u>\$ 2,547.0</u>

The largest portion of the City's net position is recorded in the net investment in capital asset category of \$2,104.8 million. This category reports capital assets less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide services to its citizens.

The restricted portion of the City's net position of \$179.5 million represents resources that are restricted for use by external sources. The remaining net position of \$169.1 million is unrestricted and can be used to meet the ongoing obligations of the City.

CITY OF ROSEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

Governmental Activities

Government Activities – Net Position

This analysis focuses on the net position and changes in net position of the City's governmental activities, presented in the Government-wide Statement of Net Position and Statement of Activities.

Statement of Net Position - Governmental Activities
As of June 30, 2018 and 2017
(in millions)

	2018	2017	Increase/ Decrease
Assets			
Cash and investments	\$ 259.3	\$ 255.0	\$ 4.3
Other assets	89.1	88.7	0.4
Capital assets	946.7	990.7	(44.0)
Total Assets	1,295.2	1,334.4	(39.2)
Deferred Outflows of Resources	55.7	44.0	11.7
Liabilities			
Long-term debt outstanding	28.8	27.3	1.5
Other liabilities	358.4	292.9	65.5
Total Liabilities	387.2	320.2	67.0
Deferred Inflows of Resources	28.1	9.2	18.9
Net Position			
Net investment in capital assets	930.4	963.4	(33.0)
Restricted	130.8	128.5	2.3
Unrestricted	(125.5)	(42.9)	(82.6)
Total Net Position	\$ 935.6	\$ 1,049.0	\$ (113.4)

Note: Prior-year adjustments recorded in the current year have not been reflected in the prior-year column.

The City's governmental activities net position decreased by \$113.4 million to \$935.6 million as of June 30, 2018, primarily due to the following:

- Capital assets net of depreciation decreased by \$44.0 million primarily due to accumulated depreciation on parks and landscaping. The City had used the modified approach with respect to its parks and landscaping in the past. This change in accounting treatment was implemented as a prior period adjustment, bringing the net book value of all assets current.
- Other liabilities increased by \$65.5 million primarily due to the City's implementation of GASB 75, which increased liabilities by \$45.2 million by adding a net OPEB liability where a net OPEB obligation was previously reported. The net OPEB liability is the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the OPEB plan's fiduciary net position. The net pension obligation also increased by \$13.4 million.

CITY OF ROSEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

Changes in Net Position - Governmental Activities
For the Years Ended June 30, 2018 and 2017
(in millions)

	<u>2018</u>	<u>2017</u>	<u>Increase/ Decrease</u>
Revenues			
Program Revenues			
Charges for services	\$ 39.4	\$ 34.4	\$ 5.0
Operating grants and contributions	17.2	21.0	(3.8)
Capital grants and contributions	27.8	35.5	(7.7)
Total Program Revenues	<u>84.4</u>	<u>91.0</u>	<u>(6.6)</u>
General Revenues			
Taxes	106.1	101.8	4.4
Use of money and property	2.0	0.7	1.3
Miscellaneous	10.1	18.7	(8.6)
Total General Revenues	<u>118.3</u>	<u>121.1</u>	<u>(2.9)</u>
Total Revenues	<u>202.7</u>	<u>212.1</u>	<u>(9.4)</u>
Expenses			
General government	19.8	23.5	(3.7)
Development and operations	25.2	22.4	2.8
Public works	21.3	15.5	5.8
Police	46.7	28.0	18.7
Fire	38.3	21.9	16.5
Library	5.9	3.4	2.5
Parks and recreation	28.8	19.3	9.6
Housing assistance payments	4.2	4.2	0.0
Interest on long-term debt	4.8	4.3	0.5
Total Expenses	<u>195.1</u>	<u>142.4</u>	<u>52.7</u>
Changes in Net Position before Transfers	<u>7.5</u>	<u>69.8</u>	<u>(62.2)</u>
Transfers	16.7	20.7	(3.9)
Changes in Net Position after Transfers	<u>24.3</u>	<u>90.4</u>	<u>(66.1)</u>
Net Position-Beginning, as Restated	<u>911.3</u>	<u>958.6</u>	<u>(47.3)</u>
Net Position-Ending	<u>\$ 935.6</u>	<u>\$ 1,049.0</u>	<u>\$ (113.4)</u>

Note: Prior-period adjustments recorded in the current year have not been reflected in the 2017 column.

Program revenues are comprised of charges for services of \$39.4 million that include permit revenues, fees, and charges used to fund expenses incurred in providing services; \$17.2 million of operating grants and contributions which include housing, and police grants; and capital grants and contributions of \$27.8 million that consist mainly of street project grants and developer impact fees restricted to capital outlay.

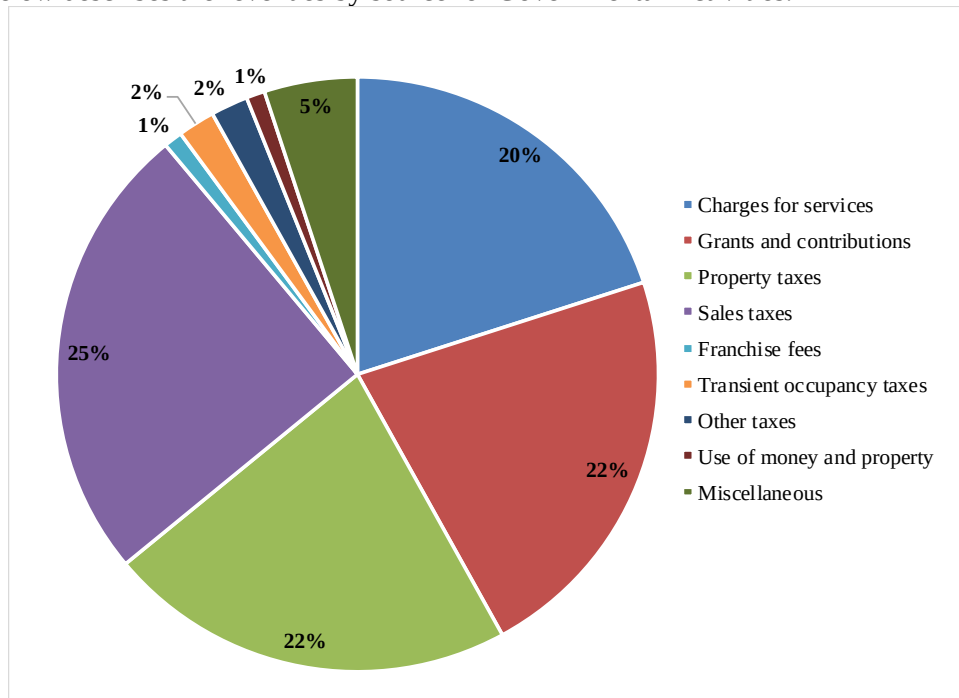
General revenues were mainly comprised of property and sales taxes totaling \$95.4 million. General revenues are not allocable to programs and are used to pay the net cost of governmental programs.

Total expenses increased by \$52.7 million primarily due to an increase in expense in police and fire of \$35.2 million and increase in expense in park and recreation and public works of \$15.4 million which were primarily caused by changes in the way the City recorded transactions related to reimbursed expenditures. These transactions were previously reported as transfers.

CITY OF ROSEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

Governmental Activities – Revenues by Source

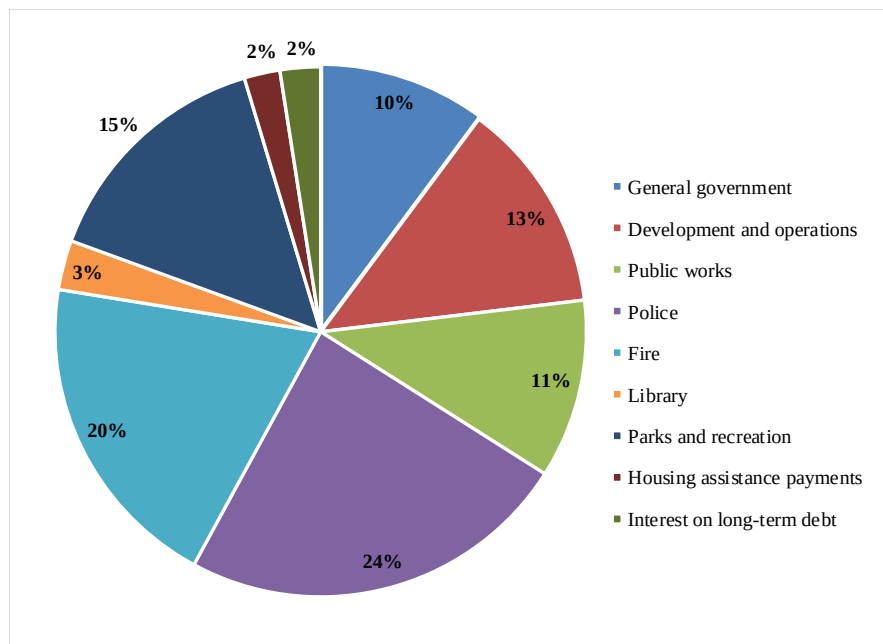
The chart below describes the revenues by source for Governmental Activities.



As the revenues chart reflects, 42% (\$84.4 million) of the City's fiscal year 2018 governmental activities revenue came from program revenues and 58% (\$118.3 million) came from general revenues such as taxes, interest, and miscellaneous revenues.

Governmental Activities – Functional Expenses

The functional expenses chart below includes only current year expenses for governmental activities.



CITY OF ROSEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

Capital outlay is excluded from functional expenses as those expenses are added to the City's capital assets. As the chart reflects, police was 24% (\$46.6 million) of total governmental activities expenses; fire was 20% (\$38.3 million); parks and recreation was 15% (\$28.8 million); development and operations was 13% (\$25.2 million); public works was 11% (\$21.3 million); general government was 10% (\$19.8 million); and the remainder was for other governmental programs and function, as shown above.

Business-type Activities

The Statement of Net Position and Statement of Activities present a summary of the City's business-type activities that are composed of the City's enterprise funds.

Statement of Net Position - Business-type Activities
As of June 30, 2018 and 2017
(in millions)

	2018	2017	Increase/ Decrease
Assets			
Cash and investments	\$ 378.2	\$ 337.8	\$ 40.4
Other assets	399.4	397.9	1.5
Capital assets	1,527.3	1,513.1	14.2
Total Assets	2,304.9	2,248.8	56.1
Deferred Outflows of Resources	58.2	50.9	7.3
Liabilities			
Long-term debt outstanding	497.8	504.8	(7.0)
Other liabilities	231.0	182.4	48.6
Total Liabilities	728.7	687.2	41.5
Deferred Inflows of Resources	116.6	114.6	2.0
Net Position			
Net investment in capital assets	1,174.5	1,164.4	10.1
Restricted	48.7	35.6	13.1
Unrestricted	294.6	298.0	(3.4)
Total Net Position	\$ 1,517.8	\$ 1,498.0	\$ 19.8

The net position of business-type activities amounted to \$1,517.8 million in fiscal year 2018, an increase of \$19.8 million from fiscal year 2017. The City's business-type activities net position increased due to the following:

- Cash and investments increased by \$40.4 million and capital assets increased by \$14.2 million.
- Long-term debt outstanding decreased by \$7.0 million due to scheduled retirements of outstanding debt. Other liabilities increased by \$48.6 million primarily due to the City's implementation of GASB 75, which increased liabilities by \$46.6 million by adding a net OPEB liability where a net OPEB obligation was previously reported. The net pension liability also increased by \$23.2 million. These increases were offset by decreases of \$9.4 million and \$4.8 million in unearned revenue and accrued liabilities.

CITY OF ROSEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

Changes in Net Position - Business-type Activities
For the Years Ended June 30, 2018 and 2017
(in millions)

	<u>2018</u>	<u>2017</u>	<u>Increase/ Decrease</u>
Revenues			
Program Revenues			
Charges for services	\$ 285.9	\$ 281.6	\$ 4.3
Operating grants and contributions	12.6	10.6	2.0
Capital grants and contributions	76.7	61.0	15.7
Total Program Revenues	<u>375.2</u>	<u>353.3</u>	<u>21.9</u>
General Revenues			
Use of property and money	8.8	8.9	(0.1)
Miscellaneous	(0.5)	-	(0.5)
Total General Revenues	<u>8.3</u>	<u>8.9</u>	<u>(0.7)</u>
Total Revenues	<u>383.5</u>	<u>362.2</u>	<u>21.2</u>
Expenses			
Electric	148.8	151.0	(2.2)
Water	31.8	30.1	1.7
Wastewater	45.5	40.4	5.2
Solid waste	22.0	18.3	3.7
Natural gas	24.2	24.7	(0.5)
Golf course	-	2.5	(2.5)
Local transportation	9.9	8.2	1.7
School-age child care	7.9	5.8	2.1
Total Expenses	<u>290.1</u>	<u>280.9</u>	<u>9.2</u>
Change in Net Position before Transfers	<u>93.4</u>	<u>81.4</u>	<u>12.0</u>
Transfers	(16.7)	(20.7)	3.9
Changes in Net Position after Transfers	<u>76.7</u>	<u>60.7</u>	<u>16.0</u>
Net Position-Beginning, as Restated	<u>1,441.1</u>	<u>1,437.3</u>	<u>3.8</u>
Net Position-Ending	<u>\$ 1,517.8</u>	<u>\$ 1,498.0</u>	<u>\$ 19.7</u>

Note: Prior-period adjustments recorded in the current year have not been reflected in the 2017 column.

Business-type program revenues and general revenues were \$382.5 million while business-type expenses and transfers out were \$305.8 million in 2018. Major-enterprise fund activity is discussed in the Proprietary Funds section below.

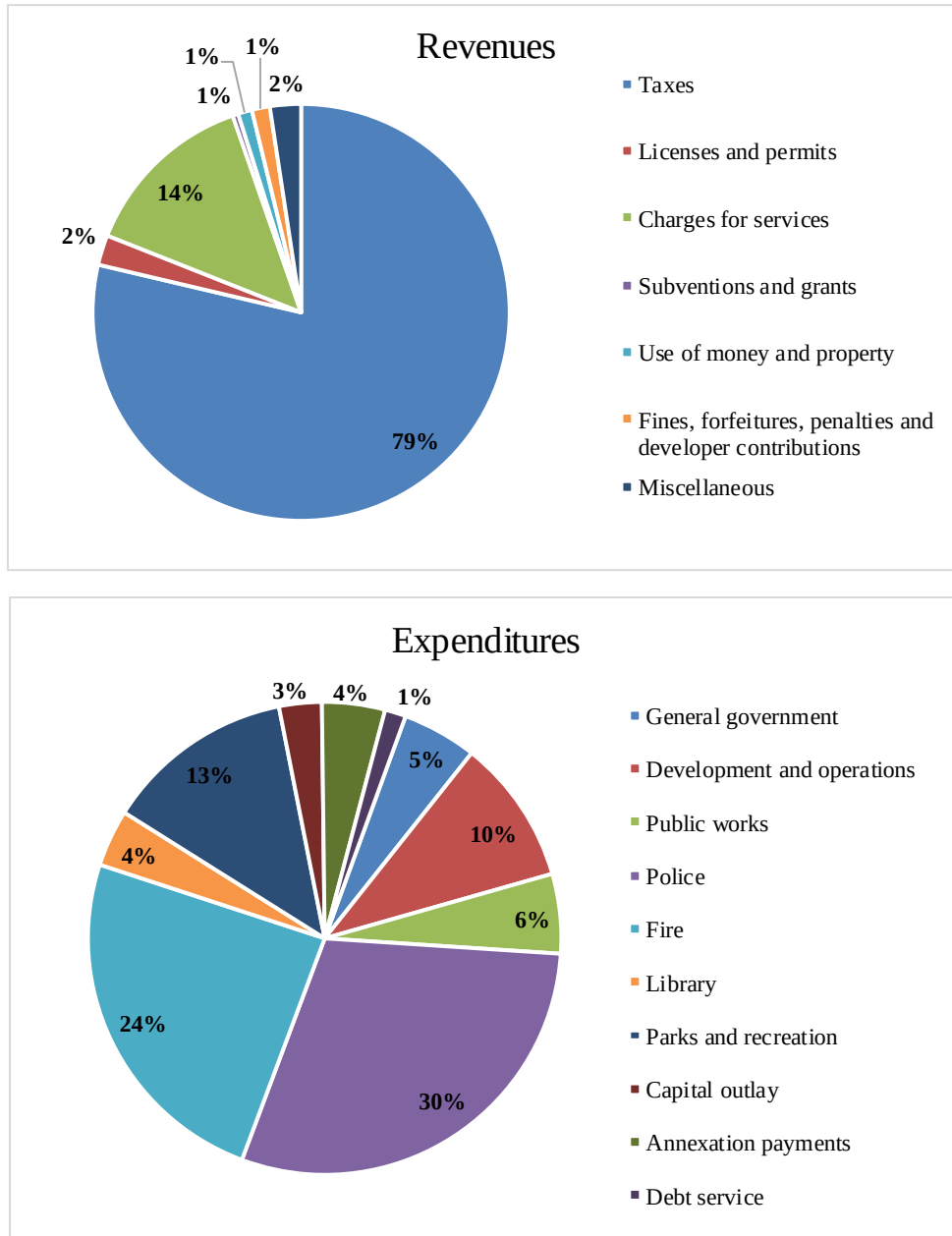
FINANCIAL ANALYSIS OF THE FUND STATEMENTS

Governmental Funds

The City's governmental funds provide information on near-term inflows, outflows, and balances of spendable resources.

CITY OF ROSEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

General Fund



General Fund revenues increased by \$4.4 million from the prior year, primarily due to increases in taxes of \$3.8 million and increases in charges for services of \$0.5 million. Total actual revenues were less than the final budget by \$6.4 million, with the following major breakdown:

- Taxes were less than budget by \$2.0 million, primarily due to delays in distributing sales tax revenue by the California Department of Tax and Fee Administration.
- Licenses and permits were more than budget by \$0.5 million.
- Charges for services were less than budget by \$4.5 million.
- Subventions and grants were less than budget by \$0.4 million.

CITY OF ROSEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

General Fund expenditures decreased by \$9.3 million from the prior year, primarily due to the decrease in general government by \$19.6 million, caused by the creation of the new Information Technology and Facility Maintenance internal service fund, which moved expenses previously reported in the General Fund. This decrease was offset by increases in police of \$4.1 million, fire of \$2.3 million, parks and recreation of \$2.0 million, library of \$1.1 million and annexation payments of \$1.0 million. Total expenditures were \$7.6 million less than budget. The original budget was increased by a net \$7.3 million. Development and Operations expenditures were \$5.9 million under budget primarily due to certain full cost/consolidated development-related projects not being completed by the end of the fiscal year.

As of June 30, 2018, the General Fund's fund balance totaled \$55.5 million, including \$13.2 million nonspendable primarily for notes receivable; \$3.9 million assigned to various contracts; and the balance of \$38.4 million considered unassigned. Only the unassigned portion of fund balance represents available resources, since the nonspendable and assigned portions of the fund balance is represented by non-cash assets, contracts, or open purchase orders. The unassigned fund balance includes the City's emergency reserve, litigation reserve, and strategic improvement fund.

Non-Major Governmental Funds

These funds are presented in the basic financial statements as non-major governmental funds. They are individually presented as supplemental information.

Proprietary Funds

Electric Fund

Net position of the Electric Fund increased \$29.1 million in fiscal year 2018 primarily due to an increase in cash and investments of \$26.0 million and a decrease in long-term debt of \$7.7 million due to new and refunding debt. As of June 30, 2018, the fund's net position was \$351.8 million, of which \$215.3 million was invested in capital assets; \$16.1 million was restricted for debt service; \$14.5 million was restricted for the sustainable energy program; and \$105.9 million was unrestricted as to use.

Water Fund

Net position of the Water Fund increased \$28.7 million in fiscal year 2018, primarily due to increases in charges for services for rate changes and new development and additional capital contributions. As of June 30, 2018, the fund's net position was \$530.0 million, of which \$452.8 million was invested in capital assets; \$4.1 million was restricted for debt service; and \$73.1 million was unrestricted as to use.

Wastewater Fund

Net position of the Wastewater Fund increased \$14.9 million in fiscal year 2018, primarily due to increases in capital contribution from developers and governmental activities and decrease in transfer out. As of June 30, 2018, the fund's net position was \$609.6 million of which \$480.6 million was invested in capital assets; \$5.3 million was restricted for debt service; and \$123.7 million was unrestricted as to use.

Solid Waste Fund

Net Position of the Solid Waste Fund increased by \$2.8 million in fiscal year 2018, primarily due to decreases in transfers out. As of June 30, 2018, the fund's net position was \$11.4 million, of which \$4.0 million was invested in capital assets and \$7.4 million was unrestricted as to use.

CITY OF ROSEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

Roseville Natural Gas Financing Authority

This fund was created as the financing mechanism to purchase prepaid natural gas for the Roseville Energy Park, an electric power plant, through the issuance of revenue bonds. \$136.4 million remains due in bonds payable, while the prepaid natural gas was \$138.5 million. Net position of the Roseville Natural Gas Financing Authority Fund in fiscal year 2018 was \$3.9 million which is unrestricted as to use.

Non-Major Enterprise Funds

These funds are presented in the basic financial statements as non-major enterprise funds. They are individually presented as supplemental information.

CAPITAL ASSETS

In fiscal year 2002, the City started recording the cost of its infrastructure assets and computed the amount of accumulated depreciation for these assets based on their original acquisition dates. Infrastructure includes roads, bridges, signals and similar assets used by the entire population. The cost of infrastructure and other capital assets recorded on the City's financial statements was as shown in table below:

CITY OF ROSEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>2018</u>	<u>2017</u>	<u>Increase/ Decrease</u>
Governmental Activities			
Land	\$ 128.4	\$ 38.8	\$ 89.6
Streets (modified approach)	331.2	319.2	11.9
Parks	83.4	156.2	(72.8)
Landscaping	53.9	52.3	1.6
Construction in progress	35.4	52.0	(16.6)
Buildings	190.9	159.2	31.7
Improvements	21.7	11.3	10.5
Equipment	67.7	68.5	(0.8)
Bike paths	9.8	9.8	0.0
Bridges	73.2	71.1	2.2
Culverts	20.7	20.7	0.0
Curb, gutter, sidewalk, and median curbs	173.0	166.1	6.9
Drain inlets	22.0	21.8	0.2
Flood control improvements	20.6	20.6	0.0
Soundwall	41.3	40.6	0.7
Storm drains	99.8	93.7	6.1
Less: accumulated depreciation	<u>(426.5)</u>	<u>(311.4)</u>	<u>(115.2)</u>
Governmental Activity Capital Assets, Net	<u>\$ 946.7</u>	<u>\$ 990.7</u>	<u>\$ (44.0)</u>
	<u>2018</u>	<u>2017</u>	<u>Increase/ Decrease</u>
Business-Type Activities			
Land	\$ 12.0	\$ 17.1	\$ (5.1)
Landscaping	1.5	0.6	0.9
Construction in progress	41.6	40.8	0.7
Buildings	22.9	27.4	(4.5)
Improvements	10.0	18.8	(8.8)
Machinery and equipment	43.2	34.8	8.4
Bike paths	5.6	5.4	0.2
Bridges	1.7	1.7	0.0
Culverts	0.4	0.4	0.0
Curb, gutter, sidewalk, and median curbs	0.5	0.5	0.0
Flood control improvements	8.9	8.9	0.0
Traffic signals	52.6	50.1	2.5
Plant and substations	372.5	366.2	6.3
Distribution	1,424.1	1,376.4	47.7
Generation	203.1	202.8	0.2
Less: accumulated depreciation	<u>(673.4)</u>	<u>(638.8)</u>	<u>(34.6)</u>
Business-Type Activity Capital Assets, Net	<u>\$ 1,527.3</u>	<u>\$ 1,513.1</u>	<u>\$ 14.1</u>

Note: Prior-year adjustments recorded in the current year have not been reflected in the prior-year column.

CITY OF ROSEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

Detail on capital assets, current year additions, construction in progress and depreciable lives can be found in Note 7 to the financial statements.

The City depreciates all its capital assets over their estimated useful lives, except for streets which are reported using the modified approach. The purpose of depreciation is to spread the cost of a capital asset over the years of its useful life so that an allocable portion of the cost of the asset is borne by all users. The modified approach requires the City to employ an asset management system that maintains a current inventory of these assets, estimates annual costs to maintain them, and assesses the condition of the assets in a replicable way.

The City uses a computerized pavement management system to track the condition levels of each of the street sections. The City's policy based on current funding is to maintain arterial and collector roadways at an average Pavement Quality Index (PQI) of 72 and residential roadways at an average PQI of 70. This policy allows for minor cracking and revealing of the pavement along with minor roughness that could be noticeable to drivers traveling at posted speed.

At June 30, 2018, the City's streets averaged 72 PQI for arterial and collector roadways and 70 PQI for residential roadways. The City expended \$5.2 million on preservation of its streets in fiscal year 2018, compared to the budgeted amount of \$3.5 million.

DEBT ADMINISTRATION

The City made all scheduled repayments of existing debt. Each of the City's debt issues is discussed in detail in Note 8 to the financial statements. As of June 30, 2018 the City's debt comprised:

CITY OF ROSEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

Outstanding Debt
As of June 30, 2018 and 2017
(in millions)

	<u>2018</u>	<u>2017</u>	<u>Increase/ Decrease</u>
<u>Governmental Activity Debt</u>			
Lease			
2013 Public Facilities Refunding, 2.15%, due 8/1/25	\$ 10.1	\$ 11.4	\$ (1.3)
2015 316 Vernon Street Project, 2.00%-5.00%, due 2/1/34	13.9	14.2	(0.3)
Add: deferred debt premium	0.8	0.8	
Capital Lease Obligations			
Equipment			
Loans			
Successor Agency	4.0	4.0	
Total Governmental Activity Debt	<u><u>\$ 28.8</u></u>	<u><u>\$ 30.4</u></u>	<u><u>\$ (1.6)</u></u>
<u>Business-type Activity Debt</u>			
Certificates of Participation			
2009 Electric System Revenue Refunding, 2.00%-5.25%, due 2/1/24	\$ 3.0	\$ 4.7	\$ (1.7)
Add deferred bond premium		0.1	(0.1)
2012 Electric System Revenue Refunding, variable rate, due 2/1/35	90.0	90.0	
2015 Water Utility Revenue Refunding, 2.00%-5.00%, due 12/1/29	35.3	37.7	(2.4)
Add deferred bond premium	5.6	6.0	(0.4)
Total Certificates of Participation	<u>133.9</u>	<u>138.5</u>	<u>(4.6)</u>
Revenue Bonds			
2007 Gas Revenue Bonds			
4.00%-5.00%, due 2/15/28	129.7	139.5	(9.8)
Add: deferred bond premium	6.6	7.4	(0.8)
2010 Electric System Revenue Refunding			
2.00%-5.00%, due 2/1/37	1.1	1.6	(0.5)
Add: deferred bond premium			
2013 Electric System Revenue Refunding			
2.00%-5.00%, due 2/1/29	34.9	39.4	(4.5)
Add: deferred bond premium	4.1	4.4	(0.3)
2011 Refunding Wastewater Revenue Bonds, Series C			
1.00%-5.25%, due 11/1/25	9.1	28.9	(19.8)
Add: deferred bond premium	0.5	1.8	(1.3)
2013 Refunding Wastewater Revenue Bonds			
variable rate, due 11/1/35	36.5	36.5	
2014 Refunding Wastewater Revenue Bonds			
variable rate, due 6/30/30	-	18.0	(18.0)
2014 Refunding Electric System Revenue Bonds			
5.00%, due 2/1/34	16.5	16.5	
Add: deferred bond premium	1.7	1.8	(0.1)
2017A Electric System Revenue Refunding			
3.0%-5.00%, due 2/1/37	56.2	56.2	
Add: deferred bond premium	4.6	4.9	(0.3)
2017B Taxable Electric System Revenue Refunding			
1.03%-2.41%, due 2/1/22	6.1	6.3	(0.2)
2017 Wastewater Revenue Bonds			
5.00%, due 11/1/37	46.1		46.1
Add: deferred bond premium	10.1		10.1
Total Revenue Bonds	<u>363.8</u>	<u>363.2</u>	<u>0.6</u>
Total Business-type Activity Debt	<u><u>\$ 497.7</u></u>	<u><u>\$ 501.7</u></u>	<u><u>\$ (4.0)</u></u>

CITY OF ROSEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

ECONOMIC CONDITION, OUTLOOK AND ACTIVITY

The economic condition of the City in fiscal year 2018 continued to improve. Overall, General Fund revenues increased from the prior year. The City continued its approach on the budgeting philosophy for the General Fund to more closely reflect anticipated expenses, leaving less unallocated at the end of the fiscal year. With the unspent funds, a General Fund Contingency, in addition to the General Fund's operating reserve, was created to allow more flexibility to address unanticipated needs that arise during the year.

The electric utility's count of customers grew 2.1% in fiscal year 2018. Energy sales and operating revenue increased 1% and 2% respectively from the prior year. Operating expenses decreased 2.7% from the prior year and non-operating expenses increased by 22% from last year. The revenue to expense outlook for the next several years forecasts revenue meeting expenses. Anticipated new development will add residential and commercial customers. Issues that may impact future rates include state and federal mandates related to renewable energy and environmental concern as well as increasing distributed generation throughout the customer base.

The environmental utilities (water, wastewater, and solid waste) ended the year with positive changes in their net position. The water and waste water utilities debt instrument performed well during fiscal year 2018. The water utility debt is fixed rate; however, the wastewater utility includes a large amount of variable rate debt. The interest rates on this debt remained low through fiscal year 2018. In fiscal year 2019, water, waste water and solid waste rates increased in total by approximately 5.5%.

The long-term outlook for the City's economy is promising. Building is continuing to increase for single family homes. New auto sales continued to increase compared to the prior year as the City continues to be a leader in the state.

On short-term basis, the City will need to continue controlling costs and payroll expansion to ensure operating revenues exceed operating expenses. In fiscal year 2018, the City continued with the five year funding plan to address unfunded liabilities associated with OPEB and the deferred maintenance and replacement of critical assets by increasing contribution to the respective funds. CalPERS costs increased, as expected, and are projected to continue to increase in future years.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is intended to provide citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances. Questions about this report should be directed to the Finance Department at the City of Roseville at 311 Vernon Street, Roseville, California, 95678.

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BASIC FINANCIAL STATEMENTS

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STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

The purpose of the Statement of Net Position and the Statement of Activities is to summarize the entire City's financial activities and financial position.

The Statement of Net Position reports the difference between the City's total assets and deferred outflows of resources and the City's total liabilities and deferred inflows of resources, including all the City's capital assets and all its long-term debt. The Statement of Net Position focuses the reader on the composition of the City's net position, by subtracting total liabilities and deferred inflows of resources from total assets and deferred outflows of resources and summarizes the financial position of all the City's Governmental Activities in a single column, and the financial position of all the City's Business-Type Activities in a single column; these columns are followed by a Total column that presents the financial position of the entire City.

The City's Governmental Activities include the activities of its General Fund, along with the Special Revenue, Capital Projects, Debt Service, and Permanent Funds. Since the City's Internal Service Funds predominately service these Funds, their activities are consolidated with Governmental Activities, after eliminating inter-fund transactions and balances. The City's Business Type Activities include activities of the Enterprise Funds. Fiduciary activity is excluded.

The Statement of Activities reports increases and decreases in the City's net position. It is also prepared on the full accrual basis, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the modified accrual basis used in the Governmental Fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

The Statement of Activities and the Statement of Net Position include the financial activities of the City, the Roseville Finance Authority, the Roseville Natural Gas Financing Authority, the Roseville Community Development Corporation and the City of Roseville Housing Authority, which are legally separate, but are component units of the City because they are controlled by the City which is financially accountable for the activities of these entities.

CITY OF ROSEVILLE, CALIFORNIA
STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments in City Treasury	\$ 255,604,713	\$ 343,137,673	\$ 598,742,386
Restricted cash and investments with fiscal agents	3,719,843	35,053,633	38,773,476
Receivables:			
Accounts, net of allowance for doubtful accounts	7,303,300	36,691,151	43,994,451
Accrued interest	5,571,994	1,753,097	7,325,091
Due from other government agencies	20,195,416	2,502,096	22,697,512
Internal balances	772,219	(772,219)	-
Prepaid items and other assets	503,666	2,560,206	3,063,872
Developer permit fees receivable	942,718	-	942,718
Notes receivable	51,720,658	74,408	51,795,066
Inventories	1,246,575	12,071,978	13,318,553
Land held for resale	861,245	-	861,245
Prepaid purchased gas	-	138,536,341	138,536,341
Investment in NCPA reserves	-	3,572,168	3,572,168
Investment in SPWA reserves	-	97,650,641	97,650,641
Derivative at fair value	-	104,772,039	104,772,039
Capital assets:			
Capital assets not being depreciated	494,929,394	54,290,217	549,219,611
Capital assets being depreciated, net	451,781,161	1,472,996,290	1,924,777,451
Total Assets	1,295,152,902	2,304,889,719	3,600,042,621
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	-	8,579,464	8,579,464
Accumulated decrease in fair value of hedging derivative	-	11,932,027	11,932,027
Deferred outflows related to OPEB	6,259,000	3,228,000	9,487,000
Deferred outflows related to pensions	49,463,081	34,485,621	83,948,702
Total Deferred Outflows of Resources	55,722,081	58,225,112	113,947,193
LIABILITIES			
Accounts payable	7,272,552	15,282,372	22,554,924
Accrued liabilities	5,253,781	7,230,556	12,484,337
Due to other governments	628,326	3,300,553	3,928,879
Deposits	5,679,515	6,950,977	12,630,492
Unearned revenues	1,233,659	7,635,537	8,869,196
Derivative at fair value	-	11,932,027	11,932,027
Compensated absences:			
Due within one year	5,006,275	3,069,230	8,075,505
Due in more than one year	12,305,314	5,349,210	17,654,524
Self-insurance claims payable and litigation settlement:			
Due within one year	1,964,425	-	1,964,425
Due in more than one year	8,676,162	-	8,676,162
Other long-term liabilities:			
Due within one year	1,561,381	22,670,194	24,231,575
Due in more than one year	27,242,831	475,091,620	502,334,451
Long-term liabilities due in more than one year:			
Landfill closure and post closure liability	-	1,586,800	1,586,800
Net OPEB liability	96,161,360	46,627,000	142,788,360
Net pension liability	214,249,551	122,008,762	336,258,313
Total Liabilities	387,235,132	728,734,838	1,115,969,970
DEFERRED INFLOWS OF RESOURCES			
Accumulated increase in fair value of hedging derivatives	-	104,772,039	104,772,039
Deferred inflows related to OPEB	17,573,000	8,777,000	26,350,000
Deferred inflows related to pensions	10,494,172	3,014,563	13,508,735
Total Deferred Inflows of Resources	28,067,172	116,563,602	144,630,774
NET POSITION			
Net investment in capital assets	930,356,095	1,174,477,350	2,104,833,445
Restricted for:			
Capital projects	100,908,246	-	100,908,246
Nonexpendable endowments	16,916,061	-	16,916,061
Debt service	102,758	34,238,887	34,341,645
Community development projects	12,859,847	-	12,859,847
Global warming prevention (AB 32)	-	14,478,131	14,478,131
Total Restricted	130,786,912	48,717,018	179,503,930
Unrestricted	(125,570,328)	294,622,023	169,051,695
Total Net Position	\$ 935,572,679	\$ 1,517,816,391	\$ 2,453,389,070

See accompanying notes to basic financial statements.

**CITY OF ROSEVILLE, CALIFORNIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
General government	\$ 19,793,110	\$ 5,688,733	\$ 1,303,170	\$ 305,219	\$ (12,495,988)	\$ -	\$ (12,495,988)
Development and operations	25,227,066	12,440,599	8,839,478	5,555,324	1,608,335	-	1,608,335
Public works	21,316,464	158,610	742,169	12,402,738	(8,012,947)	-	(8,012,947)
Police	46,653,023	1,473,504	976,386	-	(44,203,133)	-	(44,203,133)
Fire	38,336,994	2,138,165	450,891	-	(35,747,938)	-	(35,747,938)
Library	5,888,252	18,561	75,803	-	(5,793,888)	-	(5,793,888)
Parks and recreation	28,848,599	17,469,661	60,225	9,511,144	(1,807,569)	-	(1,807,569)
Housing assistance payments	4,248,895	-	4,772,617	-	523,722	-	523,722
Interest on long-term debt	4,798,427	-	-	-	(4,798,427)	-	(4,798,427)
Total Governmental Activities	195,110,830	39,387,833	17,220,739	27,774,425	(110,727,833)	-	(110,727,833)
Business-type Activities:							
Electric	149,337,786	168,559,762	-	19,481,813	-	38,703,789	38,703,789
Water	32,296,706	31,624,951	269,353	28,827,211	-	28,424,809	28,424,809
Wastewater	45,984,028	37,426,508	-	28,191,521	-	19,634,001	19,634,001
Solid Waste	22,628,907	24,257,746	36,649	1,209,177	-	2,874,665	2,874,665
Natural Gas	24,217,677	16,528,513	-	-	-	(7,689,164)	(7,689,164)
Local Transportation	9,895,357	1,138,726	11,883,034	-	-	3,126,403	3,126,403
School-Age Child Care	7,866,178	6,396,920	425,789	1,114,831	-	71,362	71,362
Total Business-Type Activities	292,226,639	285,933,126	12,614,825	78,824,553	-	85,145,865	85,145,865
Total	<u>\$ 487,337,469</u>	<u>\$ 325,320,959</u>	<u>\$ 29,835,564</u>	<u>\$ 106,598,978</u>	<u>(110,727,833)</u>	<u>85,145,865</u>	<u>(25,581,968)</u>
General Revenues:							
Taxes:							
Property taxes					44,646,475	-	44,646,475
Sales taxes					50,710,102	-	50,710,102
Franchise fees					2,363,377	-	2,363,377
Transient occupancy taxes					3,534,479	-	3,534,479
Other taxes					4,854,967	-	4,854,967
Use of money and property					2,008,801	8,829,420	10,838,221
Miscellaneous revenues					10,143,729	-	10,143,729
Gain (loss) on sale of capital assets					3,522	(548,308)	(544,786)
Transfers					16,710,815	(16,710,815)	-
Total General Revenues and Transfers					134,976,267	(8,429,703)	126,546,564
Change in Net Position					24,248,434	76,716,162	100,964,596
Net Position - Beginning, as Restated					911,324,245	1,441,100,229	2,352,424,474
Net Position - Ending					<u>\$ 935,572,679</u>	<u>\$ 1,517,816,391</u>	<u>\$ 2,453,389,070</u>

See accompanying notes to basic financial statements.

FUND FINANCIAL STATEMENTS

Major funds are defined generally as having significant activities or balances in the current year.

The fund described below was determined to be major a fund by the City in fiscal year 2018. Individual non-major funds may be found in the supplemental information section.

GENERAL FUND

The General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The General Fund accounts for all financial resources of a governmental unit which are not accounted for in another fund.

CITY OF ROSEVILLE, CALIFORNIA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2018

	General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS:			
Cash and investments in City Treasury	\$ 28,954,332	\$ 173,331,184	\$ 202,285,516
Restricted cash and investments with fiscal agents	-	3,719,843	3,719,843
Receivables:			
Accounts	1,527,559	5,735,382	7,262,941
Accrued interest	813,580	2,249,339	3,062,919
Due from other government agencies	11,105,698	9,072,289	20,177,987
Due from other funds	1,999,599	95,054	2,094,653
Advances to other funds	8,571,032	-	8,571,032
Prepays	86,897	8,602	95,499
Developer permit fees receivable	469,067	473,651	942,718
Notes receivable	12,862,373	38,194,924	51,057,297
Inventories	232,394	-	232,394
Land held for resale	-	861,245	861,245
Total Assets	<u>\$ 66,622,531</u>	<u>\$ 233,741,513</u>	<u>\$ 300,364,044</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ 1,828,483	\$ 4,596,768	\$ 6,425,251
Accrued liabilities	2,187,203	2,501,255	4,688,458
Due to other funds	-	2,254,999	2,254,999
Due to other government agencies	249	628,077	628,326
Advances from other funds	-	11,346,557	11,346,557
Unearned revenue	664,772	568,887	1,233,659
Deposits	5,031,039	648,476	5,679,515
Total Liabilities	<u>9,711,746</u>	<u>22,545,019</u>	<u>32,256,765</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue	<u>1,451,111</u>	<u>41,979,539</u>	<u>43,430,650</u>
FUND BALANCES:			
Nonspendable	13,181,664	16,916,061	30,097,725
Restricted	-	144,792,470	144,792,470
Assigned	3,925,021	13,236,513	17,161,534
Unassigned	<u>38,352,989</u>	<u>(5,728,089)</u>	<u>32,624,900</u>
Total Fund Balances	<u>55,459,674</u>	<u>169,216,955</u>	<u>224,676,629</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 66,622,531</u>	<u>\$ 233,741,513</u>	<u>\$ 300,364,044</u>

See accompanying notes to basic financial statements.

**CITY OF ROSEVILLE, CALIFORNIA
RECONCILIATION OF THE GOVERNMENTAL
FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2018**

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 224,676,629
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Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:

CAPITAL ASSETS

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds	814,538,632
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ALLOCATION OF INTERNAL SERVICE FUND NET POSITION

Internal service funds are used to charge the costs of certain activities such as insurance, post employment benefits, facility maintenance, and information technology. The net position of the internal service funds are therefore included in governmental activities in the statement of net position.	172,231,654
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LONG-TERM LIABILITIES

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:

Long-term debt	(28,804,212)
Interest payable	(497,164)
Compensated absences	(15,471,686)
Net OPEB liability	(96,161,360)
Net pension liability	(193,333,163)

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows related to pensions	36,238,663
Deferred inflows related to pensions	(9,961,964)
Deferred outflows related to OPEB	6,259,000
Deferred inflows related to OPEB	(17,573,000)
Unavailable revenue in the governmental funds is revenue in the governmental activities	43,430,650

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 935,572,679</u>
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See accompanying notes to basic financial statements.

**CITY OF ROSEVILLE, CALIFORNIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018**

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 101,478,273	\$ 10,360,415	\$ 111,838,688
Licenses and permits	3,001,719	-	3,001,719
Charges for services	17,605,164	26,936,696	44,541,860
Subventions and grants	578,650	12,347,327	12,925,977
Use of money and property	1,386,080	12,194,869	13,580,949
Fines, forfeitures and penalties	959,460	439,827	1,399,287
Contributions from developers and others	852,398	1,408,443	2,260,841
Miscellaneous revenues	3,069,092	2,953,132	6,022,224
Total Revenues	<u>128,930,836</u>	<u>66,640,709</u>	<u>195,571,545</u>
EXPENDITURES			
Current:			
General government	6,839,494	8,456,581	15,296,075
Development and operations	13,336,075	3,099,636	16,435,711
Public works	7,301,468	837,061	8,138,529
Public safety:			
Police	39,780,048	36,976	39,817,024
Fire	32,678,771	10,694	32,689,465
Library	5,224,590	-	5,224,590
Parks and recreation	17,375,837	8,107,671	25,483,508
Housing assistance payments	-	4,248,895	4,248,895
Annexation payments	5,775,035	-	5,775,035
Capital outlay	3,919,194	45,633,880	49,553,074
Debt service:			
Principal retirement	1,096,038	436,279	1,532,317
Interest and fiscal charges	830,518	4,117,805	4,948,323
Total Expenditures	<u>134,157,068</u>	<u>74,985,478</u>	<u>209,142,546</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(5,226,232)</u>	<u>(8,344,769)</u>	<u>(13,571,001)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	13,517,024	15,022,312	28,539,336
Transfers out	<u>(13,407,406)</u>	<u>(10,694,915)</u>	<u>(24,102,321)</u>
Total Other Financing Sources (Uses)	<u>109,618</u>	<u>4,327,397</u>	<u>4,437,015</u>
NET CHANGES IN FUND BALANCES	(5,116,614)	(4,017,372)	(9,133,986)
FUND BALANCES - BEGINNING OF YEAR, AS RESTATED	<u>60,576,288</u>	<u>173,234,327</u>	<u>233,810,615</u>
FUND BALANCES - END OF YEAR	<u>\$ 55,459,674</u>	<u>\$ 169,216,955</u>	<u>\$ 224,676,629</u>

See accompanying notes to basic financial statements.

**CITY OF ROSEVILLE, CALIFORNIA
RECONCILIATION OF THE
NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS
TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (9,133,986)
Amounts reported for governmental activities in the statement of activities are different from those reported in the Governmental funds because of the following:	
CAPITAL ASSETS TRANSACTIONS	
Governmental funds report capital outlays as expenditures	49,553,074
Equipment and furniture recorded at the function level	1,773,768
In the statement of activities the cost of capital assets is allocated over their estimated useful lives as depreciation expense (net of depreciation on internal service fund capital assets of \$6,612,194)	(17,482,085)
LONG TERM DEBT TRANSACTIONS	
Issuance of debt and repayment of principal is an other financing source and expenditure, respectively, in the governmental funds but in the statement of net position the transactions increase and reduce long term liabilities	
Payment of debt principal	1,532,317
Amortization of premium	73,041
PENSION RELATED ITEMS	
Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, pension expense is measured as the change in net pension liability and the amortization of deferred outflows and inflows related to pensions. This amount represents the net change in pension related amounts	
	(4,890,141)
OPEB RELATED ITEMS	
Governmental funds report OPEB contributions as expenditures. However, in the Statement of Activities, OPEB expense is measured as the change in net OPEB liability and the amortization of deferred outflows and inflows related to OPEB. This amount represent the net change in OPEB related amounts	
	(536,986)
ACCRUAL OF NON-CURRENT ITEMS	
The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in Governmental Funds (net change):	
Compensated absences	(247,843)
Interest payable	76,855
UNAVAILABLE REVENUES	
Revenue and other resources not available to liabilities of the current period are not recognized in governmental funds. Revenue in the statement of activities is not limited by availability, so certain revenues need to be reduced by the amounts that were unavailable at the beginning of the year and increased by the amounts that were unavailable at the end of the year. This adjustment records a net increase in revenues - unavailable revenues at the end of the year were less than beginning unavailable revenues by this amount.	
	7,076,904
ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY	
Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with Governmental Funds is reported with governmental activities, because they service those activities.	
Change in Net Position - All Internal Service Funds	(3,546,484)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>24,248,434</u>

See accompanying notes to basic financial statements.

PROPRIETARY FUNDS

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

The City has identified the funds below as major enterprise funds in fiscal year 2018.

ELECTRIC FUND

This fund accounts for all financial transactions relating to the City's Electric service. Services are on a user charge basis to residents and business owners located in Roseville.

WATER FUND

This fund accounts for all financial transactions relating to the City's Water service. Services are on a user charge basis to residents and business owners located in Roseville.

WASTEWATER FUND

This fund accounts for all financial transactions relating to the City's Wastewater Collection and Treatment. Services are on a user charge basis to residents and business owners located in Roseville.

SOLID WASTE FUND

This fund accounts for all financial transactions relating to the City's Solid Waste service. Services are on a user charge basis to residents and business owners located in Roseville.

ROSEVILLE NATURAL GAS FINANCING AUTHORITY

This fund accounts for financing and purchasing pre-paid natural gas for the generation of power for the Roseville Energy Park.

INTERNAL SERVICE FUNDS

These funds account for activities and services performed by a designated department for other departments in the City.

CITY OF ROSEVILLE, CALIFORNIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2018

	Business-Type Activities - Enterprise Funds				
	Electric	Water	Wastewater	Solid Waste	Roseville Natural Gas Financing Authority
ASSETS:					
Current Assets:					
Cash and investments in City Treasury	\$ 160,909,670	\$ 87,750,779	\$ 60,708,866	\$ 26,058,376	\$ 45,633
Restricted cash and investments with fiscal agents	16,546,046	9,770,032	-	-	8,737,555
Receivables:					
Accounts, net of allowance for doubtful accounts	20,861,252	6,341,655	6,501,500	2,786,343	113
Accrued interest	851,461	432,176	295,691	128,180	283
Due from other government agencies	-	268,158	515,802	-	-
Prepays	2,560,206	-	-	-	-
Notes receivable	-	74,408	-	-	-
Due from other funds	-	-	-	-	-
Inventories	11,294,704	489,237	114,079	173,958	-
Total Current Assets	213,023,339	105,126,445	68,135,938	29,146,857	8,783,584
Non-Current Assets:					
Prepaid purchased gas	-	-	-	-	138,536,341
Investment in NCPA reserves	3,572,168	-	-	-	-
Investment in SPWA reserves	-	-	97,650,641	-	-
Advances to other funds	-	-	-	-	-
Derivative at fair value	-	-	-	-	104,772,039
Capital assets (Note 8):					
Land and construction in progress	11,616,011	8,189,521	28,444,568	904,007	-
Capital assets being depreciated, net	415,270,465	483,412,134	554,564,946	3,082,178	-
Total Non-Current Assets	430,458,644	491,601,655	680,660,155	3,986,185	243,308,380
Total Assets	643,481,983	596,728,100	748,796,093	33,133,042	252,091,964
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred charge on refunding	6,534,542	2,044,922	-	-	-
Accumulated decrease in fair value of hedging derivatives	11,041,086	-	890,941	-	-
Deferred outflows related to OPEB	1,111,000	572,000	681,000	543,000	-
Deferred outflows related to pensions	16,274,644	5,221,265	5,020,526	2,941,354	-
Total Deferred outflows of resources	34,961,272	7,838,187	6,592,467	3,484,354	-
LIABILITIES:					
Current Liabilities:					
Accounts payable	9,389,072	904,706	3,415,979	762,904	6,654
Accrued liabilities	3,189,237	425,095	886,727	177,609	2,432,813
Due to other government agencies	17,219	-	3,283,334	-	-
Due to other funds	-	-	-	-	-
Current portion of compensated absences	1,422,980	577,681	554,258	255,798	-
Current portion of long-term debt	7,130,000	2,435,000	2,830,194	-	10,275,000
Deposits	2,281,152	58,000	-	-	4,611,690
Unearned revenue	3,194,645	-	-	-	-
Self-insurance claims payable	-	-	-	-	-
Total Current Liabilities	26,624,305	4,400,482	10,970,492	1,196,311	17,326,157
Long-term liabilities:					
Advances from other funds	-	-	-	-	-
Long-term debt, non-current portion	211,006,805	38,438,572	99,548,050	-	126,098,193
Landfill closure and post closure liability	-	-	-	1,586,800	-
Compensated absences	2,317,161	987,997	1,137,286	477,437	-
Self-insurance claims payable	-	-	-	-	-
Derivative at fair value	11,041,086	-	890,941	-	-
Net OPEB liability	15,897,000	7,747,000	9,179,000	8,277,000	-
Net pension liability	55,319,523	20,904,349	21,663,328	12,037,289	-
Total Long-Term Liabilities	295,581,575	68,077,918	132,418,605	22,378,526	126,098,193
Total Liabilities	322,205,880	72,478,400	143,389,097	23,574,837	143,424,350
DEFERRED INFLOWS OF RESOURCES:					
Accumulated increase in fair value of hedging derivatives	-	-	-	-	104,772,039
Deferred inflows related to OPEB	3,119,000	1,542,000	1,887,000	1,384,000	-
Deferred inflows related to pensions	1,363,763	554,586	477,953	264,061	-
Total Deferred inflows of resources	4,482,763	2,096,586	2,364,953	1,648,061	104,772,039
NET POSITION:					
Net investment in capital assets	215,284,213	452,773,005	480,631,270	3,986,185	-
Restricted for debt service	16,099,600	4,134,075	5,267,657	-	8,737,555
Restricted for sustainable energy programs (AB 32)	14,478,131	-	-	-	-
Unrestricted	105,892,668	73,084,221	123,735,583	7,408,313	(4,841,980)
TOTAL NET POSITION	\$ 351,754,612	\$ 529,991,301	\$ 609,634,510	\$ 11,394,498	\$ 3,895,575

See accompanying notes to basic financial statements.

Business-Type Activities Enterprise Funds Non-Major Enterprise Funds Total	Totals	Governmental Activities Internal Service Funds
\$ 7,664,349	\$ 343,137,673	\$ 53,319,197
-	35,053,633	-
200,288	36,691,151	40,359
45,306	1,753,097	2,509,075
1,718,136	2,502,096	17,429
-	2,560,206	408,167
-	74,408	663,361
-	-	217,565
-	12,071,978	1,014,181
9,628,079	433,844,242	58,189,334
-	138,536,341	-
-	3,572,168	-
-	97,650,641	-
-	-	3,490,525
-	104,772,039	-
5,136,110	54,290,217	2,086,375
16,666,567	1,472,996,290	130,085,548
21,802,677	1,871,817,696	135,662,448
31,430,756	2,305,661,938	193,851,782
-	8,579,464	-
-	11,932,027	-
321,000	3,228,000	-
5,027,832	34,485,621	13,224,418
5,348,832	58,225,112	13,224,418
803,057	15,282,372	847,301
119,075	7,230,556	68,159
-	3,300,553	-
57,219	57,219	-
258,513	3,069,230	565,273
-	22,670,194	-
135	6,950,977	-
4,440,892	7,635,537	-
-	-	1,964,425
5,678,891	66,196,638	3,445,158
715,000	715,000	-
-	475,091,620	-
-	1,586,800	-
429,329	5,349,210	1,274,630
-	-	8,676,162
-	11,932,027	-
5,527,000	46,627,000	-
12,084,273	122,008,762	20,916,388
18,755,602	663,310,419	30,867,180
24,434,493	729,507,057	34,312,338
-	104,772,039	-
845,000	8,777,000	-
354,200	3,014,563	532,208
1,199,200	116,563,602	532,208
21,802,677	1,174,477,350	132,171,923
-	34,238,887	-
-	14,478,131	-
(10,656,782)	294,622,023	40,059,731
\$ 11,145,895	\$ 1,517,816,391	\$ 172,231,654

CITY OF ROSEVILLE, CALIFORNIA
PROPRIETARY FUNDS
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

	Business-Type Activities - Enterprise Funds				
	Electric	Water	Wastewater	Solid Waste	Roseville Natural Gas Financing Authority
OPERATING REVENUES					
Charges for services	\$ 162,413,939	\$ 31,275,177	\$ 37,408,766	\$ 23,906,399	\$ 16,528,513
Other	6,145,823	349,774	17,742	351,347	-
Total Operating Revenues	168,559,762	31,624,951	37,426,508	24,257,746	16,528,513
OPERATING EXPENSES					
Power supply	77,089,666	-	-	-	18,133,391
Operations	26,754,694	16,201,098	22,415,377	20,193,679	-
Administration	12,431,539	4,834,880	2,901,690	2,252,927	6,908
Depreciation and amortization	22,323,696	9,179,485	11,809,368	182,301	(735,910)
Claims expense	-	-	-	-	-
Total Operating Expenses	138,599,595	30,215,463	37,126,435	22,628,907	17,404,389
Operating Income (Loss)	29,960,167	1,409,488	300,073	1,628,839	(875,876)
NON-OPERATING REVENUES (EXPENSES):					
Interest and rents revenue	336,679	561,830	54,738	41,280	7,728,031
Interest and fiscal charges (expenses)	(9,757,115)	(2,081,243)	(3,917,719)	-	(6,813,288)
Subventions and grants	-	269,353	-	36,649	-
Cost of issuance	-	-	(448,275)	-	-
Gain (loss) from sale of property	(496,657)	(13,937)	(20,185)	(13,937)	-
Increase (decrease) in JPA reserves	(981,076)	-	(4,491,599)	-	-
Total Nonoperating Revenues (Expenses)	(10,898,169)	(1,263,997)	(8,823,040)	63,992	914,743
Income (Loss) Before Contributions and Transfers	19,061,998	145,491	(8,522,967)	1,692,831	38,867
Capital contributions - connection/impact fees	1,901,491	11,092,510	12,195,509	625,264	-
Contributions in aid of construction	4,359,161	-	-	-	-
Capital contributions from developers and governmental activities	13,221,161	17,734,701	15,996,012	583,913	-
Transfers in	32,802	2,454,105	856,970	1,552,101	-
Transfers out	(9,433,383)	(2,724,827)	(5,601,147)	(1,601,795)	-
Change in net position	29,143,230	28,701,980	14,924,377	2,852,314	38,867
TOTAL NET POSITION - BEGINNING AS RESTATED	322,611,382	501,289,321	594,710,133	8,542,184	3,856,708
TOTAL NET POSITION - ENDING	\$ 351,754,612	\$ 529,991,301	\$ 609,634,510	\$ 11,394,498	\$ 3,895,575

See accompanying notes to basic financial statements.

Business-Type Activities Enterprise Funds		Governmental Activities- Internal Service Funds	
Non-Major Enterprise Funds Total	Totals		
\$ 7,090,061	\$ 278,622,855	\$ 42,338,208	
445,585	7,310,271	-	
<u>7,535,646</u>	<u>285,933,126</u>	<u>42,338,208</u>	
-	95,223,057	-	
13,865,751	99,430,599	46,199,222	
2,290,684	24,718,628	-	
1,598,585	44,357,525	8,128,368	
-	-	4,227,860	
<u>17,755,020</u>	<u>263,729,809</u>	<u>58,555,450</u>	
<u>(10,219,374)</u>	<u>22,203,317</u>	<u>(16,217,242)</u>	
106,862	8,829,420	147,693	
(6,515)	(22,575,880)	-	
12,308,823	12,614,825	-	
-	(448,275)	-	
(3,592)	(548,308)	249,265	
-	(5,472,675)	-	
<u>12,405,578</u>	<u>(7,600,893)</u>	<u>396,958</u>	
2,186,204	14,602,424	(15,820,284)	
-	25,814,774	-	
-	4,359,161	-	
1,114,831	48,650,618	-	
131,212	5,027,190	12,703,525	
<u>(2,376,853)</u>	<u>(21,738,005)</u>	<u>(429,725)</u>	
1,055,394	76,716,162	(3,546,484)	
<u>10,090,501</u>	<u>1,441,100,229</u>	<u>175,778,138</u>	
<u>\$ 11,145,895</u>	<u>\$ 1,517,816,391</u>	<u>\$ 172,231,654</u>	

CITY OF ROSEVILLE, CALIFORNIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	Business-Type Activities - Enterprise Funds				
	Electric	Water	Wastewater	Solid Waste	Roseville Natural Gas Financing Authority
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 164,115,846	\$ 31,196,234	\$ 36,697,841	\$ 23,936,158	\$ 16,518,686
Payments to suppliers	(83,167,133)	(5,948,167)	(15,665,374)	(14,138,897)	(7,648,701)
Payments to employees	(27,928,701)	(12,972,157)	(7,771,470)	(6,983,871)	-
Payments to OPEB trust	-	-	-	-	-
Claims paid	-	-	-	-	-
Other receipts	6,145,823	349,774	17,742	351,347	-
Net Cash provided by/(used for) Operating Activities	59,165,835	12,625,684	13,278,739	3,164,737	8,869,985
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Subventions and grants	-	92,692	-	42,650	-
Increase/decrease in due from other funds	-	-	-	-	-
Increase/decrease in due to other funds	-	-	-	-	-
Increase/decrease in advance to other funds	-	-	-	-	-
Increase/decrease in advances from other funds	-	-	-	-	-
Transfers in	32,802	2,454,105	856,970	1,552,101	-
Transfers out	(9,433,383)	(2,724,827)	(5,601,147)	(1,601,795)	-
Net cash provided by/(used for) Noncapital Financing Activities	(9,400,581)	(178,030)	(4,744,177)	(7,044)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions	4,359,189	-	-	-	-
Acquisition and construction of capital assets	(14,724,216)	(3,330,579)	(8,706,296)	(1,970,131)	-
Change in restricted assets	(184,197)	(257,502)	-	-	(35,373)
Issuance of debt	-	-	19,654,231	-	-
Debt issuances	-	-	-	-	-
Deferred charges on refunding	427,731	170,410	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Issuance costs	-	-	(448,275)	-	-
Principal payments on capital debt	(7,664,318)	(2,791,965)	-	-	(9,780,000)
Interest paid on capital debt	(8,945,971)	(2,081,243)	(3,917,719)	-	(6,813,288)
Issuance of notes receivable	-	7,295	-	-	-
Connection/impact fees	1,901,491	11,092,516	12,195,517	625,259	-
Net cash provided by/(used for) Capital and Related Financing Activities	(24,830,291)	2,808,932	18,777,458	(1,344,872)	(16,628,661)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and rents received	76,354	477,077	(29,868)	10,376	7,727,748
Investment in JPA Reserves	981,076	-	(24,965,329)	-	-
Net cash provided by/(used for) Investing Activities	1,057,430	477,077	(24,995,197)	10,376	7,727,748
Net increase (decrease) in cash and cash equivalents	25,992,393	15,733,663	2,316,823	1,823,197	(30,928)
Cash and investments at beginning of period	134,917,277	72,017,116	58,392,043	24,235,179	76,561
Cash and investments at end of period	\$ 160,909,670	\$ 87,750,779	\$ 60,708,866	\$ 26,058,376	\$ 45,633

See accompanying notes to basic financial statements.

Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
Non-Major Enterprise Funds		
Total	Totals	
\$ 7,072,336	\$ 279,537,101	\$ 40,444,712
(12,425,172)	(138,993,444)	(11,372,745)
(2,386,728)	(58,042,927)	(11,749,019)
-	-	(14,620,323)
-	-	(5,591,211)
449,289	7,313,975	1,905,062
(7,290,275)	89,814,705	(983,524)
7,601,728	7,737,070	(8,003)
(13,870)	(13,870)	488,257
-	-	(453,015)
-	-	(99,654)
(40,000)	(40,000)	-
431,212	5,327,190	12,703,525
(2,376,853)	(21,738,005)	(429,726)
5,602,217	(8,727,615)	12,201,384
-	4,359,189	-
(4,326,378)	(33,057,600)	(3,321,504)
-	(477,072)	-
-	19,654,231	-
-	-	-
-	598,141	-
-	-	-
-	(448,275)	-
-	(20,236,283)	-
-	(21,758,221)	-
-	7,295	-
-	25,814,783	-
(4,326,378)	(25,543,812)	(3,321,504)
121,677	8,383,364	81,800
-	(23,984,253)	-
121,677	(15,600,889)	81,800
(5,892,759)	39,942,389	7,978,156
13,557,108	303,195,284	45,341,041
\$ 7,664,349	\$ 343,137,673	\$ 53,319,197

CITY OF ROSEVILLE, CALIFORNIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

	Business-Type Activities - Enterprise Funds				
	Electric	Water	Wastewater	Solid Waste	Roseville Natural Gas Financing Authority
Reconciliation of Operating Income (Loss)					
to Net Cash provided by/(used for) Operating Activities:					
Operating Income (Loss)	\$ 29,960,167	\$ 1,409,488	\$ 300,073	\$ 1,628,839	\$ (875,876)
Adjustments to Reconcile Operating Income					
to Net Cash Provided by Operating Activities:					
Depreciation and amortization	22,323,696	9,179,485	11,809,368	182,301	(735,910)
OPEB expense	(386,000)	(136,000)	2,576,529	841,000	-
Pension expense	4,469,941	1,722,850	(1,232,295)	858,400	-
Change in Assets and Liabilities:					
Receivables, net	756,935	(100,443)	(710,925)	29,759	173
Inventories	(503,260)	(16,070)	13,499	(137,785)	-
Prepays	(176,644)	-	-	-	-
Prepaid purchased gas	-	-	-	-	10,670,636
Accounts payable and other liabilities	1,513,883	566,374	522,490	(237,777)	(189,038)
Unearned revenue	1,207,117	-	-	-	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ 59,165,835</u>	<u>\$ 12,625,684</u>	<u>\$ 13,278,739</u>	<u>\$ 3,164,737</u>	<u>\$ 8,869,985</u>
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING TRANSACTIONS					
Capital assets transferred from governmental activities	<u>\$ 3,745,649</u>	<u>\$ 528,230</u>	<u>\$ 450,342</u>	<u>\$ 583,912</u>	
Contributions of capital assets from developers	<u>\$ 9,408,910</u>	<u>\$ 17,206,470</u>	<u>\$ 15,545,670</u>		
Amortization of bond premium	<u>\$ 749,319</u>	<u>\$ 461,964</u>	<u>\$ 1,875,636</u>		<u>\$ 735,910</u>
Amortization of deferred amount on refunding	<u>\$ (427,731)</u>	<u>\$ (170,410)</u>			

See accompanying notes to basic financial statements.

Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
Non-Major Enterprise Funds Total	Totals	
\$ (10,219,374)	\$ 22,203,317	\$ (16,217,242)
1,598,585	44,357,525	8,128,368
1,119,278	4,014,807	-
432,058	6,250,954	4,290,559
(1,792)	(26,293)	9,086
-	(643,616)	(233,429)
-	(176,644)	982,604
-	10,670,636	-
(219,030)	1,956,902	2,056,530
-	1,207,117	-
<u>\$ (7,290,275)</u>	<u>\$ 89,814,705</u>	<u>\$ (983,524)</u>

<u>\$ 90,338</u>	<u>\$ 5,398,471</u>
	<u>\$ 42,161,050</u>
	<u>\$ 3,822,829</u>
	<u>\$ (598,141)</u>

**CITY OF ROSEVILLE, CALIFORNIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018**

FIDUCIARY FUNDS

Fiduciary funds are presented separately from the Government-wide and Fund financial statements. The City had the following types of fiduciary funds in fiscal year 2018:

Other Post-Employment Benefits Trust Fund is used to account for assets held by the City as a trustee agent for the members and beneficiaries of other post-employment benefit plan.

Private-Purpose Trust Funds are used to account for trust arrangements under which principal and income benefit private organizations or other governments.

Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments.

CITY OF ROSEVILLE, CALIFORNIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018

	Other Post Employment Benefits Trust Fund	Private-Purpose Trust Funds	Agency Funds
ASSETS:			
Cash and investments in City Treasury	\$ -	\$ 5,358,742	\$ 152,535,472
Restricted cash and investments with fiscal agents	-	241,540	58,773,566
OPEB Plan Assets:			
Domestic equity funds	49,100,387	-	-
Fixed income securities	31,220,354	-	-
Real estate partnership	3,049,009	-	-
Cash equivalents	786,665	-	-
Accounts receivable	-	-	2,977,546
Taxes receivable	-	-	12,828,614
Accrued interest receivable	419	571,617	635,348
Due from other government agencies	-	-	893,027
Notes receivable	-	4,152,359	-
Capital Assets:			
Land	-	74,369	-
Total Assets	<u>84,156,834</u>	<u>10,398,627</u>	<u>\$ 228,643,573</u>
LIABILITIES:			
Accounts payable	37,194	5	\$ 4,656,451
Accrued liabilities	-	937,652	851,147
Due to other government agencies	-	-	13,122
Due to member agencies	-	-	161,965,146
Due to bondholders	-	-	56,913,696
Due to others	-	-	4,244,011
Long-term liabilities:			
Due in one year	-	2,036,284	-
Due in more than one year	-	48,505,724	-
Total Liabilities	<u>37,194</u>	<u>51,479,665</u>	<u>\$ 228,643,573</u>
NET POSITION (DEFICIT):			
Restricted for OPEB	<u>\$ 84,119,640</u>		
Held in trust for private purposes or for other governments		<u>\$ (41,081,038)</u>	

See accompanying notes to basic financial statements.

CITY OF ROSEVILLE, CALIFORNIA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

	Other Post Employment Benefits Trust Fund	Private-Purpose Trust Funds
ADDITIONS		
Property taxes, net of pass through payments	\$ -	\$ 3,377,428
Contributions from the City	14,213,477	-
Investment income	5,902,312	155,841
Total Additions	<u>20,115,789</u>	<u>3,533,269</u>
DEDUCTIONS		
General government	-	25,684
Community services	-	169,006
Retiree health plan benefits	8,449,000	-
Administrative expense	210,775	-
Interest and fiscal charges	<u>-</u>	<u>3,301,530</u>
Total Deductions	<u>8,659,775</u>	<u>3,496,220</u>
CHANGE IN NET POSITION	11,456,014	37,049
NET POSITION		
NET POSITION (DEFICIT) - BEGINNING	<u>72,663,626</u>	<u>(41,118,087)</u>
NET POSITION (DEFICIT) - ENDING	<u><u>\$ 84,119,640</u></u>	<u><u>\$ (41,081,038)</u></u>

See accompanying notes to basic financial statements.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Roseville (City) was incorporated on April 10, 1909 under provisions of Act 279, P.A. 1909, as amended (Home Rule City). The City operates under the Council Manager form of government and provides the following services: public safety (police and fire), streets, water, wastewater, solid waste, electric, local transportation, school-age child care, golf course, parks and recreation, public improvements, planning and zoning, library, general administration services, economic development, and housing.

The financial statements and accounting policies of the City conform with generally accepted accounting principles in the United States of America applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies are summarized below:

A. Reporting Entity

The accompanying basic financial statements present the financial activity of the City, which is the primary government presented, along with the financial activities of its component units, which are entities for which the City is financially accountable. Although they are separate legal entities, blended component units are in substance part of the City's operations and are reported as an integral part of the City's financial statements. The City's component units which are described below are all blended.

The **Roseville Finance Authority** is a separate government entity whose purpose is to assist with the financing or refinancing of certain public capital facilities within the City. The Authority has the power to purchase bonds issued by any local agency at public or negotiated sale and may sell such bonds to public or private purchasers at public or negotiated sale. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. The financial activities of the Authority are included in the Roseville Finance Authority Debt Service Fund and Capital Projects Fund.

The **City of Roseville Housing Authority** is a separate government entity whose purpose is to assist with the housing for the City's low and moderate income residents. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. The financial activities of the Authority are included in the Housing Authority Housing Choice Voucher Special Revenue Fund.

The **Roseville Natural Gas Financing Authority** is a Joint Exercise Powers Agency created on December 6, 2006, for the purpose of acquiring, financing and supplying natural gas to the City of Roseville. The members of the Authority are the City of Roseville and the former City of Roseville Redevelopment Agency. The Roseville Natural Gas Financing Authority is governed by a five member Board. City Council serves as the governing body of the Authority and officers of the Authority are employees of the City. The financial activities of the Authority have been included in these financial statements in the Roseville Natural Gas Financing Authority Enterprise Fund.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

The **Roseville Community Development Corporation** is a California 501(c)(3) nonprofit public benefit corporation formed in November 2010 by the City and the former Redevelopment Agency under the California Nonprofit Corporation Laws of the State of California. The Corporation was formed for the purpose of implementing the revitalization and economic goals of the City by securing private and public capital through development of both residential and commercial properties as well as developing affordable housing, redeveloping properties to create mixed-use, commercial and office projects, business recruitment and retention, commercial loans, and ongoing property management. As a separate legal entity and non-profit corporation, the corporation can secure funding that is not legally available to the former Redevelopment Agency and its activities can extend outside of the Redevelopment Plan areas.

The Corporation is governed by a volunteer five member board appointed by the City Council. The members, all from the community, have development, financing and business operations related experience. The board has operations, management, budget approval and strategy implementation authority that are separate from the City Council.

The Corporation has established a service agreement with the City to utilize existing City staff to accomplish its initial goals. The financial activities of the Corporation are included in the Roseville Community Development Corporation Special Revenue Fund.

The **City of Roseville Other Post-Employment Benefits Trust** is governed by the City's Resolution 10-275 and is used to account for contributions and investment income restricted to pay medical benefits. Benefit and contribution provisions are established by the City Council. Eligibility, actuarial interest rates, administration and certain other tasks are the responsibility of the Council established by the above Resolution. The financial activities of the Plan have been included in these financial statements in the Other Post-Employment Benefits Trust Fund.

The **Successor Agency to the Redevelopment Agency of the City of Roseville (Successor Agency)** is a separate government entity which was created after the dissolution of the City of Roseville Redevelopment Agency (RDA) to serve as a custodian for assets and to wind down the affairs of the RDA. The City was designated to serve as the Successor Agency subject to control of an Oversight Board. The Oversight Board is comprised of seven members of the local agencies that serve the RDA project area: two appointed by the mayor, two by the County of Placer, one by the Placer County Superintendent of Schools, one by the Chancellor of Sierra Community College and one by the Cities of Rocklin and Newcastle and the Hold Hill Cemetery District. The financial activities of the Successor Agency are included in the Successor Agency to the Redevelopment Agency Private Purpose Trust Fund.

Financial statements for the Roseville Natural Gas Financing Authority and the Roseville Community Development Corporation, and the City of Roseville Other Post-Employment Benefits Trust may be obtained from the City of Roseville at 311 Vernon Street, Roseville, California, 95678. Separate financial statements for the Roseville Finance Authority, Roseville Housing Authority, and the Successor Agency are not issued.

The California Joint Powers Risk Management Authority, the Local Agency Workers' Compensation Excess Joint Powers Authority, the Highway 65 Joint Powers Authority, and the South Placer Wastewater Authority are not included in the accompanying basic financial statements because they do not meet the above financial accountability criteria as these entities are administered by governing boards separate from and wholly independent of the City.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government, the City and its component units. These statements include the financial activities of the overall City government, excluding fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. However, the interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. Certain indirect costs are included in the program expense reported for individual functions and activities. Indirect cost charges appear on the fund summaries that are paying for the services and reduce the expenditures of the departments providing the services on the fund summary for the General Fund. The purpose is to ensure that the General Fund is reimbursed for the services that it is providing throughout the City

Fund Financial Statements: The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category—*governmental*, *proprietary*, and *fiduciary*—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds in the supplemental section.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

C. Major Funds

Major funds are defined as funds that have either assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Major Funds (Continued)

General Fund – This is used as the main operating governmental fund of the City to account for the general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The General Fund accounts for all financial resources of a governmental unit which are not accounted for in another fund.

The City reported the following enterprise funds as major funds in the accompanying financial statements:

Electric Fund – This fund accounts for all financial transactions relating to the City’s electric service. Services are on a user charge basis to residents and business owners located in the City.

Water Fund – This fund accounts for all financial transactions relating to the City’s water service. Services are on a user charge basis to residents and business owners located in the City.

Wastewater Fund – This fund accounts for all financial transactions relating to the City’s wastewater collection and treatment. Services are on a user charge basis to residents and business owners located in the City.

Solid Waste Fund – This fund accounts for all financial transactions relating to the City’s solid waste service. Services are on a user charge basis to residents and business owners located in the City.

Roseville Natural Gas Financing Authority – This fund accounts for financing and purchasing pre-paid natural gas for the generation of power for the Roseville Energy Park.

The City also reports the following funds:

Internal Service Funds – The funds account for automotive, facilities services, information technology, general equipment replacement, workers’ compensation, general liability, unemployment reserve, vision, dental, section 125, and post retirement; all of which are provided to other departments on a cost reimbursement basis.

Fiduciary Funds – These funds account for assets held by the City as an agent for various functions. The Endowment Private-Purpose Trust Fund is used to account for assets held by the City as an agent for various endowment funds for the benefits of certain private-purpose trust funds. The Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund accounts for the accumulation of resources to be used for payments at appropriate amounts and times in the future. The Other Post-Employment Benefits Trust Fund accounts for the accumulation of resources to be used for retiree medical benefit payments at appropriate amounts and times in the future. The Agency Funds are used to account for assets held by the City as an agency for certain special assessment districts in the City, the City’s payroll revolving fund, various joint powers authorities, Dry Creek Drainage Basin, County Capital Facilities Fee, South Placer Wastewater Authority, Special Sewer Benefit Areas, South Placer County Tourism Business Improvement District (SPCTBID), South Placer County Safe Kids Coalition, South Placer Regional Traffic Fee, City/County Traffic Mitigation Fund, Placer County Air Pollution Control Fund, Sierra College Boulevard Fund, and other programs for the benefits of parties outside of the City. The financial activities of these funds are excluded from the government-wide financial statement, but are presented in separate Fiduciary Fund financial statements.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within one hundred twenty (120) days after year-end with the exception of property taxes which is considered available if collected within sixty (60) days. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues subject to accrual are property, sales tax, transient occupancy tax, franchise fees, certain other intergovernmental revenues, certain charges for services and interest revenue. Fines, licenses and permits, and charges for services are not subject to accrual because they are not measurable until received in cash.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The City may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

E. Cash, Cash Equivalents, and Investments

The City pools its available cash for investment purposes. The City considers pooled cash and investment amounts, with original maturities of three months or less, to be cash equivalents. Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized costs. All other investments are stated at fair market value. For purposes of reporting cash flows, the City considers each fund's share in the cash and investments pool to be cash and cash equivalents.

F. Revenue Recognition for Electric, Water, Wastewater, and Solid Waste Funds

Revenues are recognized based on services rendered to customers. All residential and commercial utility customers are billed once per month. There are twenty-three billing cycles per month which include all types of customers, based on their location within the City. Revenues for services provided but not billed at the end of a fiscal year are accrued. Contributions of cash or assets to proprietary funds from state and federal agencies, developers and others are recorded as revenue at acquisition value.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has four items that qualify for reporting in this category on the government-wide and proprietary fund statements of net position. They are the deferred charge on refunding, accumulated decrease in fair value of hedging derivatives, deferred outflows related to the net OPEB liability, and deferred outflows related to pensions. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The accumulated decrease in fair value of hedging derivatives represents the change in fair value for the City's derivative liabilities that have been determined to be effective. The deferred outflows related to pensions and OPEB are described in Note 11 and Note 12 respectively.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has four types of these items reported in the government-wide and proprietary fund statements of net position including the accumulated increase in fair value of hedging derivatives, the deferred inflows related to pensions, the deferred inflows related to the net OPEB liability, and unavailable revenues reported in the governmental funds balance sheet. The accumulated increase in fair value of hedging derivatives represents the change in fair value for the City's derivative assets that have been determined to be effective. The deferred inflows related to pensions and OPEB are described in Note 11 and 12 respectively.

In the governmental funds balance sheet, the unavailable revenue category arises only under a modified accrual basis of accounting. When amounts have been earned, but have not been received within the availability period, these amounts are deferred and recognized as revenue in the period that the amounts become available.

H. Property Tax

Placer County assesses properties and bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on July 1 of the preceding fiscal year.

Secured property tax is due in two installments, on November 1 and February 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1, and becomes delinquent on August 31. Collection of delinquent accounts is the responsibility of the County, which retains all penalties.

The term "unsecured" refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized by the City in the fiscal year they are assessed provided they become available as defined above.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Compensated Absences

Compensated absences comprise unused vacation leave, vested sick pay and certain compensated time off, which are accrued as earned. The City's liability for compensated absences is recorded in various governmental funds or proprietary funds as appropriate. The liability for compensated absences is determined annually. For all governmental funds, a liability of these amounts is reported only if they have matured, for example, as a result of employee resignations and retirements. The remaining portion is recorded as a liability in the statement of net position. Proprietary funds' liability for compensated absences is recorded in each proprietary fund.

The changes in compensated absence balances were as follows:

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$ 16,761,222	\$ 8,334,024	\$ 25,095,246
Additions	5,553,410	1,721,176	7,274,586
Payments	(5,003,043)	(1,636,760)	(6,639,803)
Ending Balance	<u>\$ 17,311,589</u>	<u>\$ 8,418,440</u>	<u>\$ 25,730,029</u>
Current Portion	<u>\$ 5,006,275</u>	<u>\$ 3,069,230</u>	<u>\$ 8,075,505</u>

Compensated absences are liquidated by the fund that has recorded the liability. Governmental activities compensated absences are liquidated primarily by the General Fund.

J. Inventories

Inventories are valued at cost, using the weighted-average method. Inventories of the governmental funds consist of expendable supplies held for consumption. The cost is recorded as an expenditure in the governmental funds at the time individual inventory items are consumed. Inventories reported in governmental funds are equally offset by nonspendable fund balance which indicates that they do not constitute available spendable resources even though they are a component of net current assets. Inventories of the proprietary funds consist primarily of merchandise held for internal consumption.

K. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids. In governmental funds, prepaids are not in spendable form and are therefore included in nonspendable fund balance.

L. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees Retirement System (CalPERS) plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City of Roseville Retiree Healthcare Plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Fair Value Measurement

The City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

P. Net Position

Net Position is the excess of all the City's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, regardless of fund. Net Position is divided into three captions. These captions apply only to Net Position, which is determined only for proprietary funds and at the Government-wide level, and are described below:

Net investment in capital assets describes the portion of net position which is represented by the current net book value of the capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects (expended) or contributions received in permanent funds (unexpended), debt service requirements, and redevelopment funds restricted to low and moderate income purposes.

Unrestricted describes the portion of net position which is not restricted to use.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Fund Balance

In the Fund financial statements, fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

The City's fund balances are classified based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendable represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances have constraints imposed by formal action of the City Council, such as an Ordinance, which may be altered only by the same formal action of the City Council. Encumbrances and nonspendable amounts subject to council commitments are included along with spendable resources.

Assigned fund balances are amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. Assignments may be made by the City Council or its designee, the Finance Director. Unlike commitments, assignments generally only exist temporarily. Thus, additional action does not normally have to be taken for the removal of an assignment.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual General Fund balance and residual fund deficits, if any, of other governmental funds.

R. Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated acquisition value on the date contributed. The City has recorded all its public domain (infrastructure) capital assets, which include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems.

Capital assets with limited useful lives are depreciated over their estimated useful lives. Alternatively, the "modified approach" is used for certain capital assets. Depreciation is not provided under this approach, but all expenditures on these assets are expensed, unless they are additions or improvements.

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Capital Assets (Continued)

Depreciation is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the useful lives and capitalization thresholds listed below to capital assets:

	<u>Useful Lives</u>	<u>Capitalization Thresholds</u>
Buildings	20-40 years	no threshold
Improvements	40 years	no threshold
Machinery and Equipment	3-20 years	5,000
Bike Paths	20 years	no threshold
Bridges	90 years	no threshold
Culverts	75 years	no threshold
Curb, Gutter, Sidewalks and Median Curbs	20 years	no threshold
Drain Inlets	50 years	no threshold
Flood Control Improvements	75 years	no threshold
Soundwalls	35 years	no threshold
Stormdrains	75 years	no threshold
Traffic Signals	20 years	no threshold
Plants and Substations:		
Electric	10-120 years	no threshold
Sewer	15-60 years	no threshold
Water	15-75 years	no threshold
Distribution Systems:		
Electric	7-100 years	no threshold
Sewer	75 years	no threshold
Water	75 years	no threshold
Electric Generation	10-40 years	no threshold
Parks	25 years	no threshold
Landscaping	12 years	no threshold

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

S. New Accounting Pronouncements

Effective in this Fiscal Year

GASB Statement No. 75 – In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement No. 75 establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. The provisions in Statement No. 75 are effective for fiscal years beginning after June 15, 2017. The City has implemented the requirements of this Statement as of July 1, 2017.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. New Accounting Pronouncements (Continued)

GASB Statement No. 85 – In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. The objective of this Statement is to improve consistency in accounting and financial reporting by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement is effective for reporting periods beginning after June 15, 2017. The City has implemented the requirements of this Statement as of July 1, 2017.

Effective in Future Fiscal Year

GASB Statement No. 83 – In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. The objective of this Statement is to provide financial statement users with information about asset retirement obligations that were not addressed in GASB Standards by establishing uniform accounting and financial reporting requirements for these obligations. This Statement is effective for reporting periods beginning after June 15, 2018. The City has not determined the effect on the financial statements.

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement is effective for reporting periods beginning after December 15, 2018. The City has not determined the effect on the financial statements.

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. This Statement is effective for reporting periods beginning after December 15, 2019. The City has not determined the effect on the financial statements.

GASB Statement No. 88 – In March 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve consistency in the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. This Statement is effective for reporting periods beginning after June 15, 2018. The City has not determined the effect on the Program's financial statements.

GASB Statement No. 89 – In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for certain interest costs. This Statement is effective for reporting periods beginning after December 15, 2019. The City has not determined the effect on the Program's financial statements.

GASB Statement No. 90 – In September 2018, the GASB issues Statement No. 90, *Majority Equity Interests*, an amendment of GASB Statements No. 14 and No. 61. The objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The Statement is effective for reporting periods beginning after December 15, 2018. The City has not determined the effect on the Program's financial statements.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 2 – CASH AND INVESTMENTS

The City pools cash from all sources and all funds, except certain specific investments within funds and cash with fiscal agents, so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time.

The City and its fiscal agents invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. Individual investments are generally made by the City's fiscal agents as required under its debt issues. In order to maximize security, the City employs the Trust Department of a bank as the custodian of all City managed investments, regardless of their form.

The City's investments are reported at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

A. Classification

Cash and investments are classified in the financial statements as shown below:

Cash and investments in City Treasury	\$ 598,742,386
Restricted cash and investments with fiscal agents	<u>38,773,476</u>
Total City cash and investments with primary government	637,515,862
Fiduciary Funds (separate statement)	
Cash and investments in City Treasury	157,894,214
Restricted cash and investments with fiscal agents	<u>59,015,106</u>
Total Cash and Investments	<u><u>\$ 854,425,182</u></u>

Cash and investments as of June 30, 2018, consist of the following:

Cash in bank and on hand	\$ 27,014,006
Investments	<u>827,411,176</u>
Total Cash and Investments	<u><u>\$ 854,425,182</u></u>

Cash and investments with original maturities of three months or less are treated as cash and equivalents for purpose of preparing Proprietary Fund statements of cash flows. Also, each Proprietary Fund's portion of the City's overall cash and investment pool is treated as cash and equivalents since these amounts are in substance demand deposits.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

B. Investments Authorized by the California Government Code and the City's Investment Policy

The City's Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City; and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code or the City's Investment Policy where it is more restrictive:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Obligations (A)	5 Years	None	None	None
U.S. Agency Securities (A)	5 Years	None	None	None
Forward Delivery Agreements	N/A	A	None	None
Local Agency Bonds	5 Years	None	None	None
Repurchase Agreements	30 days	None	None	None
Bankers' Acceptances	180 days	None	40%	30%
Commercial Paper	270 days	A-1	25%	10% (B)
Medium-Term Notes	5 Years	A	30%	None
Collateralized Time Deposits	5 Years	None	30%	None
Negotiable Certificates of Deposit	5 Years	A	30%	None
Local Agency Investment Fund	N/A	None	None	\$65 million/account
Insured Saving Accounts	N/A	None	None	None
Money Market Mutual Funds	N/A	None	20%	10%
Shares in a California Common Law Trust	N/A	None	None	None
Interest Rate Swaps (C)	N/A	None	None	None
Supranationals	5 Years	AA-	30%	None
Mortgage Pass-Through Securities	5 Years	AA	20%	None

(A) In specified fund accounts where liquidity is not the primary investment objective, the maximum maturity can be up to ten years with granted express authority by the City Council. Such investments cannot be made less than three months following the approval of extended investment terms. All longer-term investments must be Federal Treasury or Agency securities. The specified fund accounts are:

- City Pool, subject to 25%
- Citizens Benefit Permanent Fund
- Roseville Aquatics Complex Maintenance Permanent Fund
- Endowment Private-Purpose Trust Fund
- OPEB Trust Fund
- All future trust and/or endowment funds established by the City with no anticipated use of principal

(B) Eligible Commercial Paper may not represent more than 10% of the outstanding paper of an issuing corporation.

(C) Interest rate swaps may only be used in conjunction with enterprise fund debt or investments, not the General Fund. Pursuant to its function as custodian and investment manager of the South Placer Wastewater Authority (Authority), the City invested certain Authority funds in Forward Delivery Agreements which are investments with fixed maturities and which bear interest at a variable rate. To hedge against changes in short-term interest rates, the Authority entered into a swap agreement to create a synthetic fixed interest rate on one of the Forward Delivery Agreements. Risks associated with the Forward Delivery Agreement and associated swap agreement are those of the Authority and not those of the City. Details of the swap agreement and associated risks may be found in the Basic Financial Statements of the Authority which may be obtained by contacting the City Finance Department at 311 Vernon Street, Roseville, California 95678.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

C. Investments Authorized by Debt Agreements

The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
U.S. Treasury Obligations	N/A	None
U.S. Agency Securities	N/A	None
Certificates of Deposit	N/A - 30 days	None to A-1
Time Deposits	N/A - 30 days	None to A-1
Repurchase Agreements	N/A - 30 days	None to A
Bankers' Acceptances	N/A - 270 days	None to A-1
Money Market Funds	N/A	None to Aam-G
Taxable Governmental Money Market Portfolio	N/A	None
Commercial Paper	180-270 days	A-1 to AA
Special Revenue Bonds	N/A	AA
Pre-refunded Municipal Obligations	N/A	AAA
Municipal Obligations	N/A	AAA
Common Law Trust	N/A	None
California Asset Management Pool	N/A	None
Lawful Investments	N/A	None
Investment Agreements	N/A	A+ to AA
Local Agency Investment Fund	N/A	None
Placer County Investment Pool	N/A	None
Supranationals	N/A	None
Mortgage Pass-Through Securities	N/A	None

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City also manages its interest rate risk by holding most investments to maturity.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity or earliest call date:

	Remaining Maturity (in Months)				Total
	12 months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months	
Federal Agency Securities	\$ 35,020,813	\$ 61,630,509	\$ 267,017,510	\$ 134,612,890	\$ 498,281,722
Forward Purchase Agreement	4,042,626	-	-	-	4,042,626
Medium-Term Notes	7,232,265	16,788,140	171,750,988	-	195,771,393
Money Market Mutual Funds	63,123,822	-	-	-	63,123,822
Supra-National Agency	-	-	4,932,050	-	4,932,050
Guaranteed Investment Contracts (GIC)	-	-	-	6,068,862	6,068,862
Local Agency Investment Fund	52,960,218	-	-	-	52,960,218
California Asset Management Pool	2,230,483	-	-	-	2,230,483
Total	<u>\$ 164,610,227</u>	<u>\$ 78,418,649</u>	<u>\$ 443,700,548</u>	<u>\$ 140,681,752</u>	<u>\$ 827,411,176</u>

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. At June 30, 2018 the fair value was \$63,278 less than the City's cost. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2018, these investments matured in an average of 193 days. LAIF is not registered with the Securities and Exchange Commission and is not rated.

The City is a participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of its Participants to invest certain proceeds of debt issues and surplus funds. The Pool's investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The City reports its investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share. At June 30, 2018, the fair value approximated is the City's cost, and these investments had an average maturity of 35 days. CAMP is not registered with the Securities and Exchange Commission and is not rated.

Money market mutual funds were available for withdrawal on demand and at June 30, 2018 and had an average maturity of 17 days for the Dreyfus U.S. Treasury Money Market Fund and 20 days for the First American Money Market Fund.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

E. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2018, for each investment type as provided by Standard and Poor's investment rating system:

	AAA / AAAm	AA+ / AA / AA-	BBB+	Total
Investments:				
Federal Agency Securities	\$ -	\$ 498,281,722	\$ -	\$ 498,281,722
Forward Purchase Agreement	-	4,042,626	-	4,042,626
Medium-Term Notes	2,230,483	192,940,834	600,076	195,771,393
California Asset Management Program	2,230,483	-	-	2,230,483
Supranational	4,932,050	-	-	4,932,050
Total	<u>\$ 9,393,016</u>	<u>\$ 695,265,182</u>	<u>\$ 600,076</u>	705,258,274
Not Rated:				
Local Agency Investment Fund				52,960,218
Money Market Mutual Funds				63,123,822
Guaranteed Investment Contracts				6,068,862
Total Investments				<u>\$ 827,411,176</u>

F. Concentration of Credit Risk

Investments in any one issuer, other than U. S. Treasury securities, money market mutual funds, and investment pools that represent 5 percent or more of total entity-wide investments are as follows at June 30, 2018:

Issuer	Investment Type	Amount
Federal Farm Credit Bank	Federal agency securities	\$ 36,257,568
Federal Home Loan Bank	Federal agency securities	116,667,470
Federal Home Loan Mortgage Corporation	Federal agency securities	212,186,050
Federal National Mortgage Association	Federal agency securities	89,857,516

Investments in any one issuer that represent 5 percent or more of total investments by individual funds were as follows at June 30, 2018:

Fund	Issuer	Investment Type	Amount
Major Enterprise Funds:			
Roseville Natural Gas Financing Authority	Wachovia Bank	Forward Purchase Agreement	\$ 3,918,125
Water	FSA Security Assurance	Guaranteed Investment Contract	4,061,960

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

G. Fair Value Measurements

The City's Pool categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted for identical assets in active markets;
- Level 2: Investments reflect prices that are based on a similar observable inputs;
- Level 3: Investments reflect prices based on unobservable inputs.

The Pool has the following recurring fair value measurements as of June 30, 2018:

Investments at fair value	Amount	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Federal Agency Securities	\$ 498,281,722	\$ 498,281,722	\$ -
Corporate (MTN) Securities	195,771,393	195,771,393	-
Foreign (Supra National) Securities	4,932,050	4,932,050	-
Forward Purchase Agreement	4,042,626	-	4,042,626
Mutual Funds	63,123,822	63,123,822	-
Total Investments at fair value	766,151,613	\$ 762,108,987	\$ 4,042,626
Investments Measured at Amortized Cost			
Guaranteed Investment Contracts (GICs)	6,068,862		
Investments with uncategorized inputs			
Local Agency Investment Fund	52,960,218		
California Asset Management Program	2,230,483		
Total Investments Measured uncategorized	55,190,701		
Total Investments	\$ 827,411,176		

The City has a forward purchase agreement that is measured using level 3 inputs. This item is valued using the discounted cash flows approach.

Deposits and withdrawals in governmental investment pools, such as LAIF and CAMP Investment Pools, are made on the basis of \$1 and not fair value. Accordingly, the City's measured fair value of its proportionate share in these types of investments is based on uncategorized inputs not defined as a Level 1, Level 2, or Level 3 input.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 3 – INTERFUND TRANSACTIONS

A. Transfers Among Funds

With City Council approval, resources may be transferred from one City fund to another. Transfers between funds during the fiscal year ended June 30, 2018, were as follows:

Fund Receiving Transfer	Fund Making Transfer	Amount Transferred
General fund	State gasoline tax fund	\$ 20,340 (B)
	Landscaping and lighting and services districts fund	3,122,339 (A)
	Grants fund	100,000 (A)
	Development impact fund	2,009,598 (A), (B)
	General fund capital projects fund	158,359 (B)
	Roadway fund	1,212,226 (B)
	Electric fund	6,754,115 (B), (C)
	Solid waste fund	6,854 (B)
	Wastewater fund	54,319 (B)
	Water fund	54,666 (B)
	Automotive fund	24,208 (B)
	Total general fund	13,517,024
Technology replacement fund	General fund	22,017 (B)
Open space fund	Landscaping and lighting and services districts fund	535,587 (A)
Traffic mitigation fund	State gasoline tax fund	225,625 (B)
	Landscaping and lighting and services districts fund	15,058 (B)
	Roadway fund	1,247 (B)
	Local transportation fund	27,371 (B)
	Total traffic mitigation fund	269,301
Development impact fund	General fund	444 (B)
	Landscaping and lighting and services districts fund	124,649 (B)
	General fund capital projects fund	88,758 (B)
	RFA capital fund	7,017 (B)
	Local transportation fund	297,070 (B)
	Total development impact fund	517,938
Roadway fund	General fund	13,768 (B)
	State gasoline tax fund	41,646 (B)
	Development impact fund	553,440 (B)
	Traffic mitigation fund	126,106 (B)
	Water fund	736,102 (B)
	Wastewater fund	669,800 (B)
	Solid waste fund	294,100 (B)
	Local transportation fund	917,240 (B)
	Total roadway fund	3,352,202
Community facilities districts projects fund	General fund	1,600,000 (B)
	Development impact fund	500,000 (B)
	Traffic mitigation fund	1,108,444 (B)
	Total community facilities districts projects fund	3,208,444

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 3 – INTERFUND TRANSACTIONS (CONTINUED)

A. Transfers Among Funds (Continued)

Fund Receiving Transfer	Fund Making Transfer	Amount Transferred
General fund capital projects fund	General fund	3,228,342 (B)
	State gasoline tax fund	7,256 (B)
	Landscaping and lighting and services districts fund	22,599 (B)
	Grants fund	882 (B)
	Development impact fund	50,768 (B)
	Roadway fund	1,259 (B)
	Traffic mitigation fund	2,035 (B)
	Open space fund	1,613 (B)
	Low / Mod Income Housing Asset	708 (B)
	Golf fund	11,877 (B)
	Affordable housing fund	1,497 (B)
	Community facilities district projects fund	8,025 (B)
	General liability fund	27,799 (B)
	Automotive fund	81,038 (B)
	Worker's compensation fund	15,763 (B)
	Electric fund	1,210,382 (B)
	Water fund	507,541 (B)
	Wastewater fund	426,916 (B)
	Solid waste fund	580,956 (B)
	Local transportation fund	839,179 (B)
	School-Age childcare fund	90,388 (B)
	Total general fund capital projects fund	7,116,823
Electric fund	Automotive fund	32,802 (B)
Water fund	State gasoline tax fund	4,069 (B)
	Solid waste fund	159,669 (A)
	Wastewater fund	2,290,367 (E)
	Total water fund	2,454,105
Wastewater fund	Water fund	715,072 (B)
	Solid waste fund	141,898 (B)
	Total wastewater fund	856,970
Solid waste fund	Water fund	10,000 (A)
	Wastewater fund	1,542,101 (E)
	Total solid waste fund	1,552,101
Local transportation fund	General fund	64,668 (A)
	Development impact fund	10,736 (A)
	Roadway fund	55,808 (B)
	Total nonmajor enterprise funds	131,212
General equipment replacement fund	General fund	879,782 (A), (D)
Automotive fund	General fund	71,842 (D)
	Solid waste fund	62,984 (D)
	Total automotive fund	134,826
Facilities fund	General fund	1,117,000 (D)
	Golf fund	10,900 (D)
	General fund capital projects fund	407,000 (D)
	Automotive fund	16,287 (D)
	Electric fund	18,603 (D)
	Wastewater fund	1,633 (D)
	Total facilities fund	1,571,423

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 3 – INTERFUND TRANSACTIONS (CONTINUED)

A. Transfers Among Funds (Continued)

Fund Receiving Transfer	Fund Making Transfer	Amount Transferred
Information technology fund	General fund	804,050 (D)
	General fund capital projects fund	143,720 (D)
	Electric fund	115,801 (D)
	Water fund	62,776 (D)
	Wastewater fund	93,879 (D)
	Solid waste fund	83,512 (D)
	Local transportation fund	10,368 (D)
	School-age childcare fund	50 (D)
	Total information technology fund	1,314,156
Post retirement fund	General fund	5,605,493 (D)
	Golf fund	3,724 (D)
	Facilities fund	10,797 (D)
	Information technology fund	10,182 (D)
	Automotive fund	210,849 (D)
	Electric fund	1,334,482 (D)
	Water fund	638,670 (D)
	Wastewater fund	522,132 (D)
	Solid waste fund	271,822 (D)
	Local transportation fund	30,903 (D)
	School-age childcare fund	164,284 (D)
	Total post retirement fund	8,803,338
Total Interfund Transfers		\$ 46,270,051

- (A) Transfers to fund operations
 (B) Transfers to fund various projects and/or pay debt service
 (C) Transfers to fund in-lieu franchise fees
 (D) Transfers to fund Internal Service Funds for services provided
 (E) Transfers of capital assets between Enterprise Funds

B. Current Interfund Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2018, interfund balances comprised the following:

Due to Other Funds	Due From Other Funds	Amount
Governmental Funds		
Special Revenue Funds:		
Golf course fund	Automotive fund	\$ 127,000 (A)
Technology fee replacement fund	Development impact fee fund	95,054 (C)
Golf course fund	General fund	1,590,558 (B)
Capital Projects Fund:		
Development impact fee fund	General fund	409,041 (A)
Development impact fee fund	Automotive fund	33,346 (A)
Enterprise Funds		
School-age child care fund	Automotive fund	57,219 (A)
		\$ 2,312,218

- (A) Current portion of the advances mentioned in 3C below.
 (B) To cover negative cash balances as of June 30.
 (C) Final payment of an advance mentioned in 3C below.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 3 – INTERFUND TRANSACTIONS (CONTINUED)

C. Long-Term Interfund Advances

At June 30, 2018, the funds below had made advances which were not expected to be repaid within the next year.

Fund Receiving Advance	Fund Making Advance	Amount of Advance
Governmental Funds		
Special Revenue Funds:		
Roseville Community Development Corporation	General fund	\$ 1,530,951
Golf course fund	Automotive fund	2,242,000
Capital Projects Funds:		
Development impact fee fund	General fund	7,040,081
Development impact fee fund	Automotive fund	533,525
Enterprise Funds		
School-age child care fund	Automotive fund	715,000
	Total	<u>\$ 12,061,557</u>

Roseville Community Development Corporation advance from the General Fund bears interest at the average interest rate of the City's pooled investments plus one percent, adjusted every 5 years. Principal is deferred for the first ten years from the date of disbursement and is then payable in equal annual installments over ten years in the amount of \$153,095 beginning in fiscal year 2023 and ending in fiscal year 2032. Simple interest is deferred for the life of the loan and a lump-sum deferred interest payoff is due in fiscal year 2032. As of June 30, 2018, the accrued deferred interest not included in the advance amount in the table above is \$189,063.

Golf Course advance from the Automotive Fund bears interest at the prior fiscal year's average interest rate of the City's pooled investments. Principal is paid annually in the amount of \$127,000 with the final principal payment in fiscal year 2037. Simple interest is deferred for the life of the loan and a lump-sum deferred interest payoff is due in fiscal year 2037. As of June 30, 2018 the accrued deferred interest payable not included in the advance amount in the table above is \$2,197,113.

Development Impact Fee has two advances from the General Fund that bears interest at the prior fiscal year's average interest rate of the City's pooled investments. The first advance has principal payments of \$942,566 and interest are being paid over the period beginning in fiscal year 2018 and ending in fiscal year 2028. The second advance has principal and interest that are deferred until fiscal year 2022. Deferred interest is added to the principal balance annually as incurred. Beginning in fiscal year 2022, principal of \$533,525 and interest are payable over seven years with final payment in fiscal year 2028.

Development Impact Fee advance from the Automotive Fund bears interest at the prior fiscal year's average interest rate of the City's pooled investments plus one-half percent. Interest only payments were made the first three years of the advance beginning in fiscal year 2015. Principal payments of \$33,345 and interest are being paid over an 18 year term beginning in fiscal year 2018 and ending in fiscal year 2035.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 3 – INTERFUND TRANSACTIONS (CONTINUED)

C. Long-Term Interfund Advances (Continued)

School-Age Child Care advance from the Automotive Fund bears interest at the prior fiscal year's average interest rate of the City's pooled investments. In fiscal year 2018 two prior advances and one new \$300,000 advance were consolidated into one total advance. Principal and interest payments are being paid over a 15 year term beginning in fiscal year 2018 and ending in fiscal year 2032. Principal amount repayments are as follows: \$50,000 for fiscal year 2018, \$57,219 for fiscal 2019, and \$55,000 thereafter.

Technology Replacement advance bears interest at the average interest rate of the City's pooled investments. I will be repaid over a period of 7 years beginning in fiscal year 2014.

D. Internal Balances

Internal balances are presented in the City-wide financial statements only. They represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities.

NOTE 4 – NOTES RECEIVABLE

The City engages in programs designed to encourage business enterprises, construction or improvement in low-to-moderate income housing, or other projects. Under these programs, grants or loans are provided with favorable terms to businesses, homeowners or developers who agree to spend these funds in accordance with the City's terms. Although these notes are expected to be repaid in full, their balances have been offset in the fund financial statements by unavailable revenue, due to other government agencies or fund balance. Notes receivable were comprised of the following at June 30, 2018:

Flood Loan Notes	\$ 6,633
Housing Elevation Notes	10,000
Water Meter Notes Receivable	74,408
Tenant Improvement Notes Receivable	302,591
Flood Control Loan	601,397
First Time Home-Buyer Notes	11,811,208
Due From Successor Agency	19,327,573
Housing Rehabilitation and Affordable Housing Notes	<u>19,661,256</u>
Total	<u><u>\$ 51,795,066</u></u>

A. Flood Loan Notes Receivable

The City has provided notes to various homeowners and businesses for rehabilitation due to flood damage. The maximum note amount is \$5,000 carrying various interest rates and payment dates. The balance of these notes receivable at June 30, 2018 was \$6,663.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 4 – NOTES RECEIVABLE (CONTINUED)

B. Housing Elevation Notes Receivable

In fiscal year 1997, the Federal Emergency Management Agency (FEMA) approved Hazard Mitigation Grant Program funds to be used for residential home elevation projects in the City at a maximum of \$5,000 per household, with the total federal share not to exceed \$1,493,096. The City provided matching funds to each eligible household at a maximum of \$5,000 in the form of a zero percent, deferred loan payable upon sale, change of title or change of use. As of June 30, 2018, two notes funded through the FEMA Hazard Mitigation Grant Program were outstanding with a total balance of \$10,000.

C. Water Meter Notes Receivable

The City entered into an agreement with Stonesfair Management for Water Meter Installations at Windscape Apartments. The original note amount is payable in 120 monthly installments. The balance of note at June 30, 2018 was \$74,408.

D. Tenant Improvement Notes Receivable

The City entered into a tenant improvement notes receivable with the Sierra Joint Community College District for overages in their Tenant Improvement allowance for the 316 Vernon Street Office Building Project. The original note amount was for \$128,141 payable in 120 monthly installments. The balance of note at June 30, 2018 was \$114,793.

The City entered into a lease agreement with a Tenant at 238 Vernon. The First Amendment to the lease dated March 23, 2017 resulted in a note receivable to the City in the original amount of \$250,000 and a transfer of capital assets with a book value of \$242,650 to the Tenant. Additionally, the Tenant received a credit of \$26,042 for its funding of tenant improvements. Payments of \$2,174 are due monthly with the final payment scheduled in October 2025. There is no stated interest rate in the agreement. The balance of the note at June 30, 2018 is \$187,798.

E. Flood Control Loan

On May 10, 2017, the City entered into an agreement with the Placer County Flood Control and Water Conservation District to fund the Antelope Creek Flood Control project with a loan to be paid back with future development fees. The loan bears simple interest based on the Construction Cost Index. As of June 30, 2018, the balance of the loan was \$601,397.

F. First Time Home-Buyer Notes Receivable

The City engages in a first time home-buyer program designed to encourage home ownership among low-income persons. Under this program, grants are provided at no interest and are due upon sale or transfer of the property. Although these notes are expected to be repaid in full, their balance has been offset with the with a deferred inflow of resources, as they are not expected to be repaid during the next fiscal year and any repayments will be used to reduce future grant draw-downs by the City. With the dissolution of the Agency effective February 1, 2012, the assets of the Low and Moderate Income Housing Fund, including \$1,657,453 in First Time Home Buyer notes receivable, were assumed by the Low and Moderate Income Housing Asset Fund as discussed in Note 20. The balance of the notes receivable arising from this program at June 30, 2018, was \$11,811,208.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 4 – NOTES RECEIVABLE (CONTINUED)

G. Successor Agency Loans

Prior to July 1, 2011, the former Redevelopment Agency had received various advances from various City funds. These advances bore interest at the average interest rate of the City's pooled investments. Principal and accrued interest on the advances totaled \$32,768,517 at July 1, 2011. During fiscal year 2012, the City and Redevelopment Agency determined that certain advances should have instead been funded by bond proceeds of the Agency. Therefore, the Redevelopment Agency repaid advances from the City in the amount of \$7,309,447 prior to the dissolution of the Agency on January 31, 2012.

With the dissolution of the Agency effective February 1, 2012, the Successor Agency assumed the balance of the obligation to repay the advances in the amount of \$25,603,129 for principal and accrued interest and recorded a notes payable to the Low and Moderate Income Housing Asset Fund equal to twenty percent of the balance of the notes. During fiscal year 2013, the State Department of Finance denied the prepaid advance and required the return of \$7,309,447 to the Successor Agency. The General Fund returned the cash to the Successor Agency during fiscal year 2013. The Successor Agency received its Finding of Completion in August 2013 determining that notes are enforceable obligations.

During fiscal year 2014, the Successor Agency completed its Long-Range Property Management Plan which was approved by the Department of Finance in May 2014 and as a result, the Successor Agency transferred land that was designated for governmental use to the City in the amount of \$7,107,581. As a result of the transfer, the City cancelled the notes that had been made to the former Redevelopment Agency for the purchase of those properties, including accrued interest, in the amount of \$5,902,331.

During fiscal year 2014, the Department of Finance clarified how the interest is to be calculated on each note to the Successor Agency. The City recalculated the interest due on the notes using the revised guidance and as a result the interest receivable was reduced by \$3,030,067. The principal balance of the notes as of June 30, 2018 is \$19,327,573. Accrued interest on the notes as of June 30, 2018 is \$570,887 and has been included in accrued interest receivable.

H. Housing Rehabilitation and Affordable Housing Notes Receivable

The City engages in programs designed to encourage construction or improvement in low-to-moderate income housing or other projects. Under these programs, grants or notes are provided under favorable terms to home-owners or developers who agree to spend these funds in accordance with the City's or Agency's terms. Although these notes are expected to be repaid in full, their balance has been offset with a deferred inflow of resources as they are not expected to be repaid during the next fiscal year and any repayments will be used to reduce future grant draw-downs by the City. With the dissolution of the Agency effective February 1, 2012, the assets of the Low and Moderate Income Housing Fund, including affordable housing notes receivable, were assumed by the Low and Moderate Income Housing Asset Fund. The balance of the notes receivable arising from these programs at June 30, 2018, was \$19,661,256.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 5 – DEVELOPER PERMIT FEES RECEIVABLE

The City has entered into a number of agreements with developers to defer permit fees for various projects within the City. Although these fees are expected to be repaid in full, their balance has been offset by unavailable revenue in governmental funds, as they are not expected to be repaid early enough to be reported as a current asset. The receivable was valued at \$942,718 at June 30, 2018.

The City has also operates a Single Family Residential Fee Deferral Program which offers deferred payment of permit fees for new single-family residences. The deferred fees will be paid to the City (1) prior to the final building inspection on the home; or (2) at close of escrow or within a year of the deed of trust being recorded whichever occurs first. The balance of the permit fees that have been deferred at June 30, 2018, was \$6,787,672, which has been recorded with accounts receivables.

NOTE 6 – DEVELOPMENT AGREEMENTS AND LAND HELD FOR RESALE

A. Development Agreements

The City may enter into development agreements in an effort to provide incentives to develop new businesses and new tax revenues. The substance of these agreements is that developers or other public agencies will be paid a portion of future sales tax or traffic mitigation fee revenues produced by their developments. These payments are conditioned on the generation of sales tax revenues or traffic mitigation fee revenues by these developments and the City is not required to use any other resources to pay these amounts.

B. Land held for Resale

The former Redevelopment Agency purchased 304 Washington Boulevard in June 2011. The 304 Washington Boulevard parcel will be developed by a private developer into 71 Mixed Use residential units with commercial and parking on the first floor. With the dissolution of the Redevelopment Agency as discussed in Note 19, the City, as housing successor, assumed the low and moderate income housing set-aside-funded assets of the former Redevelopment Agency as of February 1, 2012, including 304 Washington Boulevard. As of June 30, 2018, the total fair value of the housing property held by the City amounted to \$861,245. These properties are held at fair value.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 7 – CAPITAL ASSETS

A. Capital Asset Additions, Retirements and Transfers

Capital asset activity for the year ended June 30, 2018, was as follows:

	Restated Balance at June 30, 2017	Additions	Retirements	Transfers	Balance at June 30, 2018
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 128,143,707	\$ 13,300	\$ (200,192)	\$ 444,667	\$ 128,401,482
Streets (modified)	319,245,465	8,049,000	-	3,879,894	331,174,359
Construction in progress	51,967,016	30,644,101	-	(47,257,564)	35,353,553
Total capital assets not being depreciated	499,356,188	38,706,401	(200,192)	(42,933,003)	494,929,394
Capital assets, being depreciated:					
Buildings	165,036,397	-	(517,726)	26,376,422	190,895,093
Improvements	21,749,053	-	(92,296)	56,403	21,713,160
Vehicles & Equipment	68,522,788	2,703,431	(4,147,771)	658,570	67,737,018
Parks	72,864,738	7,695,812	-	2,856,605	83,417,155
Landscaping	52,328,139	308,878	-	1,265,030	53,902,047
Bike paths	9,838,037	-	-	-	9,838,037
Bridges	71,068,109	-	-	2,164,867	73,232,976
Culverts	20,746,285	-	-	-	20,746,285
Curb, gutter, sidewalk, and median curbs	166,096,125	4,390,751	-	2,553,789	173,040,665
Drain inlets	21,840,001	-	-	187,153	22,027,154
Flood control improvements	20,625,380	-	-	14,470	20,639,850
Soundwall	40,600,257	78,000	-	659,763	41,338,020
Storm drains	93,707,185	5,616,248	-	450,151	99,773,584
Traffic Signals	-	1,009,145	-	(1,009,145)	-
Total capital assets being depreciated	825,022,494	21,802,265	(4,757,793)	36,234,078	878,301,044
Less accumulated depreciation for:					
Buildings	(64,675,706)	(4,009,299)	80,186	1,480	(68,603,339)
Improvements	(10,088,154)	(597,935)	92,296	-	(10,593,793)
Vehicles & Equipment	(47,768,550)	(5,598,878)	4,145,344	210,376	(49,011,708)
Parks	(45,316,909)	(2,427,198)	-	-	(47,744,107)
Landscaping	(41,446,751)	(2,184,991)	-	-	(43,631,742)
Bike paths	(7,327,367)	(262,292)	-	-	(7,589,659)
Bridges	(12,729,142)	(795,659)	-	-	(13,524,801)
Culverts	(6,381,786)	(276,617)	-	-	(6,658,403)
Curb, gutter, sidewalk, and median curbs	(124,591,391)	(4,770,495)	-	-	(129,361,886)
Drain inlets	(9,908,614)	(438,895)	-	-	(10,347,509)
Flood control improvements	(4,059,163)	(275,053)	-	-	(4,334,216)
Soundwall	(13,697,855)	(1,167,207)	-	-	(14,865,062)
Storm Drains	(18,963,898)	(1,289,760)	-	-	(20,253,658)
Total accumulated depreciation	(406,955,286)	(24,094,279)	4,317,826	211,856	(426,519,883)
Net capital assets being depreciated	418,067,208	(2,292,014)	(439,967)	36,445,934	451,781,161
Governmental activities capital assets, net	\$917,423,396	\$ 36,414,387	\$ (640,159)	\$ (6,487,069)	\$ 946,710,555

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 7 – CAPITAL ASSETS (CONTINUED)

B. Capital Asset Additions, Retirements and Transfers (Continued)

	Restated Balance at June 30, 2017	Additions	Retirements	Transfers	Balance at June 30, 2018
Business-type activities					
Capital assets, not being depreciated:					
Land	\$ 11,101,711	\$ 333,232	\$ -	590,169	\$ 12,025,112
Streets (modified)	24,914	-	-	675,580	700,494
Construction in progress	39,615,232	24,770,899	-	(22,821,520)	41,564,611
Total capital assets not being depreciated	50,741,857	25,104,131	-	(21,555,771)	54,290,217
Capital assets, being depreciated:					
Buildings	21,608,210	-	-	1,314,241	22,922,451
Improvements	8,309,857	-	(10,261)	1,740,447	10,040,043
Vehicles & Equipment	34,781,692	1,657,887	(3,469,665)	10,247,248	43,217,162
Landscaping	576,843	-	-	247,980	824,823
Bike paths	5,385,455	-	-	233,416	5,618,871
Bridges	1,702,403	-	-	-	1,702,403
Culverts	356,961	-	-	-	356,961
Curb, gutter, sidewalk, and median curbs	463,996	-	-	-	463,996
Drain inlets	29,863	-	-	34,095	63,958
Flood control improvements	8,830,439	-	-	-	8,830,439
Storm drains	59,117	-	-	26,843	85,960
Traffic signals	50,105,996	-	-	2,487,736	52,593,732
Plants and substations	366,246,741	-	(301,644)	6,577,118	372,522,215
Distribution	1,376,424,398	43,176,150	(570,749)	5,096,820	1,424,126,619
Generation	202,826,487	-	-	248,377	203,074,864
Total capital assets being depreciated	2,077,708,458	44,834,037	(4,352,319)	28,254,321	2,146,444,497
Less accumulated depreciation for:					
Buildings	(7,351,410)	(537,546)	-	-	(7,888,956)
Improvements	(2,421,047)	(267,057)	8,789	(8,110)	(2,687,425)
Vehicles & Equipment	(23,479,586)	(3,312,576)	3,289,444	(224,634)	(23,727,352)
Landscaping	(564,540)	(24,624)	-	-	(589,164)
Bike paths	(2,142,850)	(267,710)	-	-	(2,410,560)
Bridges	(160,783)	(18,915)	-	-	(179,698)
Culverts	(39,931)	(4,760)	-	-	(44,691)
Curb, gutter, sidewalk, and median curbs	(78,359)	(23,201)	-	-	(101,560)
Drain inlets	(6,083)	(654)	-	-	(6,737)
Flood control improvements	(647,565)	(117,740)	-	-	(765,305)
Storm drains	(6,894)	(818)	-	-	(7,712)
Traffic signals	(27,698,280)	(2,006,366)	-	-	(29,704,646)
Plants and substations	(133,494,603)	(8,247,563)	166,558	39,848	(141,535,760)
Distribution	(332,395,156)	(20,783,958)	269,652	(18,585)	(352,928,047)
Generation	(100,088,919)	(10,781,675)	-	-	(110,870,594)
Total accumulated depreciation	(630,576,006)	(46,395,163)	3,734,443	(211,481)	(673,448,207)
Net capital assets being depreciated	1,447,132,452	(1,561,126)	(617,876)	28,042,840	1,472,996,290
Business-type activities capital assets, net	\$ 1,497,874,309	\$ 23,543,005	\$ (617,876)	\$ 6,487,069	\$ 1,527,286,507

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 7 – CAPITAL ASSETS (CONTINUED)

C. Depreciation Allocation

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program is as follows:

Governmental Activities

General Government	\$ 1,027,022
Development & Operations	428,539
Public Works	9,672,712
Police	362,512
Fire	269,571
Library	16,338
Parks and recreation	5,705,391
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	6,612,194
Total Governmental Activities	\$ 24,094,279

Business-Type Activities

Electric	\$ 22,645,284
Water	9,471,040
Wastewater	12,497,955
Solid Waste	182,301
Local Transportation	1,528,897
School-age Child Care	69,686
Total Business-Type Activities	\$ 46,395,163

D. Streets Covered By the Modified Approach

The City has elected to use the modified approach with respect to its roads. The City's policy based on current funding is to maintain the arterial and collector roadways at an average Pavement Quality Index (PQI) of 72 and residential roadways at an average PQI of 70, instead of providing depreciation. During fiscal year 2018 the City expended \$5,154,352 to preserve its roads. The City estimates that it will be required to expend approximately \$3,136,162 in fiscal year 2019 to maintain its roads at this condition level.

NOTE 8 – LONG-TERM DEBT

The City generally incurs long-term debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 8 – LONG-TERM DEBT (CONTINUED)

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as other financing sources gross of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For proprietary fund types included, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Any differences between proprietary and government-wide refunded debt and the debt issued to refund it, is amortized over the remaining life of either the refunded debt or the refunding debt, whichever is shorter.

A. Current Year Transactions and Balances

	Original Issue Amount	Balance June 30, 2017	Additions	Retirements	Balance June 30, 2018	Current Portion
Governmental Activities Debt:						
Lease:						
2013 Public Facilities Refunding 2.15%, due 8/1/25	\$ 16,324,609	\$ 11,351,697	\$ -	\$ (1,267,262)	\$ 10,084,435	\$ 1,289,316
2015 316 Vernon Street Project 2.00%-5.25%, due 2/1/34 Add: debt premium	14,425,000 -	14,210,000 834,248	- -	(250,000) (55,616)	13,960,000 778,632	255,000 -
Loans:						
Successor Agency	4,072,574	4,013,624	-	(32,479)	3,981,145	17,065
Total Governmental Activities Debt	\$ 34,822,183	\$ 30,409,569	\$ -	\$ (1,605,357)	\$ 28,804,212	\$ 1,561,381
Business-Type Activities Debt:						
Certificates of Participation						
2004 Electric System Revenue, 3.00%-5.25%, due 2/1/34 Less: bond discount	\$ 39,940,000 (728,254)	\$ 5,000 -	\$ - -	\$ - -	\$ 5,000 -	\$ - -
2009 Electric System Revenue Refunding 2.00%-5.25%, due 2/1/24 Add: bond premium	27,010,000 396,611	4,750,000 52,438	- -	(1,740,000) (17,480)	3,010,000 34,958	1,795,000 -
2012 Electric System Revenue Refunding variable rate, due 2/1/35	90,000,000	90,000,000	-	-	90,000,000	-
2015 Water Utility Revenue Refunding 2.00%-5.00%, due 12/1/30 Add: bond premium	42,565,000 6,899,891	37,660,000 6,005,537	- -	(2,330,000) (461,964)	35,330,000 5,543,573	2,435,000 -
Total Certificates of Participation	206,083,248	138,472,975	-	(4,549,444)	133,923,531	4,230,000
Revenue Bonds						
2007 Gas Revenue Bonds 4.00%-5.00%, due 2/15/20 Add: bond premium	209,350,000 15,454,116	139,530,000 7,359,104	- -	(9,780,000) (735,910)	129,750,000 6,623,194	10,275,000 -
2010 Electric System Revenue Refunding 2.0%-5.00%, due 2/1/37 Add: bond premium	55,845,000 2,764,207	1,520,000 45,697	- -	(470,000) (15,232)	1,050,000 30,465	505,000 -
2013 Electric System Revenue Refunding 2.0%-5.00%, due 2/1/29 Add: bond premium	48,780,000 5,899,513	39,405,000 4,424,633	- -	(4,515,000) (368,720)	34,890,000 4,055,913	4,695,000 -
2011 Refunding Wastewater Revenue Bonds, Series C 1.00%-5.25%, due 11/1/25 Add: bond premium	36,315,568 2,839,017	28,937,038 1,817,754	- -	(19,811,358) (1,344,724)	9,125,680 473,030	2,830,194 -
2013 Refunding Wastewater Revenue Bonds variable rate, due 11/1/35	36,582,878	36,582,878	-	-	36,582,878	-
2014 Refunding Wastewater Revenue Bonds variable rate, due 6/30/30	17,955,392	17,955,392	-	(17,955,392)	-	-
2014 Refunding Electric System Revenue Bonds 5%, due 2/1/34 Add: bond premium	16,485,000 2,129,224	16,485,000 1,809,843	- -	- (106,461)	16,485,000 1,703,382	- -
2017A Electric System Revenue Refunding 3.0%-5.00%, due 2/1/37 Add: bond premium	56,210,000 5,069,937	56,210,000 4,828,512	- -	- (241,426)	56,210,000 4,587,086	- -
2017B Taxable Electric System Revenue Refunding 1.03%-2.41%, due 2/1/22	6,265,000	6,265,000	-	(190,000)	6,075,000	135,000
2017 Wastewater Revenue Bonds 5.00%, due 11/1/37 Add: bond premium	46,109,348 10,618,219	- -	46,109,348 10,618,219	- (530,912)	46,109,348 10,087,307	- -
Total Revenue Bonds	574,672,419	363,175,851	56,727,567	(56,065,135)	363,838,283	18,440,194
Total Business-Type Activities Debt:	\$ 780,755,667	\$ 501,648,826	\$ 56,727,567	\$ (60,614,579)	\$ 497,761,814	\$ 22,670,194

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 8 – LONG-TERM DEBT (CONTINUED)

B. 2013 Public Facilities Refunding Lease

On June 1, 2013, the City entered into a Lease and Sublease Agreement in the amount of \$16,324,609 to refund the outstanding 2003A Public Facilities Refunding Certificates of Participation (2003A COPs) and the 2003B Golf Course Refunding Certificates of Participation (2003B COPs). The 2003A and 2003B COPs were called on August 1, 2013. The Lease is repayable from any source of available funds of the City which includes the General Fund; however, the Golf Course Special Revenue Fund is expected to repay the portion of the lease related to the refunding of the 2003B Certificates of Participation. Principal and interest payments are payable semi-annually on February 1 and August 1 through 2025. The amount outstanding as of June 30, 2018 was \$10,084,435 in governmental activities.

C. 2015 316 Vernon Street Project Lease

On July 14, 2015, the Roseville Finance Authority issued the Certificates of Participation, Series 2015 (316 Vernon Street Project), in the principal amount of \$14,425,000 to fund a portion of the acquisition and construction of an office building located at 316 Vernon Street. The Lease bears interest at 2.00 percent to 5.25 percent and are due semi-annually at February 1 and August 1 of each year. The Lease is repayable from any source of legally available funds of the City, including (but not limited to) amounts held by the City in its General Fund according to the Lease Agreement in the official statement. Principal payments are due annually on August 1 through 2032. The amount outstanding as of June 30, 2018 was \$13,960,000.

D. Loans from the Successor Agency

The former Redevelopment Agency made a loan in the amount of \$3,469,049 in May 2011 to the Roseville Community Development Corporation, a component unit of the City. The Agency had entered into the agreement with the Corporation under which the Agency agreed to provide funding to the Corporation in the form of a start-up loan not to exceed five million dollars (\$5,000,000). The loan is a 20 year loan deferred for 10 years with accrued interest and principal due beginning January 1, 2021. A State Supreme Court decision on August 11, 2011 suspended all redevelopment activity effective June 28, 2011. However, the Successor Agency of the Redevelopment Agency continued to make disbursements related to the loan agreement after that date, because it had been approved by the Redevelopment Agency Board prior to the Court decision.

Under the provisions of Health and Safety Code Section 34171(d)(2), agreements between the City or any of its component units and the former Redevelopment Agency that were executed after December 31, 2010 are no longer enforceable obligations and Health and Safety Code Section 34167.5 requires that if the City or component unit is not contractually committed to a third party for the expenditure or encumbrance of those funds that they be returned to the Successor Agency.

The City continues to contend that the loan agreement was lawfully entered into at the time of its execution and therefore transactions executed with the Corporation prior to the dissolution of the redevelopment agency were not reversed in the current fiscal year and remain in the Corporation as of June 30, 2018.

Upon dissolution of the redevelopment agency, the note was transferred to the Successor Agency. The note accrues interest at a rate equal to the City's average interest earnings plus 1 percent, adjusted every five years. Principal and interest payments commence on June 30, 2021 and will be due annually with the final payment scheduled on June 30, 2030. As of June 30, 2018 the note bears interest of 2.288 percent with interest accrued of \$444,888. The principal amount outstanding as of June 30, 2018 was \$3,469,049.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 8 – LONG-TERM DEBT (CONTINUED)

D. Loans from the Successor Agency (Continued)

During fiscal year 2014, the Roseville Community Development Corporation assumed a loan made by the former Redevelopment Agency of the City of Roseville to a developer in connection with the acquisition of 238 Vernon Street. The developer had been current on payments on the loan through June 2013, but defaulted on the loan when it had an outstanding balance of \$602,334. The loan bears interest of 4.00 percent and is repayable in monthly payments of \$3,103 from July 1, 2014 through August 1, 2024, with a final balloon payment of \$421,227 due on September 1, 2024. The amount outstanding at June 30, 2018 is \$512,096.

E. 2004 Electric System Revenue Certificates of Participation

On July 1, 2004, the City issued \$39,940,000 of Certificates of Participation to finance capital improvements to the City's Electric System. The COPs are repayable from net revenue of the Electric Utility System. The COPs bear interest at 3.00 percent to 5.25 percent and are due semi-annually on February 1 and August 1 of each year beginning February 1, 2005. Principal payments are due annually on February 1 through February 2034. The COPs were partially refunded by the 2013 Electric System Revenue Refunding Bonds as discussed in Note 8I below. In August 2014, the 2004 Electric System Revenue Certificates of Participation were partially refunded by the 2014 Electric System Revenue Refunding Bonds leaving a par amount of \$5,000.

F. 2009 Electric System Revenue Refunding Certificates of Participation

On November 24, 2009, the City issued Certificates of Participation (COPs) in the original principal amount of \$27,010,000. The COPs were issued to refinance the remaining outstanding balance of the 2002 Electric System Revenue Certificates of Participation. The COPs bear interest at 2.00 percent to 5.25 percent and are due semi-annually on February 1 and August 1 of each year. In February 2017, the 2009 Electric System Revenue Refunding Certificates of Participation were partially refunded by the 2017 A and 2017 B Electric System Revenue Refunding Bonds as discussed in Note 8P and Note 8Q. Principal payments are due annually through fiscal year 2020. The balance outstanding as of June 30, 2018 is \$3,010,000.

G. 2010 Electric System Revenue Refunding Bonds

On October 21, 2010, the City issued Revenue Bonds in the original principal amount of \$55,845,000. The Bonds were issued to refinance the remaining outstanding balance of the 2008 Electric System Revenue Refunding Certificates of Participation Series B. The Revenue Bonds bear interest at 2.00 percent to 5.00 percent and are due semi-annually on February 1 and August 1 of each year. In February 2017, the 2010 Electric System Revenue Refunding Bonds were partially refunded by the 2017 A and 2017 B Electric System Revenue Refunding Bonds as discussed in Note 8P and Note 8Q. Principal payments are due annually on February 1 through 2020. The balance outstanding as of June 30, 2018 is \$1,050,000.

H. 2012 Electric System Revenue Refunding Certificates of Participation

On November 7, 2012 the City issued Certificates of Participation (COPs) in the original principal amount of \$90,000,000. The COPs were issued to refund and retire the outstanding balance of the 2008A Electric System Revenue COPs.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 8 – LONG-TERM DEBT (CONTINUED)

H. 2012 Electric System Revenue Refunding Certificates of Participation (Continued)

The COPs were issued as variable rate securities with interest calculated monthly equal to the LIBOR Index Rate. The LIBOR Index Rate is defined in the Trust Agreement to mean a per annum rate of interest established on each Computation Date (monthly) and effective on each related LIBOR Index Reset Date equal to the sum of (a) the Applicable Spread (initially 0.625 percent, but adjustable based on the credit rating of the Roseville Finance Authority's long-term unenhanced debt secured or evidenced by a parity obligation) plus (b) the product of the LIBOR Index multiplied by the Applicable Factor (initially 70.5 percent). The LIBOR Index is defined as the London interbank offered rate for U.S. dollar deposits for a one-month period, as reported on Reuters Screen LIBOR01 Page or any successor thereto, which will be that one-month LIBOR rate in effect two London Business Days prior to the LIBOR Index Reset Date, adjusted for any reserve requirement and any subsequent costs arising from a change in government regulation. The interest rate of the COPs cannot exceed 12 percent per year and may be converted by the City into a daily rate, weekly rate, commercial paper rate or index rate, subject to certain conditions defined in the Trust agreement. The interest rate at June 30, 2018 was 2.025% percent.

The City originally entered into a 27-year interest rate swap agreement for the entire amount of the 2008A COPs, and the interest rate swap agreement remains outstanding after the refunding, but the notional amount of the swap is based on the notional amount of the 2008A COPs. The combination of the variable rate COPs and a floating rate swap creates synthetic fixed-rate debt for the City. The synthetic fixed rate for the COPs was 3.873 percent for the year ended June 30, 2018. The COPs are subject to mandatory prepayment annually beginning February 1, 2023 through 2035. The balance outstanding as of June 30, 2018 is \$90,000,000.

I. 2013 Electric System Revenue Refunding Bonds

On November 14, 2013, the Roseville Finance Authority issued the Electric System Revenue Refunding Bonds, Series 2013, in the principal amount of \$48,780,000 to refund a portion of each of the 2004 Electric System Revenue and 2005 Electric System Revenue, Series A, Certificates of Participation. The Bonds bear interest at 2.00 percent to 5.00 percent and are due semi-annually on February 1 and August 1 of each year. The Bonds are repayable by a pledge of net revenue from the Electric System. Principal payments are due annually on February 1 through 2029. The balance outstanding as of June 30, 2018 is \$34,890,000.

J. 2007 Roseville Natural Gas Financing Authority Gas Revenue Bonds

On January 24, 2007, the Authority issued \$209,350,000 of Gas Revenue Bonds, Series 2007, to finance a lump sum prepayment to a Gas Supplier (See Note 19A) in order to acquire a supply of natural gas to be delivered over a period of twenty-years. The gas purchased by the Authority will be sold to the City pursuant to a Natural Gas Supply Agreement (See Note 19B) to produce revenues to be used for debt service on the Bonds.

Principal payments are due annually on February 15 through 2028 and interest is payable semiannually on February 15 and August 15. The balance outstanding as of June 30, 2018 is \$129,750,000. As of June 30, 2018, the total principal and interest to be paid on the bonds was \$168,063,500. For fiscal year 2018, net revenues amounted to \$24,253,790 which represented coverage of 146 percent over the \$16,753,125 in debt service.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 8 – LONG-TERM DEBT (CONTINUED)

K. 2011 South Placer Wastewater Authority Refunding Revenue Bonds, Series A, B, C, and D

On April 7, 2011, the South Placer Wastewater Authority (Authority) issued Variable Rate Demand Refunding Wastewater Revenue Bonds Series 2011A and 2011B in the original principal amounts of \$30,165,000 and \$30,160,000, respectively, and Revenue Refunding Bonds Series 2011C and 2011D (SIFMA Index Bonds) in the original principal amount of \$67,040,000 and \$30,000,000, respectively. The City's share of this obligation was determined to be 54.17 percent when the Bonds were issued. The Authority amended the Funding Agreement and the members entered into a Reallocation and Repayment Agreement during fiscal year 2012 which changed the proportionate share of the member obligations prospectively effective October 1, 2012. As a result, the City's share of the obligation increased to 61.66 percent and the liabilities for the 2011C and 2011D Bonds were increased \$4,819,815 and \$2,247,000, respectively.

The Series 2011ABCD Bonds were issued to refund the remaining outstanding balance of the 2008 South Placer Wastewater Authority Refunding Wastewater Revenue Bonds Series A and Series B. During fiscal year 2013, the 2011A and 2011B Bonds were refunded by the 2013 South Placer Wastewater Authority Refunding Wastewater Bonds. During fiscal year 2015, the 2011D Bonds were refunded by the Wastewater Revenue Refunding Bonds, Series 2014. During fiscal year 2018, the 2011C Bonds were partially refunded by the South Placer Wastewater Authority Revenue Bonds, Series 2017. The partial refunding created an economic gain of \$2,808,916, of which \$1,731,978 is attributable to the City.

The Series 2011C Bonds bear interest at 1.00 percent-5.25 percent and are due semi-annually on May 1 and November 1 of each year. The Bonds are repayable solely from the Authority Revenues. Principal payments are due annually November 1 through 2020. The balance outstanding as of June 30, 2018 is \$9,125,680.

L. 2013 South Placer Wastewater Authority Refunding Revenue Bonds

On April 1, 2013, the Authority issued Variable Rate Demand Refunding Wastewater Revenue Bonds, Series 2013, in the original principal amount of \$59,330,000. The City's share of this obligation was determined to be 61.66 percent or \$36,582,878. The 2013 Bonds were issued to refund the remaining outstanding balance of the 2011 South Placer Wastewater Authority Refunding Wastewater Revenue Bonds, Series A and B.

The 2013 Bonds were issued as variable rate securities with interest calculated monthly equal to the LIBOR Index Rate. The LIBOR Index Rate is defined in the Indenture to mean the per annum rate of interest established on each Computation Date (monthly) and effective on each related LIBOR Index Reset Date equal to the sum of the Applicable Spread (initially 0.625 percent, but adjustable based on the credit rating of the Roseville Finance Authority's long-term unenhanced debt secured or evidenced by a parity obligation) plus the product of the LIBOR Index multiplied by the Applicable Factor (initially 70.5 percent). The interest rate of the Bonds cannot exceed 12 percent per year and may be converted by the Authority into a Daily Rate, a Weekly Rate, a Long-Term Rate, a Commercial Paper Rate, or a subsequent Index Rate, subject to certain conditions defined in the Indenture. The interest rate at June 30, 2018 was 2.025 percent. The Bonds are subject to mandatory redemption annually beginning November 1, 2029 through 2035.

The Authority originally entered into a 19 year interest rate swap agreement for the entire amount of the 2008B Bonds, and as part of the issuance of the 2011 ABCD Bonds, the swap agreement was amended, but the notional amount of the swap is based on the notional amount of the 2008 B Bonds. The interest rate swap agreement was revised in September 2017 to reduce the notional amount. The combination of the variable rate bonds and the floating rate swap creates a synthetic fixed-rate debt for the Authority. The synthetic fixed rate for the 2011C and 2013 Bonds at June 30, 2018 was 4.094 percent for the year ended June 30, 2018. The balance outstanding as of June 30, 2018 is \$36,582,878.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 8 – LONG-TERM DEBT (CONTINUED)

M. South Placer Wastewater Authority Revenue Refunding Bonds, Series 2014

On August 7, 2014, the South Placer Wastewater Authority issued the Wastewater Revenue Refunding Bonds, Series 2014, in the amount of \$29,120,000 to refund the Authority's Wastewater Revenue Refunding Bonds, Series 2011D. The City's share of the obligation is 61.66 percent, or \$17,955,392.

The 2014 Bonds were issued as SIFMA Index Bonds and the interest rate is the rate of the SIFMA index, adjusted weekly, plus a spread of .33 percent. The SIFMA Municipal Swap Index, represents a seven-day high-grade market index composed of selected tax-exempt variable-rate demand obligations meeting specific criteria. The SIFMA Index is calculated weekly and released each Wednesday afternoon. If at any time the SIFMA Index is not available, there will be used in its place such index as the Trustee, following consultation with the Authority and the Calculation Agent, as applicable for the applicable Interest Rate Period, from time to time determines most closely approximates the SIFMA Index. SIFMA Index Rate is defined as the per annum rate equal to the weighted average of the SIFMA Index in effect for each day in the Interest Period, which is the period from and including each interest payment date for such Series 2014 Bonds.

Interest on the Series 2014 Bonds is payable on the first business day of each month, commencing September 2, 2014. Principal payments are due annually beginning November 3, 2025 through 2029.

The Series 2014 Bonds are secured by a pledge of Authority Revenues, which include all amounts received by, or entitled to be received by, the Authority from the Participants (consist of the City, SPMUD and Placer County) under provisions of the Funding Agreement. The Authority Revenues generally exclude Regional Connection Fees and amount held in the Rate Stabilization Fund, unless certain conditions are met. During fiscal year 2018, the 2014 Bonds were fully refunded by the South Placer Wastewater Authority Revenue Bonds, Series 2017, which resulted in an economic gain of \$1,731,978.

N. Roseville Finance Authority Electric System Revenue Refunding Bonds, Series 2014

On July 24, 2014, the Roseville Finance Authority issued Electric System Revenue Refunding Bonds, Series 2014, in the amount of \$16,485,000 to refund the 2004 Electric System Revenue Certificates of Participation. The Bonds bear interest of 5 percent. Principal payments are due annually on February 1 beginning in 2030. Interest payments are due semi-annually on each August 1 and February 1, commencing on February 1, 2015 through February 1, 2034. The balance outstanding as of June 30, 2018 is \$16,485,000.

O. 2015 Water Utility Revenue Refunding Certificates of Participation

On August 20, 2015, the Roseville Finance Authority issued the Water Revenue Certificates of Participation, Series 2015, in the principal amount of \$42,565,000 to refund the 2007 Water Utility Certificates of Participation. The Bonds bear interest at 2.00 percent to 5.00 percent and are due semi-annually on December 1 and June 1 of each year. The Bonds are repayable by a pledge of net revenue from the Water Utility System. Principal payments are due annually on December 1 through 2030.

As of June 30, 2018, the total principal and interest remaining to be paid on the bonds was \$45,945,550. As disclosed in the official statement, all net revenues of the Water Utility System are expected to provide coverage over debt service of 120 percent over the life of the Bonds. For fiscal year 2018 net revenues amounted to \$24,416,033 which represented coverage of 592 percent over the \$4,125,033 in debt service. The balance outstanding as of June 30, 2018 is \$35,330,000.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 8 – LONG-TERM DEBT (CONTINUED)

P. 2017A Electric System Revenue Refunding Bonds

On February 8, 2017, the City issued Revenue Bonds in the original principal amount of \$56,210,000. The Bonds were issued to refund a portion of the 2009 Electric System Revenue Refunding Certificates of Participation and the 2010 Electric System Revenue Refunding Bonds. The Revenue Bonds bear interest at 3.00 percent to 5.00 percent and are due semi-annually on February 1 and August 1 of each year. Principal payments are due annually on February 1 through 2037. The balance outstanding as of June 30, 2018 is \$56,210,000.

Q. 2017B Taxable Electric System Revenue Refunding Bonds

On February 8, 2017, the City issued Taxable Revenue Bonds in the original principal amount of \$6,265,000. The Bonds were issued to refund a portion of the 2009 Electric System Revenue Refunding Certificates of Participation and the 2010 Electric System Revenue Refunding Bonds. The Revenue Bonds bear interest at 1.03 percent to 2.41 percent and are due semi-annually on February 1 and August 1 of each year. Principal payments are due annually on February 1 through 2022. The balance outstanding as of June 30, 2018 is \$6,075,000.

R. Electric Bonds Net Revenue Summary

As of June 30, 2018, the total principal and interest remaining to be paid on the 2004 Electric System Revenue COPs, 2012 Electric System Revenue Refunding COPs, 2009 Electric System Revenue Refunding COPs, 2010 Electric System Revenue Refunding Revenue Bonds, the 2013 Electric System Revenue Refunding Bonds, the 2014 Electric System Revenue Refunding bonds, the 2017A Electric System Revenue Refunding bonds and the 2017B Electric System Revenue Refunding bonds was \$284,525,817. As disclosed in the official statements, all net revenues of the Electric System are expected to provide coverage over debt service of 110% over the lives of the Bonds. For fiscal year 2018, net revenues amount to \$39,409,791 which represents coverage of 237% over the \$16,636,114 in debt service.

S. South Placer Wastewater Authority Revenue Bonds, Series 2017

On September 28, 2017, the South Placer Wastewater Authority issued Revenue Bonds, Series 2017 in the amount of \$74,780,000 to partially refund the Authority's Wastewater Revenue Refunding Bonds, Series 2011C, fully refund the Authority's Wastewater Revenue Refunding Bonds, Series 2014 and partially finance the 2017 Project, Pleasant Grove Plant improvements. The City's share of this obligation was determined to be 61.66%, or \$46,109,348. The Revenue Bonds bear interest at 5.00% and are due semi-annually on May 1 and November 1 of each year. Principal payments are due annually on November 1 beginning 2021 through 2037. The City's share of the balance outstanding as of June 30, 2018 is \$46,109,348.

T. Wastewater Bonds Net Revenue Summary

As of June 30, 2018, the total principal and interest remaining to be paid on the 2011 Series C, the 2013 Bonds and the 2017 Bonds was \$127,516,339. As disclosed in the Indenture, net revenues of the respective systems of the members are expected to provide coverage over debt service of 110% over the lives of the Bonds, however the Funding Agreement established a Rate Stabilization Account to be used for the payment of debt service on the Bonds and other costs of the Authority. As discussed in Note 16, the members' monthly contributions of regional connection fees are deposited into the Rate Stabilization Account, and the Authority pays the debt service and other costs from the Account, based on each member's proportionate share. For fiscal year 2018, \$5,747,905 in debt service was paid from the Rate Stabilization Account.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 8 – LONG-TERM DEBT (CONTINUED)

U. Interest Rate Swap Agreements

The City entered into interest rate swap agreements in connection with the 2008 Electric Revenue Certificates of Participation (COPs), Series A. In addition, the City has a 61.66 percent interest in the South Placer Wastewater Authority (SPWA) which entered into an interest rate swap agreement in connection with the 2008 Refunding Wastewater Revenue Bonds, Series B. The Authority amended the swap with the issuance of the 2013 Bonds, and then again with the issuance of the 2017 bonds.

These transactions allow the City to create synthetic fixed rates on the COPs and Revenue Bonds, protecting it against increases in short-term interest rates. The terms, fair value and credit risk of the swap agreements are disclosed below.

Terms. The terms, including the counterparty credit ratings of the outstanding swaps, as of June 30, 2018, are included below. The swap agreements contain scheduled reductions to the outstanding notional amount that are expected to follow scheduled reductions in the associated bond issues.

Related Bond Issue	Notional Amount	Effective Date	Counterparty	Credit Rating (B)	Fixed Rate Paid	Variable Rate Received	Termination Date
2012 Electric System Revenue Refunding COP (based on nominal amount of 2008 Electric System Revenue COP, Series A)	\$ 36,000,000	5/13/2008	Bank of America, N.A.	A-	3.364%	70.5% of 1m LIBOR	2/1/2035
2012 Electric System Revenue Refunding COP (based on notional amount of 2008 Electric System Revenue COP, Series A)	54,000,000	5/13/2008	Morgan Stanley Capital Services, Inc.	BBB+	3.321%	70.5% of 1m LIBOR	2/1/2035
2011 Refunding Wastewater Revenue Bonds, series C and D and 2013 Refunding Wastewater Revenue Bonds	18,963,533 (A)	9/6/2017	Morgan Stanley Capital Services Inc.	BBB+	3.665%	62% of 1m LIBOR plus 26 bps	11/1/2023
	<u>\$ 108,963,533</u>						

(A) The Authority's swap agreement is based on the notional amount of \$30,755,000. The City's share of the notional amount is 61.66%, or \$18,963,533. Only the City's portion of the swap agreement is shown above, since the City was only obligated for that portion of the SPWA's bonds.

(B) Credit rating by Standard & Poor's Agency

Based on the swap agreements, the City owes interest calculated at a fixed rate to the counterparty of the swap. In return, the counterparty owes the City interest based on the variable rate that approximates the rate required by the associated COPs and Bonds. Debt principal is not exchanged; it is only the basis on which the swap receipts and payments are calculated.

Fair value. Fair value of the swaps takes into consideration the prevailing interest rate environment, the specific terms and conditions of each transaction and any upfront payments that may have been received. Hedging derivative instruments are classified as Level 2 and are valued using a discounted cash flow technique, which calculates the future net settlement payments, assuming that current forward rates implied by the yield curve correctly anticipate future spot interest rates (LIBOR or SIFMA). The payments are then discounted using the spot rates (LIBOR or SIFMA) implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap. As of June 30, 2018, the fair value of the swaps was not in favor of the City as follows:

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 8 – LONG-TERM DEBT (CONTINUED)

U. Interest Rate Swap Agreements (Continued)

Related Bond Issue	Fair Value	
	2018	2017
2012 Electric System Revenue Refunding COP (based on notional amount of 2008 Electric System Revenue COP, Series A)		
Bank of America N.A.	\$ (4,502,258)	\$ (6,407,766)
Morgan Stanley Capital Services Inc.	(6,538,828)	(9,378,282)
	<u>(11,041,086)</u>	<u>(15,786,048)</u>
2013 SPWA Refunding Wastewater Revenue Bonds	(890,941)	(4,570,757)
	<u>\$ (11,932,027)</u>	<u>\$ (20,356,805)</u>

Credit Risk. Since the fair values of the swaps are negative, the City is not currently exposed to credit risk. The fair values may increase if interest rates increase in the future. Should interest rates increase to the point where the fair values become positive, the City would be exposed to credit risk on the outstanding swaps. The City will be exposed to interest rate risk only if a counterparty to a swap defaults or if the swap is terminated.

Basis Risk. Basis risk is the risk that the interest rate paid by the City on the underlying variable rate bonds to the bondholders temporarily differs from the variable swap rates received from the applicable counterparty. The City bears basis risk on the swaps. The swaps have basis risk since the City receives a percentage of the LIBOR Index to offset the actual variable bond rates the City pays on the underlying COPs and Bonds. The City is exposed to basis risk should the floating rate that it receives on a swap be less than the actual variable rate the City pays on the bonds. Depending on the magnitude and duration of any basis risk shortfall, the expected cost of the basis risk may vary.

Termination Risk. The City may terminate if the other party fails to perform under the terms of the contract. The City will be exposed to variable rates if the counterparty to the swap contract defaults or if the swap contract is terminated. A termination of the swap contract may also result in the City's making or receiving a termination payment based on market interest rates at the time of the termination. If at the time of termination the swap has a negative fair value, the City would be liable to the counterparty for a payment equal to the swap's fair value.

Rollover Risk. Rollover risk is the risk that the swap associated with a debt issue matures or may be terminated prior to the maturity of the associated debt. When the swap terminates or a termination option is exercised by the counterparty, the City will be re-exposed to the risks being hedged by the swap. The swap originally based on the 2008 Refunding Wastewater Revenue Bonds, Series B, associated with the 2011 C Refunding Wastewater Revenue Bonds and the 2013 Refunding Wastewater Revenue Bonds exposes the City to rollover risk because the swap terminates on November 1, 2023 while the 2011 C Bonds mature on November 1, 2025 and the 2013 Bonds mature on November 1, 2020.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 8 – LONG-TERM DEBT (CONTINUED)

U. Interest Rate Swap Agreements (Continued)

Swap payments and associated debt. Using rates as of June 30, 2018, debt service requirements of the City's outstanding swap-related variable-rate and fixed rate debt and net swap payments are as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary. These payments below are included in the Debt Service Requirements at June 30, 2018:

For the Year Ending June 30	Variable-Rate Bonds		Interest Rate	Total
	Principal	Interest	Swaps, Net	
2019	\$ -	\$ 2,563,242	\$ 2,032,678	\$ 4,595,920
2020	-	2,563,242	1,965,201	4,528,443
2021	-	2,563,242	1,895,233	4,458,475
2022	-	2,563,242	1,822,665	4,385,907
2023	4,875,000	2,522,110	1,709,651	9,106,761
2024-2028	30,800,000	10,862,470	6,586,893	48,249,363
2029-2033	56,559,501	6,638,015	3,434,588	66,632,104
2034-2036	34,348,377	853,665	346,681	35,548,723
Totals	\$ 126,582,878	\$ 31,129,228	\$ 19,793,590	\$ 177,505,696

V. Debt Service Requirements

Debt service requirements are shown below for all long-term debt:

For the Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 1,561,380	\$ 863,346	\$ 22,670,194	\$ 18,675,304
2020	1,595,547	824,404	23,856,755	17,558,718
2021	1,631,883	783,143	25,138,731	16,392,157
2022	1,675,185	739,341	26,189,640	15,205,032
2023	5,608,820	694,157	27,580,114	13,910,055
2024-2028	5,152,765	2,768,055	161,245,566	49,640,777
2029-2033	2,245,000	2,168,881	89,962,359	21,812,563
2034-2038	2,755,000	1,655,084	87,979,546	8,233,208
2039-2043	3,370,000	1,017,166	-	-
2044-2046	2,430,000	186,250	-	-
Totals	28,025,580	\$ 11,699,827	464,622,906	\$ 161,427,814

Reconciliation of long-term debt

Add deferred bond premium	778,632	33,138,908
Net long-term debt	\$ 28,804,212	\$ 497,761,814

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 8 – LONG-TERM DEBT (CONTINUED)

W. Special Assessment Districts

Special Assessment Districts, including Mello Roos Districts, in various parts of the City have issued debt to finance infrastructure improvements and facilities within their boundaries. The City is the collecting and paying agent for the debt issued by these Districts, but has no direct or contingent liability or moral obligation for the payment of this debt. Therefore, this debt is not recorded as long-term debt of the City. The outstanding balance of each of these issues as of June 30, 2018, is as follows:

	Maturity Date	Outstanding Balance
Fiddymment Ranch Community Facilities District #1, Series 2017	9/1/2036	\$ 45,845,000
Fiddymment Ranch Community Facilities District #5, Series 2017	9/1/2047	23,845,000
Roseville Finance Authority Revenue Bonds, Series 2016	9/1/2027	17,050,000
Diamond Creek Community Facilities District #1, Series 2007	9/1/2037	5,775,000
Special Tax Revenue Refunding Bonds, Series 2007 A Senior Lien Bonds	9/1/2033	30,885,000
Special Tax Revenue Refunding Bonds, Series 2007 B Junior Lien Bonds	9/1/2033	7,260,000
Fountains Community Facilities District No. 1 Special Tax Bonds Series 2016	9/1/2038	11,050,000
Roseville Finance Authority Special Tax Revenue Refunding Bonds, Series 2012	9/1/2021	8,965,000
Longmeadow Parkside Community Facilities District #1 Special Tax Refunding Bonds, Series 2013	9/1/2036	7,180,000
Westbrook Community Facilities District #1 Special Tax Bonds, Series 2014	9/1/2044	14,235,000
Woodcreek West Community Facilities District #1 Refunding Bonds, Series 2015	9/1/2030	12,250,000
North Roseville Community Facilities District #1 Refunding Bonds, Series 2015	9/1/2023	8,015,000
Westpark Community Facilities District #1 Special Tax Refunding Bonds, Series 2015	9/1/2037	67,860,000
HP Campus Oaks Community Facilities District #1 Special Tax Bonds, Series 2016	9/1/2046	23,000,000
Stone Point CFD # 1 Special tax Bonds 2017	9/1/2028	5,660,000
Stone Point CFD # 5 Special tax Bonds 2017	9/1/2036	4,760,000
Crocker Ranch CFD # 1 Series 2007 Local Obligation Bonds	9/1/2033	15,035,500
Placer Valley Sports Complex and Tourism Marketing District	8/5/2037	10,250,000
	Total	<u>\$ 318,920,500</u>

NOTE 9 – DERIVATIVE INSTRUMENTS

A. Summary of Notional Amounts and Fair Values

The City enters into contracts to hedge its price exposures to power and natural gas, and to procure energy supplies. These contracts are evaluated pursuant to GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, to determine whether they meet the definition of derivative instruments, and, if so, whether they effectively hedge the expected cash flows associated with interest rate and energy exposures.

The City applies hedge accounting for derivatives that are deemed effective hedges. Under hedge accounting, the increase (decrease) in the fair value of a hedge is reported as a deferred inflow or outflow of resources on the statement of net position. For the reporting period, all of the City's derivatives are considered effective hedges.

For energy derivatives, fair values are estimated by comparing contract prices to forward market prices quoted by third party market participants or provided in relevant industry publications.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 9 – DERIVATIVE INSTRUMENTS (CONTINUED)

A. Summary of Notional Amounts and Fair Values (Continued)

The following is a summary of the fair values and notional amounts of derivative instruments outstanding as of June 30, 2018.

	2018 Change in Fair Value		Fair Value, End of Fiscal Year 2018		Notional	Level
	Classification	Amount	Classification	Amount		
Effective Cash Flow Hedges						
Electric Fund						
Pay Fixed SWAP, Natural Gas	Deferred Outflow	\$ 1,905,508	Derivative	\$ (4,502,258)	2,282,500 mmBtu	2
Pay Fixed SWAP, Natural Gas	Deferred Outflow	2,839,454	Derivative	(6,538,828)	342,000 MWh	2
				<u>\$ (11,041,086)</u>		
Roseville Natural Gas Financing Authority						
Pay Fixed SWAP, Natural Gas	Deferred Inflow	\$ (1,763,186)	Derivative	\$ 13,775,473	34,513,500 mmBtu	2
					76,000-372,000	
Receive Fixed SWAP, Natural Gas	Deferred Inflow	(5,419,943)	Derivative	90,996,566	monthly mmBtu	2
				<u>\$ 104,772,039</u>		

B. Objective and Terms of Hedging Derivative Instruments

The objectives and terms of the City's hedging derivative instruments that were outstanding at June 30, 2018, are summarized in the next table. The table is aggregated by the credit ratings of the City's counterparties. For counterparties having multiple ratings, the rating indicating the greatest degree of risk is used.

Objectives and terms of the City's hedging derivative instruments that were outstanding at June 30, 2018 are summarized in the table below:

Type and Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty	Counterparty Rating
Forward Contracts, Gas:						
Hedge Cash Flows on PG&E citygate Gas	225,000 mmBtu	1/1/2019	3/31/2019	Pay \$3.75; Receive NGI PG&E citygate price	BP Energy	A-
Hedge Cash Flows on PG&E citygate Gas	1,372,500 mmBtu	7/1/2020	12/31/2021	Pay \$2.89; Receive NGI PG&E citygate price	J Aron & Company	BBB+
Hedge Cash Flows on PG&E citygate Gas	(230,000) mmBtu	10/1/2018	12/31/2018	Pay \$2.75; Receive NGI PG&E citygate price	Macquarie Energy	A
Hedge Cash Flows on PG&E citygate Gas	915,000	1/1/2020	12/31/2020	Pay \$3.13; Receive NGI PG&E citygate price	Shell Trading Risk Management	A
Forward Contracts, Power:						
Hedge Cash Flows on NP15 Power	219,000 MWh	1/1/2019	12/31/2019	Pay \$33.20 at NP15	Conoco Phillips	A-
Hedge Cash Flows on NP15 Power	123,200 MWh	1/1/2020	13/31/2020	Pay \$38.25 at NP15	Macquarie Energy	A
Commodity Swaps, Gas:						
Prepayment 20-year supply of Natural Gas	\$ 34,513,500.00	1/1/2008	12/31/2027	Pay index minus 0.68; Receive NGI	Merrill Lynch	A
Hedge on Cash Flows on prepayment of 20-year supply of Natural Gas	From 76,000 to 372,000 mmBtu per month	1/24/2007	1/25/2028	Pay NGI PG&E citygate price; Receive \$7.7224 per MMBtu	JPMorgan Chase Bank, NA	A+

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 9 – DERIVATIVE INSTRUMENTS (CONTINUED)

C. Risks of Derivative Instruments

Credit risk – Credit risk is the risk of loss due to a counterparty defaulting on its obligations. The City seeks to minimize credit risk by transacting with creditworthy counterparties. Interest rate swap counterparties are evaluated at the time of transaction execution. The procedure prohibits the City from executing energy hedge transactions with counterparties rated lower than BBB by Standard & Poor's or Fitch rating services, or Baa2 by Moody's. Subsequent to entering into transactions, the credit ratings of one or more counterparties may deteriorate. If so, the City's credit risk management policies increase the amount of collateral that the counterparty must post with the City when the counterparty owes the City, thereby reducing credit risk associated with the decline in the counterparty's credit worthiness.

Termination risk – Termination risk is the risk that a derivative will terminate prior to its scheduled maturity due to a contractual event. Contractual events include bankruptcy, illegality, default, and mergers in which the successor entity does not meet credit criteria. One aspect of termination risk is that the City would lose the hedging benefit of a derivative that becomes subject to a termination event. Another aspect of termination risk is that, if at the time of termination the mark-to-market value of the derivative was a liability to the City, the City could be required to pay that amount to the counterparty. Termination risk is associated with all of the City's derivatives up to the fair value amounts.

NOTE 10 – NET POSITION AND FUND BALANCES

A. Fund Balance and Net Position Deficits

The City reported the following deficit net position and fund balances:

The School-Age Child Care Fund had a deficit net position of at June 30, 2018 of \$8,358,135. The City is evaluating the operations of this fund to ensure that service rates are sufficient to cover operations.

The Golf Fund had a deficit fund balance as of June 30, 2018 of \$5,728,089. The City is expecting to eliminate this deficit with future program revenues.

The Information Technology Fund had deficit net position at June 30, 2018 of \$693,163. The City is expecting to eliminate this deficit through future internal service rates.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 10 – NET POSITION AND FUND BALANCES (CONTINUED)

B. Classifications

Detailed classifications of the City's Fund Balances, as of June 30, 2018, are below:

Fund Balance Classifications	General Fund	Nonmajor Governmental Funds	Total
Nonspendable:			
Items not in spendable form:			
Prepays	\$ 86,897	\$ -	\$ 86,897
Notes receivable	12,862,373	-	12,862,373
Inventories	232,394	-	232,394
Subtotal	13,181,664	-	13,181,664
Amounts required to be maintained intact:			
Permanent funds	-	16,916,061	16,916,061
Total Nonspendable Fund Balances	13,181,664	16,916,061	30,097,725
Restricted for:			
Community facilities districts	-	10,368,291	10,368,291
Debt service	-	102,758	102,758
Landscape and lighting	-	12,520,230	12,520,230
Street projects	-	15,646,205	15,646,205
Affordable housing	-	12,859,847	12,859,847
Technology replacement	-	1,145,346	1,145,346
Local access television	-	1,100,040	1,100,040
Public safety services and projects	-	987,845	987,845
Open space maintenance	-	621,015	621,015
Traffic projects	-	28,606,153	28,606,153
Federal grant programs	-	801,964	801,964
Wildlife preservation	-	1,090,679	1,090,679
Community development	-	159,614	159,614
Tree propagation	-	2,120,037	2,120,037
Aquatics complex maintenance	-	6,560	6,560
Other capital projects	-	56,655,886	56,655,886
Total Restricted Fund Balances	-	144,792,470	144,792,470
Assigned to:			
Annual construction and maintenance contracts	163,274	-	163,274
Information systems upgrades and improvements	255,827	-	255,827
Annual park and maintenance repairs	159,267	-	159,267
Police patrol supplies	50,398	-	50,398
Fire operations and supplies	77,633	-	77,633
Development services	2,504,966	-	2,504,966
Public works projects	118,282	-	118,282
Various contracts	595,374	-	595,374
Building and general rehabilitation projects	-	13,236,513	13,236,513
Total Assigned Fund Balances	3,925,021	13,236,513	17,161,534
Unassigned:			
General fund	38,352,989	-	38,352,989
Other governmental fund deficit residuals	-	(5,728,089)	(5,728,089)
Total Unassigned Fund Balances	38,352,989	(5,728,089)	32,624,900
Total Fund Balances	\$ 55,459,674	\$ 169,216,955	\$ 224,676,629

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 11 – PENSION PLANS

Plan Descriptions – Substantially all City employees are eligible to participate in the City’s separate Safety (police and fire) and Miscellaneous (all other) Plans, agent-multiple employer defined benefit pension plans administered by the California Public Employees Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and may be amended by City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plans’ provisions and benefits in effect at June 30, 2018, are summarized as follows:

	Safety	
	Prior to January 1, 2013	After January 1, 2013
Hire date		
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	50 - 57
Monthly benefits, as a % of annual salary	3.000%	2.0% - 2.7%
Required employee contribution rates	9.000%	12.250%
Required employer contribution rates	21.928% + \$5,061,099	12.250%
	Miscellaneous	
	Prior to January 1, 2013	After January 1, 2013
Hire date		
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of annual salary	2.0% - 2.7%	1.0% - 2.5%
Required employee contribution rates	8.000%	6.250%
Required employer contribution rates	9.999% + \$12,112,439	6.250%

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 11 – PENSION PLANS (CONTINUED)

Employees Covered – At June 30, 2018, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	996	196
Inactive employees entitled to but not yet receiving benefits	696	71
Active employees	696	235
Total	<u>2,388</u>	<u>502</u>

Contributions – Section 20814(c) of the California Public Employees’ Retirement law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rates of employees. The City made contributions of \$18,499,075 to the miscellaneous plan and \$11,936,348 to the safety plan during the year ended June 30, 2018.

Net Pension Liability

The City’s net pension liability for each Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	3.3% - 14.2% (1)
Investment Rate of Return	7.5% (2)
Mortality	Derived using CalPERS membership data

(1) Depending on age, service and type of employment

(2) Net of pension plan investment and administrative expenses, includes inflation

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 11 – PENSION PLANS (CONTINUED)

Net Pension Liability (Continued)

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 valuation were based on the results of a January 2014 actuarial experience study for the period of 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

Changes of assumptions – During the measurement year ended June 30, 2017, the accounting discount rate was lowered from 7.65 percent to 7.15 percent.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return on pension plan investments, CalPERS took into account both short and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	Target Allocation	Real Return Years 1 - 10 ¹	Real Return Years 11+ ²
Global Equity	47%	4.90%	5.38%
Global Fixed Income	19%	0.80%	2.27%
Inflation Sensitive Assets	6%	0.60%	1.39%
Private Equity	12%	6.60%	6.63%
Real Estate	11%	2.80%	5.21%
Infrastructure and Forestland	3%	3.90%	5.36%
Liquidity	2%	-0.40%	-0.90%
Total	100%		

¹ An expected inflation of 2.5% used for this period

² An expected inflation of 3.0% used for this period

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 11 – PENSION PLANS (CONTINUED)

Discount rate - The discount rate used to measure the total pension liability was 7.15 percent for each plan. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the district's contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. Based on those assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

The changes in the Net Pension Liability for each Plan as of the measurement date of June 30, 2017 follows:

<i>Miscellaneous Plan:</i>	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2017	<u>\$ 565,400,677</u>	<u>\$ 361,251,067</u>	<u>\$ 204,149,610</u>
Changes in the year:			
Service Cost	14,861,538	-	14,861,538
Interest on the total pension liability	42,476,046	-	42,476,046
Changes in Assumptions	36,462,156	-	36,462,156
Differences between expected and actual experience	(3,545,559)	-	(3,545,559)
Plan to Plan Resource Movement	-	7,316	(7,316)
Contribution - employer	-	19,450,887	(19,450,887)
Contribution - employee	-	6,168,110	(6,168,110)
Projected earnings on investments	-	25,831,214	(25,831,214)
Differences between projected and actual earnings on plan investments	-	14,875,455	(14,875,455)
Benefit payments, including refunds of employee contributions	(23,354,942)	(23,354,942)	-
Administrative expenses	-	(533,363)	533,363
Net changes	<u>66,899,239</u>	<u>42,444,677</u>	<u>24,454,562</u>
Balance at June 30, 2018	<u>\$ 632,299,916</u>	<u>\$ 403,695,744</u>	<u>\$ 228,604,172</u>

<i>Safety Plan:</i>	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2017	<u>\$ 284,548,988</u>	<u>\$ 188,976,344</u>	<u>\$ 95,572,644</u>
Changes in the year:			
Service Cost	9,405,915	-	9,405,915
Interest on the total pension liability	21,361,661	-	21,361,661
Changes of Assumptions	19,842,134	-	19,842,134
Differences between expected and actual experience	(4,417,042)	-	(4,417,042)
Contribution - employer	-	10,566,516	(10,566,516)
Contribution - employee	-	2,577,887	(2,577,887)
Projected earnings on investments	-	13,546,974	(13,546,974)
Differences between projected and actual earnings on plan investments	-	7,698,805	(7,698,805)
Benefit payments, including refunds of employee contributions	(11,825,080)	(11,825,080)	-
Administrative expenses	-	(279,011)	279,011
Net changes	<u>34,367,588</u>	<u>22,286,091</u>	<u>12,081,497</u>
Balance at June 30, 2018	<u>\$ 318,916,576</u>	<u>\$ 211,262,435</u>	<u>\$ 107,654,141</u>

Totals of both miscellaneous and safety plans	<u>\$ 951,216,492</u>	<u>\$ 614,958,179</u>	<u>\$ 336,258,313</u>
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CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 11 – PENSION PLANS (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous	Safety	Total
1% Decrease	6.15%	6.15%	6.15%
Net Pension Liability	\$ 317,860,601	\$ 157,295,003	\$ 475,155,604
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	\$ 228,604,172	\$ 107,654,141	\$ 336,258,313
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$ 155,013,477	\$ 67,544,884	\$ 222,558,361

Pension Plan Fiduciary Net Position – Detailed information about each pension plans’ fiduciary net position is available in the separately issued CalPERS financial reports.

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the City recognized pension expense of \$14,451,240 in the Miscellaneous Plan and \$4,740,221 in the Safety Plan. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 18,499,075	\$ -
Changes of assumptions	27,112,885	(2,237,861)
Differences between expected and actual experience	154,288	(3,051,109)
Net difference between projected and actual earnings on plan investments	4,958,720	-
Total	<u>\$ 50,724,968</u>	<u>\$ (5,288,970)</u>

	Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 11,936,348	\$ -
Changes of assumptions	16,298,896	(2,492,187)
Differences between expected and actual experience	2,217,177	(5,727,578)
Net difference between projected and actual earnings on plan investments	2,771,313	-
Total	<u>\$ 33,223,734</u>	<u>\$ (8,219,765)</u>

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 11 – PENSION PLANS (CONTINUED)

The amount of \$18,499,075 in the miscellaneous plan and \$11,936,348 in the safety plan reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended June 30	Miscellaneous	Safety
2018	\$ 5,845,755	\$ 1,754,842
2019	14,355,713	4,834,246
2020	9,710,546	3,191,656
2021	(2,975,091)	1,634,185
2022	-	1,652,692
	\$ 26,936,923	\$ 13,067,621

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The City provides medical benefits to substantially all retirees under the City of Roseville Retiree Healthcare Plan (Plan), a sole employer defined benefit healthcare plan administered by the Trust Investment Review Committee. The City is responsible for establishing and amending the funding policy of the Plan. The Plan financial statements can be obtained at www.roseville.ca.us or by contacting the City of Roseville Accounting Division at 311 Vernon Street, Roseville, California 95678.

Benefits Provided –The Plan provides medical, dental, and vision insurance benefits to eligible retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of the benefits is covered by the Plan. Benefit provisions are established and may be amended by City labor agreements, which are approved by the City Council.

Employees Covered By Benefit Terms – As of June 30, 2018, the following employees were covered by the benefit terms:

	Number of Covered Participants
Inactive employees currently receiving benefits	726
Inactive employees entitled to but not yet receiving benefits	43
Active employees	1,258
Total	2,027

Contributions – The contribution requirements of plan members and the City are established and may be amended by the City Council. The City Council establishes rates based on an actuarially determined rate. For the year ended June 30, 2018, the City contributed \$14,213,477 to the Plan. Plan members receiving benefits contributed \$0.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017.

Actuarial Assumptions – The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Contribution Policy	Pre-Funded with pay-go plus a percent of pay which varies by employee group
Discount Rate	6.25% at June 30, 2018
Expected Long-Term Rate of Return	Same as discount rate - expected City contributions projected to keep sufficient plan assets to pay all benefits from trust
General Inflation	2.75% per annum
Mortality, Retirement, Disability, Termination	CalPERS 1997-2011 Experience Study
Mortality Improvement	Mortality projected fully generational with Scal MP-17
Salary Increases	Aggregate 3%
	Merit - 6/30/2016 CalPERS assumptions
Medical Trend	Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076
	Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076
Healthcare participation	Tier 1: 100%
	Tier 2 & Tier 3 RFF: 80% at 50% of cap to 100% at 100% of cap
	Tier 3 Non-RFF & Tier 4: 60%

Changes of assumptions – During measurement year ended June 30, 2018, the discount rate was reduced from 6.5 percent to 6.25 percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class Component	Target Allocation	Expected Real Rate of Return¹
Mutual Funds-Equity	45%	4.80%
Mutual Funds-Fixed Income	50%	1.50%
REITs	5%	3.80%
	<u>100%</u>	

(1) Assumed long-term rate of inflation: 2.75%

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Net OPEB Liability (Continued)

Discount rate. The discount rate used to measure the total OPEB liability was 6.25 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes In Net OPEB Liability

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2017 (in '000s)	\$ 232,271	\$ 72,664	\$ 159,607
Service Cost	6,665	-	6,665
Interest	15,256	-	15,256
Actual vs expected experience	(29,958)	-	(29,958)
Assumption changes	11,123	-	11,123
Contributions - employer*	-	14,213	(14,213)
Net investment income	-	5,903	(5,903)
Benefit payments	(8,449)	(8,449)	-
Administrative expenses	-	(211)	211
Net changes	(5,363)	11,456	(16,819)
Balance at June 30, 2018	\$ 226,908	\$ 84,120	\$ 142,788

*Contributions to trust of \$5,764,477 plus \$6,947,000 cash benefit payments and \$1,502,000 implied subsidy benefit payments by the City.

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates – The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.25 percent) or 1 percentage point higher (7.25 percent) than the current discount rate:

	1% Decrease (5.25%)	Current Rate (6.25%)	1% Increase (7.25%)
Net OPEB Liability (in 000's)	\$ 177,267	\$ 142,788	\$ 114,867

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates – The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6 percent decreasing to 4 percent) or 1 percentage point higher (8 percent decreasing to 6 percent) than the current healthcare cost trend rates:

	1% Decrease (6% decreasing to 4%)	Current Rate (7% decreasing to 5%)	1% Increase (8% decreasing to 6%)
Net OPEB Liability (in 000's)	\$ 118,692	\$ 142,788	\$ 166,296

OPEB plan fiduciary net position – Detailed information about the Plan's fiduciary net position is available in the separately issued City of Roseville Other Post-Employment Benefits Trust financial report.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the City recognized OPEB expense of \$40,000. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 25,552,000
Changes in assumptions	9,487,000	-
Net difference between projected and actual earnings on plan investments	-	798,000
Total	<u>\$ 9,487,000</u>	<u>\$ 26,350,000</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30	Deferred Outflows/(Inflows) of Resources
2019	\$ (2,970,000)
2020	(2,970,000)
2021	(2,970,000)
2022	(2,968,000)
2023	(2,770,000)
Thereafter	(2,215,000)
	<u>\$ (16,863,000)</u>

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 13 – POST-EMPLOYMENT BENEFITS TRUST

Plan Description

Plan administration –The City of Roseville Retiree Healthcare Plan (Plan) is a single-employer defined benefit healthcare plan that is used to provide postemployment benefits other than pensions (OPEB), including medical, dental and vision insurance benefits to eligible retirees. Management of the plan is vested with the Trust Investment Review Committee (Committee). The Committee consists of nine members appointed by the City Manager. It includes one member from each of the City’s employee labor bargaining groups (5), one retiree, one investment professional, the city Human Resource Director, and the City Treasurer. The City has delegated authority of the OPEB trust to PFM Asset Management LLC (PFM), per the trust agreement. Upon signing the agreement, PFM has been deemed to have executed the Trust and during the term of this Agreement, PFM further agreed to serve as a discretionary trustee, with fiduciary oversight and authority over the operations and management of the Trust.

Plan membership – At June 30, 2018, the Plan membership consisted of the following:

	<u>Number of Covered Participants</u>
Inactive employees currently receiving benefits	726
Inactive employees entitled to but not yet receiving benefits	43
Active employees	<u>1,258</u>
Total	<u><u>2,027</u></u>

Benefits Provided – The Plan provides medical, dental, and vision insurance benefits to eligible retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of the benefits is covered by the Plan. Benefit provisions are established and may be amended by City labor agreements, which are approved by the City Council.

Contributions – The contribution requirements of plan members and the City are established and may be amended by the City Council. The Council establishes rates based on an actuarially determined rate. For the year ended June 30, 2018, the City contributed \$14,213,477 to the plan, for current premiums. Plan members receiving benefits contributed \$0.

Investments Authorized for the Other Post-Employment Benefits Trust Fund

The authorized investments for the Other Post-Employment Benefits Trust were established pursuant to the Trust Agreement. The City, as trustee, has elected to invest the Trust assets in up to six months of cash, cash equivalent and/or money market funds for near term Trust benefits and expenses. All remaining assets will be invested in longer-term securities and shall be diversified with the intent to minimize the risk of long-term investment losses. Consequently, the total portfolio will be constructed and maintained to provide diversification with regard to the concentration of holdings in individual issues, issuers, countries, governments or industries. To achieve the Trust’s investment objectives and the best balance between risk and return for optimal diversification, assets will be invested in accordance with the targets for each asset class as follows to attempt to achieve a long-term average total annual rate of return that is equal to or greater than the Trust’s actuarial discount rate as described above.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 13 – POST-EMPLOYMENT BENEFITS TRUST (CONTINUED)

Investments Authorized for the Other Post-Employment Benefits Trust Fund (Continued)

Asset Class Component	Target Allocation	Expected Real Rate of Return¹
Mutual Funds-Equity	45%	4.80%
Mutual Funds-Fixed Income	50%	1.50%
REITs	5%	3.80%
	<u>100%</u>	

(1) Assumed long-term rate of inflation: 2.75%

Rate of return – For the year ended June 30, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 8.07 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 13 – POST-EMPLOYMENT BENEFITS TRUST (CONTINUED)

Net OPEB Liability of The City

The components of the net OPEB liability of the City at June 30, 2018, were as follows (in 000's):

Total OPEB Liability	\$ 226,908
Plan fiduciary net position	<u>(84,120)</u>
City's net OPEB liability	<u>\$ 142,788</u>
Plan fiduciary net position as a percentage of the total OPEB liability	37.07%

Actuarial assumptions – The total OPEB liability was determined by an actuarial valuations as of June 30, 2018, using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Contribution Policy	Pre-Funded with pay-go plus a percent of pay which varies by employee group
Discount Rate	6.25% at June 30, 2018
Expected Long-Term Rate of Return	Same as discount rate - expected City contributions projected to keep sufficient plan assets to pay all benefits from trust
General Inflation	2.75% per annum
Mortality, Retirement, Disability, Termination	CalPERS 1997-2011 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-17
Salary Increases	Aggregate 3%
	Merit - 6/30/2016 CalPERS assumptions
Medical Trend	Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076
	Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076
Healthcare participation	Tier 1: 100%
	Tier 2 & Tier 3 RFF: 80% at 50% of cap to 100% at 100% of cap
	Tier 3 Non-RFF & Tier 4: 60%

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2018 (see the discussion of the Plan's investment policy).

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 13 – POST-EMPLOYMENT BENEFITS TRUST (CONTINUED)

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.25 percent) or 1-percentage-point higher (7.25 percent) than the current discount rate:

	1% Decrease (5.25%)	Current Rate (6.25%)	1% Increase (7.25%)
Net OPEB Liability (in 000's)	\$ 177,267	\$ 142,788	\$ 114,867

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates - The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.00 percent decreasing to 4.00 percent) or 1-percentage-point higher (8.00 percent decreasing to 6.00 percent) than the current healthcare cost trend rates:

	1% Decrease (6% decreasing to 4%)	Current Rate (7% decreasing to 5%)	1% Increase (8% decreasing to 6%)
Net OPEB Liability (in 000's)	\$ 118,692	\$ 142,788	\$ 166,296

NOTE 14 – RISK MANAGEMENT

The City manages risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters by participating in the public entity risk pools described below and by retaining certain risks.

Public entity risk pools are formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, those entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from member agencies. Each board controls the operations of the respective risk pool, including selection of management and approval of operating budgets, independent of any influence by member agencies beyond their representation on that board. Obligations and liabilities of these risk pools are not the City's responsibility.

The contributions made to the risk pools below equal the ratio of the respective member payrolls to the total payrolls of all entities participating in the same layer of each program, in each program year. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 14 – RISK MANAGEMENT (CONTINUED)

A. Risk Coverage

General Liability, Property and Boiler and Machinery

The City is a member of the California Joint Powers Risk Management Authority (CJPRMA) which covers general liability claims, property, and boiler and machinery losses. Once the City's SIR is met, CJPRMA becomes responsible for payment of all claims up to the limit. Financial statements for the risk pool and more information may be obtained from CJPRMA, 3201 Doolan Road, Suite 285, Livermore, California 94551.

General Liability Coverage

The City has a self-insured retention (SIR) of \$500,000 per claim up to a \$40,000,000 limit. The City's premium was \$829,689.

Property Coverage

CJPRMA has purchased commercial insurance against property damage, boiler and machinery claims. The City has a SIR of \$25,000 per claim up to a \$400,000,000 limit. The City's premium for coverage is \$293,404.

Roseville Energy Park Property Coverage

The City purchased commercial property insurance specifically to cover the Roseville Energy Park. The City has a SIR of \$250,000 per claim up to a \$200,000,000 limit. The City's premium for coverage is \$479,435.

Fiduciary Coverage

The City purchased fiduciary insurance specifically to cover the OPEB Trust. The SIR is \$25,000 per claim up to a \$3,000,000 limit. The City's premium for coverage is \$36,120.

Workers' Compensation

The City is also a member of the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX), which covers workers' compensation claims up to \$5,000,000 and has excess coverage through CSAC-EIA up to the statutory limit. The City has a SIR of \$500,000 per claim. The total premium charged to the City was \$678,275.

Financial statements for the risk pool and more information may be obtained from LAWCX, 1750 Creekside Oaks Drive, Suite 200, Sacramento, California 95833.

B. Insurance Internal Service Funds

The Governmental Accounting Standards Board (GASB) requires municipalities to record their liability for uninsured claims and to reflect the current portion of this liability as an expenditure in their financial statements. As discussed above, the City has coverage for such claims, but it has retained the risk for the deductible or uninsured portion of these claims.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 14 – RISK MANAGEMENT (CONTINUED)

B. Insurance Internal Service Funds (Continued)

The change in the Workers' Compensation Internal Service Fund's claims liability, including claims incurred but not reported is based on an independent actuarial study prepared annually and was computed as follows for the years ended June 30:

	2018	2017
Claims liability, beginning of year	\$ 6,970,768	\$ 7,448,942
Current year claims	2,731,000	2,252,000
Change in prior year claims	870,926	(942,708)
Claims paid, current year claims	(409,357)	(391,222)
Claims paid, prior year claims	(1,978,711)	(1,396,244)
Claims liability, end of year	<u>\$ 8,184,626</u>	<u>\$ 6,970,768</u>
Current claims liabilities	<u>\$ 1,473,233</u>	<u>\$ 1,324,446</u>

The City's liability for uninsured general liability claims, including claims incurred but not reported is reported in the General Liability Internal Service Fund. The liability is based on an independent actuarial study prepared annually and was computed as follows for the years ended June 30:

	2018	2017
Claims liability, beginning of year	\$ 2,180,004	\$ 1,821,283
Current year claims	1,448,000	877,000
Change in prior year claims	(241,695)	(266,474)
Claims paid, current year claims	(100,987)	(112,090)
Claims paid, prior year claims	(829,361)	(139,715)
Claims liability, end of year	<u>\$ 2,455,961</u>	<u>\$ 2,180,004</u>
Current claims liabilities	<u>\$ 491,192</u>	<u>\$ 588,601</u>

Claims have not exceeded coverage during the last three years.

NOTE 15 – NORTHERN CALIFORNIA POWER AGENCY (NCPA)

A. General

The City participates in joint ventures through Joint Powers Authorities (JPAs) established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these JPAs exercise full powers and authorities within the scope of the related Joint Powers Agreement, including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Obligations and liabilities of the JPAs are not those of the City.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 15 – NORTHERN CALIFORNIA POWER AGENCY (NCPA) (CONTINUED)

A. General (Continued)

Each JPA is governed by a board consisting of representatives from each member agency. Each board controls the operations of its respective JPA, including selection of management and approval of operating budgets, independent of any influence by member agencies beyond their representation on the Board.

The City is a member of NCPA, a joint powers agency which operates under a joint powers agreement among fifteen public agencies. The purpose of NCPA is to use the combined strength of its members to purchase, generate, sell and interchange electric energy and capacity through the acquisition and use of electrical generation and transmission facilities, and to optimize the use of those facilities and the member's position in the industry. Each agency member has agreed to fund a pro rata share of certain assessments by NCPA and certain members have entered into take-or-pay power supply contracts with NCPA. While NCPA is governed by its members, none of its obligations are those of its members unless expressly assumed by them.

The City receives no income from NCPA, and does not participate in all of its projects. Further, NCPA does not measure or determine the City's equity in NCPA as a whole. NCPA reports only the City's share of its General Operating Reserve, comprised of cash and investments, and the City's share of those Projects in which the City is a participant. These amounts are reflected in the financial statements as Investment in NCPA Reserve.

During the year ended June 30, 2018, the City incurred expenses totaling \$5,442,947 for purchased power, regulatory and legislature assessments, association dues and prepaid assets paid to NCPA.

The City's interest in certain NCPA Projects and Reserve, as computed by NCPA using unaudited information, is set forth below.

	<u>June 30, 2018</u>
General operating reserve (including advances)	\$ 1,507,316
Associated member services (including advances)	88,930
Undivided equity interest, at cost, in certain NCPA power projects:	
Geothermal projects	940,308
Calveras hydroelectric project	886,405
Combustion turbine project no. 2	<u>149,209</u>
	<u><u>\$ 3,572,168</u></u>

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 15 – NORTHERN CALIFORNIA POWER AGENCY (NCPA) (CONTINUED)

A. General (Continued)

The General Operating Reserve (GOR) is an additional operating reserve for non-budgeted items that are contingent or non-specific. Deposits to the GOR include items such as the City's portion of funds which resulted from the settlement with third parties of issues with financial consequences and reconciliations of prior years' budgets for programs. It is recognized that all the funds credited to the City are linked to the collection of revenue from the City's ratepayers, or to the settlement of disputes relating to electric power supply and that the money was collected from the City's ratepayers to pay power bills. Additionally, the NCPA Commission identified and approved the funding of specific reserves for working capital, accumulated employees post-retirement medical benefits, and billed property taxes for the geothermal project. The Commission also identified a number of contingent liabilities that may or may not be realized, the cost of which in most cases is difficult to estimate at this time. One such contingent liability is the steam field depletion which will require funding to cover debt service and operational costs in excess of the expected value of the electric power. The General Operating Reserve is intended to minimize the number and amount of individual reserves needed for each project, protect NCPA's financial condition and maintain its credit worthiness. These funds are available on demand, but the City maintains funds with NCPA as a reserve against these contingencies identified by NCPA.

Members of NCPA may participate in an individual project of NCPA without obligation for any other project. Member assessments collected for one project may not be used to finance other projects of NCPA without the member's permission.

B. Projects

Geothermal Projects

NCPA's Geothermal Project has experienced a greater than originally anticipated decline in steam production from geothermal wells on its leasehold property. NCPA will continue to monitor the wells while pursuing alternatives for improving and extending reservoir performance, including supplemental water reinjection, plant equipment modifications, and changes in operating methodology. NCPA, along with other steam field operators, has observed a substantial increase in steam production in the vicinity of reinjection wells and is attempting to increase water reinjection at strategic locations. NCPA, together with other steam developers and the Lake County Sanitation District, has completed the construction of a wastewater pipeline project that greatly increased the amount of water available for reinjection.

Based on an internal assessment of the melded costs of power from the Geothermal Project and all other resources available to the members, NCPA believes its members will continue to be able to operate their electric utilities on a competitive basis, when compared to local investor-owned utility rates, while meeting all electric system obligations including those to NCPA. In March 2009, NCPA issued \$35,610,000 Geothermal Project Number 3 Revenue Bonds (2009 Series A). The proceeds were used to finance and operate the two NCPA 110 MW geothermal steam powered generating plants, Plant Number 1 and Plant Number 2. In 2012, NCPA issued \$12,910,000 in bonds for Plant Number 1 turbine upgrades. The City is obligated to pay its contractual share of 7.883 percent of the operating costs and debt service until it is fully satisfied, regardless of resulting cost or availability of energy. At June 30, 2018, the book value of this Project's plant, equipment and other assets was \$86,782,442 while its long-term debt totaled \$28,770,001 and other liabilities totaled \$46,088,743. The City's share of the Project's long-term debt amounted to \$2,267,939 at that date.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 15 – NORTHERN CALIFORNIA POWER AGENCY (NCPA) (CONTINUED)

B. Projects (Continued)

On October 28, 2004, NCPA approved a resolution to finance the expansion and remodeling of the NCPA main office building located in Roseville. The expansion is included as part of the Geothermal Projects funded by the bonds mentioned above. The City will recover its 7.883 percent share of the cost of the expansion which was \$204,958, with a 5 percent return on the investment over a ten year period. As of June 30, 2018, the City paid in full.

Calaveras Hydroelectric Project

In July 1981, NCPA agreed with Calaveras County Water District to purchase the output of the North Fork Stanislaus River Hydroelectric Development Project and to finance its construction. Debt service payments to NCPA began in February 1990 when the project was declared substantially complete and power was delivered to the participants. Under its power purchase agreement with NCPA, the City is obligated to pay 12% of this Project's debt service and operating costs. In March 2018, NCPA refunded a portion of the outstanding Revenue Bonds with the \$70,215,000 2018 Hydroelectric Project Number One Revenue Bonds. At June 30, 2018 the book value of this Project's plant, equipment and other assets was \$378,334,239 while its long-term debt totaled \$331,266,780 and other liabilities totaled \$39,680,751. The City's share of the Project's long-term debt amounted to \$34,546,274 at that date.

Combustion Turbine Project No. 2 (Steam Injected Gas Turbine Project)

The City is a participant in a 49.8 megawatt Steam Injected Gas Turbine project which was built under turnkey contract near the City of Lodi and declared substantially complete on April 23, 1996. In October 1992, NCPA issued \$152,320,000 of Multiple Capital Facilities Revenue Bonds to finance this project. In January 2010, NCPA refinanced the outstanding Capital Facilities Revenue Bonds by the issuance of the \$55,120,000 Capital Facilities Revenue Bonds Series A (2010 Refunding Series A). Under the NCPA power purchase agreement, the City is obligated to pay 36.50 percent of the debt service and operating costs for the Lodi unit.

The City's participation in procurement of natural gas for fuel for existing and new combustion turbine units was approved in 1993. Although there is currently no additional debt financing, the City and NCPA have committed to long-term payments for gas transmission pipeline capacity, and entered a purchase contract for natural gas. The City is obligated to pay 17.9218 percent of the natural gas purchase contract.

At June 30, 2018, the book value of this Project's plant, equipment and other assets was \$36,821,263, while its long-term debt totaled \$34,222,527 and other liabilities totaled \$2,189,945. The City's share of the Project's long-term debt amounted to \$12,491,222 at that date.

C. NCPA Financial Information

NCPA's financial statements can be obtained from NCPA, 651 Commerce Drive, Roseville, California 95678.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 16 – SOUTH PLACER WASTEWATER AUTHORITY

The City is a member of the South Placer Wastewater Authority (SPWA), a joint powers agency which operates under a joint powers agreement among three public agencies, the City of Roseville, South Placer Municipal Utility District and Placer County. The purpose of SPWA is to provide for the planning, financing, acquisition, construction and operation of the Regional Wastewater Facilities. Under the terms of the amended and restated funding agreement, effective October 1, 2012, the City will own and operate the Regional Wastewater Facilities and the member agencies will share the operating costs of the Facilities after construction is complete. The Regional Wastewater Facilities include the Dry Creek Plant and the Pleasant Grove Plant.

Under the terms of the Reallocation and Repayment Agreement, effective October 1, 2012, the three agencies are responsible for the repayment of all the revenue bonds. As of June 30, 2018, the City's share of this obligation is 61.66%. This portion of the debt was recorded on the City's financial statements, as discussed in Note 8.

During the year ended June 30, 2018, the City paid \$12,295,625 to SPWA based on connection fees collected during the fiscal year.

The City records its share of income and expenses from SPWA in the Wastewater Enterprise Fund and these changes are reflected in the Statement of Revenues, Expenses and Changes in Net Position. The City's investment in SPWA Reserves at June 30, 2018, was \$97,650,641, which includes the City's rate stabilization fund balance of \$74,974,077.

SPWA's financial statements can be obtained from the City of Roseville, 311 Vernon Street, Roseville, California, 95678.

NOTE 17 – MUNICIPAL SOLID WASTE LANDFILL CLOSURE AND POST CLOSURE CARE COSTS

State and federal laws and regulations require that the City perform certain maintenance and monitoring functions at the Roseville sanitary landfill site, which is closed, through the year 2024. Accordingly, the City has recorded a liability and expense in the Enterprise Solid Waste Fund for the estimated postclosure care cost. The recorded amount is based on applicable state and local laws and regulations concerning closure and postclosure care. If additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may result in increased charges to future landfill users or the usage of future tax revenues. During fiscal year 2018, the changes of landfill closure liabilities were as follows:

Beginning Balance	\$ 1,759,437
Deductions	<u>(172,637)</u>
Ending Balance	<u>\$ 1,586,800</u>

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 18 – COMMITMENTS AND CONTINGENT LIABILITIES

A. *NCPA, Transmission Agency of Northern California, and Western Area Power Administration*

Under the terms of its NCPA joint venture agreement, the City is contingently liable for a portion of the bonded indebtedness issued by these agencies under take-or-pay or similar agreements, as discussed in Note 15. The City's estimated share of such debt outstanding at June 30, 2018, was \$47,203,813. Under certain circumstances, the City may also be responsible for a portion of the costs of operating these entities. Under certain circumstances, such as default or bankruptcy of other participants, the City may also be liable to pay a portion of the debt of these joint ventures on behalf of the other participants.

The City is a member of the Transmission Agency of Northern California (TANC), a joint powers agency. The City is entitled to 2.1119 percent of TANC's share of transfer capability in the California-Oregon Transmission Project (approximately 29.35MW). The City is responsible for a share of debt service on debt issued by TANC under a take-or-pay agreement, approximately \$400,000 annually through 2039. The City's estimated share of debt outstanding at June 30, 2018, was \$4,627,197.

In addition, the City has a long-term obligation to the United States Department of Energy, Western Area Power Administration, for 4.58533 percent of the output of the Central Valley Project, California. This contract, also known as the Western Base Resource, obligates the City to make payments on a take-or-pay basis through December 31, 2024. The City expects to pay approximately \$4 million annually for the term of this contract. The City receives approximately 155,000 MWh of energy per year under average hydro and storage conditions.

B. *Federal and State Grant Programs*

The City participates in Federal and State grant programs. These programs have been audited by the City's independent accountants in accordance with the provisions of the federal Single Audit Act as amended and applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

C. *Litigation*

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney there is no pending litigation, other than disclosed above, which is likely to have a material adverse effect on the financial position of the City.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 18 – COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

D. Encumbrances

The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as restricted, committed or assigned fund balance, depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities. Outstanding encumbrances at year-end may be re-appropriated for the following year. Unencumbered and unexpended appropriations lapse at year-end. Encumbrances outstanding as of June 30, 2018, by individual major funds and non-major funds in total were as follows:

Major Governmental Funds:	
General Fund	\$ 3,936,296
Non-Major Governmental Funds	<u>20,441,587</u>
Total Encumbrances	<u><u>\$ 24,377,883</u></u>

E. Other Commitments

The City had the following outstanding significant commitments at June 30, 2018:

<u>Projects</u>	<u>(in millions)</u>
Roseville Energy Park long-term service agreement	\$ 27.0
Net power purchase contracts	58.6
Natural Gas Forward Obligations	61.4
Renewable power purchase obligations	50.3
Transit Services	14.3
Wastewater treatment plant expansion	12.6

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 19 – GAS SUPPLY ACQUISITIONS AND RESALE

The City operates certain electrical generating plants which provide power for sale to the public and needs reliable, economic supplies of natural gas to generate the needed electricity. In pursuit of that objective the City and its component unit, the former City of Roseville Redevelopment Agency formed the Roseville Natural Gas Financing Authority (Authority) for the purpose of acquiring, financing and supplying natural gas to the City. Summarized below are various agreements entered into by the Authority to achieve its purpose.

A. *Prepaid Gas Agreement*

Pursuant to an Agreement for the Purchase and Sale of Natural Gas dated January 24, 2007, the Authority used a portion of the proceeds of its \$209,350,000 of Gas Revenue Bonds, Series 2007 (the Bonds) to prepay Merrill Lynch Commodities, Inc. (Gas Supplier) for a twenty year supply of natural gas. Commencing January 1, 2008, and continuing through December 31, 2027, the Gas Supplier is obligated to deliver daily contract quantities of natural gas on a firm basis to the designated delivery point. Daily contract quantities vary from month to month but not from year to year. This commitment totals 2,352,000 MMBtus (millions of British thermal units) per year or 47,040,000 MMBtus for the twenty year contract period. The Authority has recorded a Prepaid Natural Gas asset which is to be amortized as daily contract quantities are delivered.

The agreement provides for payments to be made by the Gas Supplier if it fails to deliver the daily contract quantities and may be terminated by the Authority in the event of non-performance by the Supplier. The Agreement will automatically terminate if there is a termination of the Commodity Swap (See Note 19 D) which is not due to default by the Authority or if there is an event of default under the swap agreement entered into by the Gas Supplier and a third party. Upon early termination, whether due to the above or due to any other optional termination event as defined in the agreement, the Gas Supplier is required to make a termination payment to the Authority that is expected to be sufficient, together with other available funds, to redeem the Bonds. The Gas Supplier's commitments under this agreement are guaranteed by its parent company, Merrill Lynch & Co. Inc. under a guarantee agreement with the Authority.

As of June 30, 2018, the book value of prepaid gas under this agreement amounted to \$138,536,341.

B. *Funding Agreement*

Under certain conditions specified in a Funding and Assignment Agreement dated January 24, 2007 between the Authority and Gas Supplier, the Gas Supplier has agreed to advance funds to the Trustee to pay debt service when due or to redeem bonds in the event of early termination. Advances are required under covered swap deficiencies and covered termination deficiencies and optional advances may also be made. Advances are repayable from by the responsible party causing the deficiency requiring an advance under this agreement. This agreement is coterminous with the Bonds. The Gas Supplier's commitment under this agreement is guaranteed by its parent company, Merrill Lynch & Co. Inc. under a guarantee agreement with the Authority.

There were no advances outstanding as of June 30, 2018.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 19 – GAS SUPPLY ACQUISITIONS AND RESALE (CONTINUED)

C. Supply Agreement

Pursuant to a Natural Gas Supply Agreement dated February 1, 2007, the Authority has agreed to sell to the City a twenty year supply of natural gas. This Supply Agreement is coterminous with and provides for the delivery of natural gas in quantities which are matched to the Prepaid Gas Agreement, discussed above. For each MMBtu delivered (sold) to the City, the Authority will receive a variable revenue stream based on a first of the month index for the delivery location. The Agreement terminates upon termination of the Prepaid Gas Agreement or upon the City's failure to make any required payment within two business days of the due date.

D. Commodity Swap Agreement

In order to have its gas price exposure consistent with prevailing market rates, the Authority entered into a natural gas Commodity Swap Agreement with JPMorgan Chase Bank (Counterparty). For the term of deliveries under the Prepaid Gas Agreement and the Supply Agreement, the Authority will pay an index price per MMBtu to the Counterparty, and the Counterparty will pay a fixed price to the Authority. The index price paid by the Authority is expected to approximate the price paid by the City under the Supply Agreement.

The monthly quantity and term of the Commodity Swap Agreement are matched to those of the Supply Agreement.

Detail of the commodity swap agreement is discussed in Note 9.

NOTE 20 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES

A. Redevelopment Dissolution

In an effort to balance its budget, the State of California adopted ABx1 26 on June 28, 2011, amended by AB1484 on June 27, 2012, which suspended all new redevelopment activities except for limited specified activities as of that date and dissolved redevelopment agencies on January 31, 2012.

The suspension provisions prohibited all redevelopment agencies from a wide range of activities, including incurring new indebtedness or obligations, entering into or modifying agreements or contracts, acquiring or disposing of real property, taking actions to adopt or amend redevelopment plans and other similar actions, except actions required by law or to carry out existing enforceable obligations, as defined in ABx1 26.

Effective January 31, 2012, the Redevelopment Agency was dissolved. Certain housing assets of the Redevelopment Agency were distributed to a Housing Successor; and all remaining Redevelopment Agency assets and liabilities were distributed to a Successor Agency.

Under the provisions of AB 1484, the City can elect to become the Housing Successor and retain the housing assets. The City elected to become the Housing Successor and on February 1, 2012, the housing assets were transferred to the City's Low and Moderate Income Housing Asset Special Revenue Fund. The activities of the Housing Successor are reported in the Low and Moderate Income Housing Assets Special Revenue Fund as the City has control of those assets, which may be used in accordance with the low and moderate income housing provisions of California Redevelopment Law.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

**NOTE 20 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES
(CONTINUED)**

A. *Redevelopment Dissolution (Continued)*

The City also elected to become the Successor Agency and on February 1, 2012 the Redevelopment Agency's remaining assets were distributed to and liabilities were assumed by the Successor Agency. ABx1 26 requires the establishment of an Oversight Board to oversee the activities of the Successor Agency and one was established in March 2012. The activities of the Successor Agency are subject to review and approval of the Oversight Board, which is comprised of seven members, including one member of City Council and one former Redevelopment Agency employee appointed by the Mayor.

The activities of the Successor Agency are reported in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund as the activities are under the control of the Oversight Board. The City provides administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency. With the dissolution of the Redevelopment Agency, pass-through payments to affected taxing entities become the responsibility of the County.

B. *Cash and Investments*

Cash and investments of the Successor Agency as of June 30, 2018 are included in the pooled cash and investments discussed in Note 3.

C. *Notes Receivable*

The Successor Agency assumed the non-housing loans receivable of the Redevelopment Agency as of February 1, 2012. The Redevelopment Agency engaged in programs designed to encourage construction of or improvement to low-to-moderate income housing. Under these programs, grants or loans were provided under favorable terms to homeowners, developers or others who agreed to expend these funds in accordance with the Agency's terms. The balances of the notes receivable were \$4,152,359 at June 30, 2018.

Included in the notes receivable above, is a loan to the Roseville Community Development Corporation in the amount of \$3,469,049. The Agency had entered into an agreement with the Corporation, a component unit of the City, under which the Agency agreed to provide funding to the Corporation in the form of a start-up loan not to exceed five million dollars (\$5,000,000). The loan is a 20 year loan deferred for 10 years with accrued interest and principal due beginning January 1, 2021. The Agency Board approved the execution of the loan agreement in May 2011. A State Supreme Court decision on August 11, 2011 suspended all redevelopment activity effective June 28, 2011. However, the Successor Agency continued to make disbursements related to the loan agreement after that date, because it had been approved by the Agency Board prior to the Court decision.

Under the provisions of Health and Safety Code Section 34171(d)(2), agreements between the City or any of its component units and the Agency that were executed after December 31, 2010 are no longer enforceable obligations and Health and Safety Code Section 34167.5 requires that if the City or component unit is not contractually committed to a third party for the expenditure or encumbrance of those funds that they be returned to the Successor Agency.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 20 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (CONTINUED)

C. Notes Receivable (Continued)

The State Controller’s Office, but not the State Department of Finance, has denied that this loan agreement is an enforceable obligation of the Successor Agency. The City continues to contend that the loan agreement was lawfully entered into at the time of its execution and therefore transactions executed with the Corporation prior to the dissolution were not reversed in the current fiscal year and remain as payable from the Corporation as of June 30, 2018.

Also included in the notes receivable above are two loans to one owner of two commercial businesses on Vernon Street for tenant improvements. These loans were made in 2011 by the former Redevelopment Agency and were assumed by the Successor Agency. The balance of the two loans as of June 30, 2018 was \$683,310.

D. Capital Assets

The Successor Agency assumed the capital assets of the Redevelopment Agency as of February 1, 2012. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The Successor Agency’s policy is to capitalize all assets with costs exceeding certain minimum thresholds and with useful lives exceeding two years. Capital assets as of June 30, 2018 were comprised of land in the amount of \$74,369.

E. Long-Term Obligations

The Successor Agency assumed the long-term debt and loans of the Redevelopment Agency as of February 1, 2012. All of the long-term debt of the Successor Agency is comprised of Tax Allocation Bonds and loans issued by the Redevelopment Agency. The Bonds and Loans are special obligations of the Agency and are secured only by the Agency’s tax increment revenues. Tax Allocation Bond and loan transactions were as follows:

	Balance June 30, 2017	Reductions	Balance June 30, 2018	Current Portion
Tax Allocation Bonds:				
2014 Redevelopment Project Taxable Tax Allocation				
2.00%-5.00%, due 9/1/33	\$ 9,870,000	\$ (445,000)	\$ 9,425,000	\$ 465,000
Add: bond premium	486,625	(28,625)	458,000	-
2016-T Redevelopment Project Taxable Tax Allocation				
1.02%-4.066%, due 9/1/40	21,520,000	(340,000)	21,180,000	395,000
Total Tax Allocation Bonds	31,876,625	(813,625)	31,063,000	860,000
Loans from the City	20,695,474	(1,216,466)	19,479,008	1,176,284
Total	\$ 52,572,099	\$ (2,030,091)	\$ 50,542,008	\$ 2,036,284

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

**NOTE 20 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES
(CONTINUED)**

E. Long-Term Obligations (Continued)

1. Debt Service Requirements

Debt service requirements are shown below for all long-term debt except the advance made to the Successor Agency, because the ultimate repayment terms cannot be determined at this time as discussed in the Loans from the City section below.

For the Year Ending June 30	Principal	Interest
2019	\$ 860,000	\$ 1,086,259
2020	895,000	1,057,078
2021	920,000	1,031,246
2022	940,000	1,003,447
2023	975,000	973,811
2024-2028	5,370,000	4,368,053
2029-2033	6,495,000	3,356,934
2034-2038	8,320,000	2,014,716
2039-2041	5,830,000	361,874
Total	<u>\$ 30,605,000</u>	<u>\$ 15,253,418</u>

2. 2014 Roseville Redevelopment Project Tax Allocation Refunding Bonds

On September 9, 2014, the Roseville Successor Agency issued the Series 2014 Refunding Bonds, in the amount of \$10,740,000 for the purpose of refunding the 2002 Tax Allocation Bonds. The Bonds bear interest at rates ranging from 2.00 percent to 5.00 percent. Principal payments are due annually on September 1. Interest payments are due semi-annually on each September 1 and March 1, commencing on September 1, 2015 through September 1, 2033.

3. 2016-T Roseville Redevelopment Project Tax Allocation Bonds

On July 19, 2016, the Roseville Successor Agency issued the Series 2016-T Refunding Bonds, in the amount of \$21,520,000 for the purpose of refunding the 2006 Series A, 2006 Series A-T and 2006 Series H-T Tax Allocation Bonds. The Bonds bear interest at rates ranging from 1.021 percent to 4.066 percent. Principal payments are due annually on September 1. Interest payments are due semi-annually on each September 1 and March 1, commencing on September 1, 2017 through September 1, 2040.

4. Loans from the City

Prior to July 1, 2011, the former Redevelopment Agency had received various advances from various City funds. These advances bore interest at the average interest rate of the City's pooled investments. Principal and accrued interest on the advances totaled \$32,768,517 at July 1, 2011. During fiscal year 2012, the City and Redevelopment Agency determined that certain advances should have instead been funded by bond proceeds of the Agency. Therefore, the Redevelopment Agency repaid advances from the City in the amount of \$7,309,447 prior to the dissolution of the Agency on January 31, 2012.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

**NOTE 20 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES
(CONTINUED)**

E. Long-Term Obligations (Continued)

4. Loans from the City (Continued)

With the dissolution of the Agency effective February 1, 2012, the Successor Agency assumed the balance of the obligation to repay the advances in the amount of \$25,603,129 for principal and accrued interest and recorded a notes payable to the Low and Moderate Income Housing Asset Fund equal to twenty percent of the balance of the notes. During fiscal year 2013, the State Department of Finance denied the prepaid advance and required the return of \$7,309,447 to the Successor Agency. The General Fund returned the cash to the Successor Agency during fiscal year 2013. The Successor Agency received its Finding of Completion in August 2013 determining that notes are enforceable obligations.

During fiscal year 2014, the Successor Agency completed its Long-Range Property Management Plan which was approved by the Department of Finance in May 2014 and as a result, the Successor Agency transferred land that was designated for governmental use to the City in the amount of \$7,107,581. As a result of the transfer, the City cancelled the notes that had been made to the former Redevelopment Agency for the purchase of those properties, including accrued interest, in the amount of \$5,902,331.

During fiscal year 2014, the Department of Finance clarified how the interest is to be calculated on each note to the Successor Agency. The City recalculated the interest due on the notes using the revised guidance and as a result the interest receivable was reduced by \$3,030,067. The principal balance of the notes as of June 30, 2018 is \$19,479,008. Accrued interest on the notes as of June 30, 2018 is \$570,887.

NOTE 21 – RESTATEMENT

A. Adoption of New Accounting Standard

The City adopted Governmental Accounting Standards Board (GASB) Statement No. 75. *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective July 1, 2017. The net position of the Governmental Activities, Electric, Water, Wastewater, Solid Waste, Local Transportation, School-Age Child Care, and Post-Retirement Funds were restated as a result of the implementation of this accounting standard.

B. Capital Asset & Accounts Payable Adjustments

The beginning net position of the Electric Fund and Local Transportation Fund have been restated to properly record accumulated depreciation for a large project that was completed however not properly placed in service and to move parks and landscaping from nondepreciable to depreciable assets and record accumulated depreciation on those assets. Additionally, the City implemented a new method of accounting for permits due and payable to outside entities. The City removed the payable accrual for permits that had been deferred.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 21 – RESTATEMENT (Continued)

C. Fund Reclassifications

The City reclassified certain funds for more appropriate presentation in the financial statements.

The beginning fund balance of the Downtown Benefit Fee, Downtown Parking, Fire Facilities, Air Quality Mitigation, South Placer Animal Control Shelter, Public Facilities, Park Development, and Pleasant Grove Drain Basin Funds were reclassified into a new capital project fund called the Development Impact Fund. The beginning fund balance of the General Capital Improvement Projects Rehabilitation, Parks and Recreation Fee, and Building Funds have been reclassified into a new capital project fund called the General Fund Capital Projects Fund.

The beginning balance of the Bike Trail/Open Space Maintenance Fund is being reclassified so that the activities related to Bike Trails will be reported in the new Development Impact Fund, and the activities related to Open Space will be reported in a new special revenue fund called the Open Space Fund. A separate component was allocated to the Al Johnson Wildlife Fund.

Certain activities previously reported in the general fund have been removed from the general fund and reclassified as internal service funds. The beginning net position of these funds have been restated and will be reported as the Facilities and Information Technology Internal Service Funds.

The Golf Course Fund, which was previously reported as an enterprise fund, was reclassified to a special revenue fund. Long-term debt and capital assets of this fund were moved to governmental activities and the fund balance of this fund was restated to account for this change.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 21 – RESTATEMENT (CONTINUED)

C. Fund Reclassifications (Continued)

Net Position/Fund Balance as of June 30, 2018 have been restated as follows:

	Beginning Net Position/Fund Balance (as previously reported)	GASB 75	Payable & Capital Asset Adjustments	Fund Reclassifications	Beginning Net Position/Fund Balance (restated)
Government Wide:					
Governmental Activities	\$ 1,049,019,073	\$ (55,967,226)	\$ (86,763,660)	\$ 5,036,058	\$ 911,324,245
Business-type Activities	1,498,025,253	(52,669,000)	780,034	(5,036,058)	1,441,100,229
Development Impact Fund	-	-	-	60,581,186	60,581,186
Downtown Benefit Fee	19,980	-	-	(19,980)	-
Downtown Parking	(1,500,610)	-	-	1,500,610	-
Fire Facilities	5,232,829	-	-	(5,232,829)	-
Air Quality Mitigation	388,295	-	-	(388,295)	-
South Placer Animal Control Shelter	(420)	-	-	420	-
Public Facilities	5,234,937	-	-	(5,234,937)	-
Park Development	36,811,111	-	-	(36,811,111)	-
Pleasant Grove Drain Basin	10,260,334	-	-	(10,260,334)	-
Traffic Signal Coordination	2,328,679	-	-	(2,328,679)	-
Traffic Mitigation	31,059,534	-	-	(2,569,400)	28,490,134
General Fund Capital Projects	-	-	-	16,537,491	16,537,491
General Capital Improvement Projects Rehabilitation	16,369,206	-	-	(16,369,206)	-
Parks and Recreation Fee	15,239	-	-	(15,239)	-
Building	147,222	-	-	(147,222)	-
Bike Trail/Open Space	862,665	-	-	(862,665)	-
Open Space	-	-	-	593,476	593,476
Golf	-	-	-	(5,325,002)	(5,325,002)
Al Johnson Wildlife	-	-	-	1,026,714	1,026,714
Enterprise Funds:					
Electric	341,452,382	(18,291,000)	(550,000)	-	322,611,382
Water	510,142,321	(8,853,000)	-	-	501,289,321
Wastewater	602,763,083	(10,622,000)	2,569,050	-	594,710,133
Solid Waste	17,567,184	(9,025,000)	-	-	8,542,184
Golf	5,036,058	-	-	(5,036,058)	-
Local Transportation	19,494,591	(1,012,000)	(1,239,016)	-	17,243,575
School-Age Child Care	(2,287,074)	(4,866,000)	-	-	(7,153,074)
Facilities Services	-	-	-	117,154,396	117,154,396
Information Technology	-	-	-	1,097,393	1,097,393
Post Retirement	(49,789,613)	50,971,148	-	-	1,181,535

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REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF ROSEVILLE, CALIFORNIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
				Positive (Negative)
REVENUES:				
Taxes	\$ 100,697,525	\$ 103,494,881	\$ 101,478,273	\$ (2,016,608)
Licenses and permits	2,510,200	2,514,200	3,001,719	487,519
Charges for services	18,210,829	22,072,768	17,605,164	(4,467,604)
Subventions and grants	425,935	971,717	578,650	(393,067)
Use of money and property	1,543,000	1,621,905	1,386,080	(235,825)
Fines, forfeitures and penalties	869,900	869,900	959,460	89,560
Contribution from developers	945,000	1,004,360	852,398	(151,962)
Miscellaneous revenues	1,997,040	2,751,796	3,069,092	317,296
TOTAL REVENUES	127,199,429	135,301,527	128,930,836	(6,370,691)
EXPENDITURES:				
Current:				
Salaries and Benefits				
General Government				
City Council	38,152	37,114	37,113	1
City Manager - Administration	936,826	1,116,432	1,106,431	10,001
Communications - Government Relations	633,490	660,839	660,831	8
City Attorney	1,707,355	1,756,971	1,756,971	-
Human Resources - Administration	1,328,540	1,181,007	1,180,978	29
Risk Management - Administration	-	2,576	2,576	-
City Clerk - Administration	831,608	820,201	820,122	79
Central Services - Administration	505,153	476,334	476,265	69
Purchasing	596,017	540,738	540,717	21
Central Stores	297,020	308,807	308,796	11
Finance Administration	700,500	433,430	433,388	42
Budget	597,721	478,537	478,531	6
Payroll	665,890	495,093	495,088	5
Accounts Payable	411,578	373,754	373,725	29
Cash management	276,315	285,716	285,709	7
Gen Acct - Accounting	873,549	707,544	707,542	2
Development & Operations				
Development & Operations - Admin	438,021	378,073	378,068	5
Housing Admin	165,661	173,731	173,731	-
Economic Development & Housing	589,983	582,905	582,905	-
Planning	1,269,060	1,261,578	1,261,574	4
Development Services - Admin	727,205	711,055	711,053	2
Development Services - Permit Center	1,330,379	1,008,184	1,008,176	8
Development Services - Building Inspection	1,926,046	2,178,225	2,178,229	(4)
Development Services - Code Enforcement	536,369	543,470	543,467	3
Development Services - Engineering	1,460,817	1,385,769	1,385,761	8
Public Works				
Public Works - Administration	333,461	349,759	349,758	1
Engineering	1,696,697	1,618,963	1,618,962	1
Flood Alert	-	13,900	13,851	49
Streets - Administration	737,998	711,136	711,127	9
Street Drainage	262,139	217,266	217,318	(52)
Paving	1,269,140	1,424,339	1,424,339	-
Street Signs	198,250	308,020	308,019	1
Street Markings	260,531	108,482	108,479	3
Storm Water Management EU	487,208	487,208	422,657	64,551
Public Safety				
Police				
Police - Administration	2,273,108	2,255,671	2,255,595	76
Records - Property	1,886,256	1,831,018	1,831,018	-
Police Communications	3,082,222	3,049,219	3,049,215	4
Community Services	1,184,446	1,601,716	1,601,714	2
Social Services Unit	1,375,553	1,238,137	1,238,125	12
Patrol	14,907,833	16,123,238	16,113,666	9,572
Investigations	4,199,486	3,293,564	3,293,557	7
Animal Control	315,190	305,880	305,879	1
Police Traffic	1,798,750	1,542,833	1,539,929	2,904

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	Positive (Negative)
Fire				
Buckle-Up Baby Fund	\$ -	\$ 23,095	\$ 23,095	\$ -
Fire - Administration	580,919	641,719	641,712	7
Fire Prevention	1,644,470	1,679,111	1,679,109	2
Fire Operations	21,295,410	24,367,211	24,352,320	14,891
Fire Training	688,008	752,570	752,573	(3)
Fire Logistics	436,073	431,928	431,927	1
Library				
Library - Admin/Tech Services	3,000,707	2,985,241	2,985,237	4
Maidu Museum - Historic Site	390,129	301,006	301,003	3
Parks and Recreation				
Parks & Rec - Administration	1,217,214	1,231,126	1,231,126	-
Park Development	536,118	459,053	459,049	4
Adult Sports	246,302	226,703	226,702	1
Adult & Senior Activities	170,964	171,068	171,060	8
Cultural Arts & Entertainment	34,306	35,834	35,830	4
Youth & Teen Services	213,443	203,214	203,207	7
Youth Classes	438,708	418,530	418,526	4
Community Special Events	131,457	124,916	124,907	9
Maidu Park	299,952	303,426	303,422	4
Mahany Park	654,655	610,230	610,230	-
Town Square	221,615	203,133	203,125	8
Aquatics	1,563,413	1,618,699	1,618,699	-
Park Operations - Admin	971,070	721,508	721,503	5
Open Space/Tree Maintenance	754,165	763,104	763,098	6
Parks - Maintenance	2,662,901	2,622,179	2,622,174	5
Operating Services and Supplies				
General Government				
City Council	380,580	381,904	339,794	42,110
Community Contributions	40,000	40,000	20,000	20,000
Strategic Improvements	50,000	130,335	109,754	20,581
City Manager - Administration	140,807	207,657	198,360	9,297
Public Affairs/Communication	146,210	162,078	137,565	24,513
City Attorney	254,576	254,576	212,327	42,249
Litigation Reserve	250,000	250,000	-	250,000
Human Resources - Admin	627,284	627,945	504,055	123,890
Risk Mgmt - Administration	328,171	363,976	314,783	49,193
City Clerk - Administration	185,857	185,631	168,740	16,891
Elections	-	16,283	7,083	9,200
Central Services - Administration	65,450	65,450	57,716	7,734
Purchasing	96,599	109,517	100,604	8,913
Central Stores	187,570	187,570	186,682	888
Property Management - Parking Structures	291,039	271,039	266,909	4,130
Property Management - Rentals	128,576	148,576	143,485	5,091
Property Management - Rentals 316 Vernon	268,166	268,166	268,166	-
Finance Administration	384,535	409,510	405,029	4,481
Budget	125,102	201,217	201,217	-
Payroll	70,130	232,242	181,204	51,038
Accounts Payable	32,424	32,484	32,455	29
Cash Management	68,905	71,789	65,901	5,888
General Accounting - Administration	183,016	217,862	170,301	47,561
City Special Assessments	139,581	139,581	130,321	9,260
Development & Operations-Admin				
Housing Admin	105,551	105,551	103,786	1,765
Economic Development & Housing	281,404	281,404	277,079	4,325
Planning	193,314	224,927	181,537	43,390
Development Services - Admin	507,886	524,781	465,227	59,554
Development Services - Permit Center	86,432	167,787	103,068	64,719
Development Services - Building Inspection	650,283	766,675	715,853	50,822
Development Services - Code Enforcement	82,628	120,963	67,563	53,400
Development Services - Engineering	312,680	351,780	308,137	43,643
Amoruso/Brookfield	75,000	75,000	4,225	70,775
Building Plan Check Services	50,000	156,008	-	156,008
Planning - Full Cost Projects	5,442,750	8,801,289	3,439,089	5,362,200

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
Public Works				
Public Works - Administration	\$ 68,612	\$ 68,612	\$ 67,707	\$ 905
Engineering	347,313	347,913	345,214	2,699
Flood Alert	100,106	100,106	99,219	887
Streets - Administration	439,579	439,579	424,201	15,378
Street Drainage	340,864	340,864	321,298	19,566
Paving	896,551	959,551	866,233	93,318
Street Signs	115,186	115,186	112,268	2,918
Street Markings	133,655	133,655	129,724	3,931
Storm Water Management	242,477	388,557	209,661	178,896
Flood Pain Management	-	-	169,839	(169,839)
Public Safety				
Police				
Police - Administration	3,244,554	3,232,070	3,229,251	2,819
Records - Property	158,309	145,867	143,367	2,500
Police Communications	169,987	170,312	169,086	1,226
Community Services	66,460	74,219	74,217	2
Social Services	44,740	31,296	25,019	6,277
Patrol	1,603,685	1,719,833	1,717,481	2,352
Investigations	232,642	242,017	240,349	1,668
Animal Control	821,833	892,038	862,996	29,042
Police Traffic	77,383	77,383	77,376	7
Police - Vehicles	2,076,383	2,099,668	2,012,208	87,460
Fire				
Buckle-Up Baby Fund	6,000	5,092	5,339	(247)
Fire - Administration	268,813	269,526	269,526	-
Fire Prevention	160,308	225,765	209,905	15,860
Fire Operations	2,159,954	2,176,589	2,144,810	31,779
Fire Training	164,269	236,475	226,992	9,483
Fire Logistics	1,900,087	1,982,569	1,931,998	50,571
Fire Grants	-	51,152	51,150	2
Emergency Preparedness	16,340	23,067	18,926	4,141
Library				
Harrigan Trust-Adult Literacy	22,400	22,400	-	
Library - Admin/Tech Services	1,851,565	1,866,465	1,861,946	4,519
Maidu Museum - Historic Site	89,684	89,684	76,404	13,280
Parks and Recreation				
Parks & Rec - Administration	2,425,990	2,426,518	2,411,526	14,992
Park Development	42,737	89,522	32,679	56,843
Adult Sports	150,115	150,115	128,337	21,778
Adult & Senior Activities	48,478	65,166	60,463	4,703
Cultural Arts & Entertainment	6,950	6,950	2,092	4,858
Youth & Teen Services	62,275	72,275	64,220	8,055
Youth Classes	162,956	179,406	175,959	3,447
Community Special Events	196,693	188,830	167,305	21,525
Maidu Community Center/Sports Courts	68,950	68,010	51,466	16,544
Mahany Park	240,453	245,140	193,620	51,520
Town Square	173,215	176,376	149,699	26,677
Aquatics	663,440	652,815	550,889	101,926
Park Operations - Admin	58,394	79,648	51,945	27,703
Open Space/Tree Maintenance	570,820	680,346	671,295	9,051
Parks - Maintenance	3,055,089	3,126,203	3,057,160	69,043
Reimbursements:				
General Government	-	(5,213,999)	(5,213,999)	-
RFA Rentals	-	(1,833,741)	(1,833,741)	-
Development & Operations	-	(552,453)	(552,453)	-
Public Works	-	(618,406)	(618,406)	-
Fire	-	(60,611)	(60,611)	-

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
Parks and Recreation	-	(105,476)	(105,476)	-
Annexation payments	\$ 5,450,000	\$ 5,775,037	\$ 5,775,035	\$ 2
Debt Service:				
Principal retirement	1,096,040	1,096,040	1,096,038	2
Interest and fiscal charges	834,754	838,984	830,518	8,466
TOTAL EXPENDITURES	138,623,116	137,884,794	130,237,874	7,624,520
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(11,423,687)	(2,583,267)	(1,307,038)	1,276,229
OTHER FINANCING SOURCES (USES)				
Transfers In	22,154,181	18,026,632	13,517,024	(4,509,608)
Transfers (Out)	(8,779,844)	(15,448,292)	(13,407,406)	2,040,886
Total Other Financing Sources (Uses)	13,374,337	2,578,340	109,618	(2,468,722)
NET CHANGE IN FUND BALANCE	\$ 1,950,650	\$ (4,927)	(1,197,420)	\$ (1,192,493)
Adjustment to budgetary basis:				
Capital outlay			3,919,194	
FUND BALANCE - BEGINNING			60,576,288	
FUND BALANCE - ENDING			\$ 55,459,674	

CITY OF ROSEVILLE, CALIFORNIA
SCHEDULE OF CHANGES IN THE NET PENSION
LIABILITY AND RELATED RATIOS
LAST TEN YEARS*

	2015		2016		2017	
	Miscellaneous	Safety	Miscellaneous	Safety	Miscellaneous	Safety
Total pension liability						
Service cost	\$ 12,410,363	\$ 7,979,496	\$ 12,377,311	\$ 7,650,925	\$ 12,872,902	\$ 7,764,644
Interest on total pension liability	35,999,301	17,970,776	38,106,634	18,851,867	40,468,522	20,340,470
Differences between expected and actual experience	-	-	(1,796,891)	(4,348,535)	316,698	3,415,651
Changes in assumptions	-	-	(9,697,397)	(5,162,388)	-	-
Benefit payments, including refunds of employee contributions	(18,188,166)	(9,003,224)	(19,339,004)	(9,908,333)	(21,009,168)	(11,124,582)
Net change in total pension liability	30,221,498	16,947,048	19,650,653	7,083,536	32,648,954	20,396,183
Total pension liability -- beginning	482,879,572	240,122,220	513,101,070	257,069,269	532,751,723	264,152,805
Total pension liability -- ending (a)	<u>\$ 513,101,070</u>	<u>\$ 257,069,268</u>	<u>\$ 532,751,723</u>	<u>\$ 264,152,805</u>	<u>\$ 565,400,677</u>	<u>\$ 284,548,988</u>
Plan fiduciary net position						
Plan to plan resource movement	\$ -	\$ -	\$ 3,810	\$ (26,514)	\$ (386)	\$ -
Contributions - employer	14,691,280	8,482,557	15,901,790	9,010,440	17,491,938	9,590,596
Contributions - employee	5,879,856	2,321,899	5,785,312	2,299,042	6,323,610	2,418,065
Net investment income	51,318,939	26,953,304	7,885,768	4,110,266	1,875,529	906,270
Benefit payments	(18,188,166)	(9,003,224)	(19,339,004)	(9,908,333)	(21,009,168)	(11,124,582)
Administrative expenses	-	-	(401,772)	(210,832)	(217,443)	(114,150)
Net change in fiduciary net position	53,701,909	28,754,536	9,835,904	5,274,069	4,464,080	1,676,199
Plan fiduciary net position -- beginning	293,249,174	153,271,540	346,951,083	182,026,076	356,786,987	187,300,145
Plan fiduciary net position -- ending (b)	<u>\$ 346,951,083</u>	<u>\$ 182,026,076</u>	<u>\$ 356,786,987</u>	<u>\$ 187,300,145</u>	<u>\$ 361,251,067</u>	<u>\$ 188,976,344</u>
Net pension liability -- ending (a) - (b)	<u>\$ 166,149,987</u>	<u>\$ 75,043,192</u>	<u>\$ 175,964,736</u>	<u>\$ 76,852,660</u>	<u>\$ 204,149,610</u>	<u>\$ 95,572,644</u>
Plan fiduciary net position as a percentage of the total pension liability	67.62%	70.81%	66.97%	70.91%	63.89%	66.41%
Covered payroll	\$ 67,642,462	\$ 25,304,421	\$ 70,574,246	\$ 25,172,485	\$ 74,134,013	\$ 26,276,305
Net pension liability as a percentage of covered payroll	245.63%	296.56%	249.33%	305.30%	275.38%	363.72%
Measurement date	June 30, 2014	June 30, 2014	June 30, 2015	June 30, 2015	June 30, 2016	June 30, 2016

* Fiscal year 2015 was the first year of implementation, therefore, only four years are shown.

CITY OF ROSEVILLE, CALIFORNIA
SCHEDULE OF CHANGES IN THE NET PENSION
LIABILITY AND RELATED RATIOS
LAST TEN YEARS*

	2018	
	Miscellaneous	Safety
Total pension liability		
Service cost	\$ 14,861,538	\$ 9,405,915
Interest on total pension liability	42,476,046	21,361,661
Differences between expected and actual experience	(3,545,559)	(4,417,042)
Changes in assumptions	36,462,156	19,842,134
Benefit payments, including refunds of employee contributions	(23,354,942)	(11,825,080)
Net change in total pension liability	66,899,239	34,367,588
Total pension liability -- beginning	565,400,677	284,548,988
Total pension liability -- ending (a)	\$ 632,299,916	\$ 318,916,576
Plan fiduciary net position		
Plan to plan resource movement	\$ 7,316	
Contributions - employer	19,450,887	\$ 10,566,516
Contributions - employee	6,168,110	2,577,887
Net investment income	40,706,669	21,245,779
Benefit payments	(23,354,942)	(11,825,080)
Administrative expenses	(533,363)	(279,011)
Net change in fiduciary net position	42,444,677	22,286,091
Plan fiduciary net position -- beginning	361,251,067	188,976,344
Plan fiduciary net position -- ending (b)	\$ 403,695,744	\$ 211,262,435
Net pension liability -- ending (a) - (b)	\$ 228,604,172	\$ 107,654,141
Plan fiduciary net position as a percentage of the total pension liability	63.85%	66.24%
Covered payroll	\$ 74,964,348	\$ 26,613,359
Net pension liability as a percentage of covered payroll	304.95%	404.51%
Measurement date	June 30, 2017	June 30, 2017

* Fiscal year 2015 was the first year of implementation, therefore, only four years are shown.

CITY OF ROSEVILLE, CALIFORNIA
SCHEDULE OF CONTRIBUTIONS – PENSIONS
LAST TEN YEARS*

	2015		2016		2017	
	<u>Miscellaneous</u>	<u>Safety</u>	<u>Miscellaneous</u>	<u>Safety</u>	<u>Miscellaneous</u>	<u>Safety</u>
Actuarially determined contributions	\$ 15,872,491	\$ 9,015,161	\$ 17,564,085	\$ 9,409,229	\$ 19,896,723	\$ 11,655,656
Contributions in relation to the actuarially determined contribution	15,872,491	9,015,161	17,564,085	9,409,229	19,896,723	11,655,656
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 70,574,246	\$ 25,172,485	\$ 74,134,013	\$ 26,276,305	\$ 74,964,348	\$ 26,613,359
Contributions as a percentage of covered-employee payroll	22.49%	35.81%	23.69%	35.81%	26.54%	43.80%

Notes to Schedule

Valuation date:	6/30/2012	6/30/2012	6/30/2013	6/30/2013	6/30/2014	6/30/2014
Methods and assumptions used to determine contribution rates:						
Actuarial cost method	Entry age normal cost method		Entry age normal cost method		Entry age normal cost method	
Amortization method	Level percentage of payroll		Level percentage of payroll		Level percentage of payroll	
Asset valuation method	Market value		Market value		Market value	
Inflation	2.75%		2.75%		2.75%	
Salary Increase	3.3% to 14.2% depending on age, service, and type of employment		3.3% to 14.2% depending on age, service, and type of employment		3.3% to 14.2% depending on age, service, and type of employment	
Discount rate	7.50%		7.65%		7.65%	
Retirement age	50-57 for Safety; 50-67 for Miscellaneous		50-57 for Safety; 50-67 for Miscellaneous		50-57 for Safety; 50-67 for Miscellaneous	
Mortality	Derived using CalPERS membership data		Derived using CalPERS membership data		Derived using CalPERS membership data	

* Fiscal year 2015 was the first year of implementation, therefore, only four years are shown.

**CITY OF ROSEVILLE, CALIFORNIA
SCHEDULE OF CONTRIBUTIONS – PENSIONS
LAST TEN YEARS***

	2018	
	Miscellaneous	Safety
Actuarially determined contributions	\$ 18,499,075	\$ 11,936,348
Contributions in relation to the actuarially determined contribution	18,499,075	11,936,348
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 77,213,278	\$ 27,411,760
Contributions as a percentage of covered-employee payroll	23.96%	43.54%

Notes to Schedule

Valuation date:	6/30/2015	6/30/2015
Methods and assumptions used to determine contribution rates:		
Actuarial cost method	Entry age normal cost method	
Amortization method	Level percentage of payroll	
Asset valuation method	Market value	
Inflation	2.75%	
Salary Increase	3.3% to 14.2% depending on age, service, and type of employment	
Discount rate	7.15%	
Retirement age	50-57 for Safety; 50-67 for Miscellaneous	
Mortality	Derived using CalPERS membership data	

* Fiscal year 2015 was the first year of implementation, therefore, only four years are shown.

**CITY OF ROSEVILLE, CALIFORNIA
SCHEDULE OF CHANGES IN THE NET OPEB
LIABILITY AND RELATED RATIOS
LAST TEN YEARS***

	<u>2018</u>
Total OPEB liability	
Service cost	\$ 6,665,000
Interest on total OPEB liability	15,256,000
Differences between expected and actual experience	(29,958,000)
Changes in assumptions	11,123,000
Benefit payments, including refunds of employee contributions	(8,449,000)
Net change in total OPEB liability	<u>(5,363,000)</u>
Total OPEB liability -- beginning	<u>232,271,000</u>
Total OPEB liability -- ending (a)	<u><u>\$ 226,908,000</u></u>
 Plan fiduciary net position	
Contributions - employer	\$ 14,213,477
Net investment income	5,902,312
Benefit payments	(8,449,000)
Administrative expenses	(210,775)
Net change in fiduciary net position	<u>11,456,014</u>
Plan fiduciary net position -- beginning	<u>72,663,626</u>
Plan fiduciary net position -- ending (b)	<u><u>\$ 84,119,640</u></u>
 Net OPEB liability -- ending (a) - (b)	<u><u>\$ 142,788,360</u></u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 37.07%
 Covered payroll	 \$ 113,273
 Net OPEB liability as a percentage of covered payroll	 126056.84%
 Measurement date	 June 30, 2018

* Fiscal year 2018 was the first year of implementation, therefore, only one year is shown.

**CITY OF ROSEVILLE, CALIFORNIA
SCHEDULE OF CONTRIBUTIONS – OPEB
LAST TEN YEARS***

	<u>2018</u>
Actuarially determined contributions	\$ 14,213,477
Contributions in relation to the actuarially determined contribution	<u>14,213,477</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>
 Covered payroll	 \$ 113,273,000
 Contributions as a percentage of covered- employee payroll	 12.55%

Notes to Schedule

Valuation date: 6/30/2017

Methods and assumptions used to determine
contribution rates:

Actuarial cost method	Entry age normal cost method
Amortization method	Level percentage of payroll
Asset valuation method	Market value
Inflation	2.75%
Salary Increase	Aggregate of 3.00%
Discount rate	6.25%
	Derived using CalPERS
Mortality	membership data

* Fiscal year 2018 was the first year of implementation, therefore, only one year is shown.

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**CITY OF ROSEVILLE, CALIFORNIA
MODIFIED APPROACH TO REPORTING STREET PAVEMENT COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

GASB Statement No. 34 allows the City to use the Modified Approach with respect to infrastructure assets instead of depreciating these assets. The Modified Approach may be used if two requirements are met:

- 1) The City must have an asset management system (AMS) with certain features:
 - It must maintain an up-to-date inventory of the infrastructure assets.
 - It must estimate the annual costs to maintain and preserve those assets at the condition level the City has established and disclosed through administrative or executive policy or legislative action.
 - The AMS must be used to assess the condition of the assets periodically, using a measurement scale.
 - The condition assessments must be replicable as those that are based on sufficiently understandable and complete measurement methods such that different measurers using the same methods would reach substantially similar results.
- 2) The City must document that the roads are being preserved approximately at or above the condition level the City has established and disclosed. This documentation must include the results of the three most recent complete condition assessments and must provide reasonable assurance that the assets are being preserved approximately at or above the intended condition level.

Street Pavement

The City has elected to use the Modified Approach to report street pavement costs. The City uses a computerized Pavement Management System to track the condition levels of each of the street sections.

The condition of the pavement is based on a weighted average of seven distress factors found in pavement surfaces. The pavement management system uses a measurement scale that is based on a condition index ranging from zero for a failed pavement to 100 for pavement with perfect condition. The condition index is used to classify pavement in good or better condition (70-100), fair condition (55-69), and substandard condition (less than 55).

The City's maintenance costs are budgeted to be \$3,136,162 in fiscal year 2019. The Pavement Quality Index (PQI) for the City's street pavement for the last five years is as follows:

Fiscal Year	PQI		Maintenance Budget	Actual Maintenance
	Arterial/ Collector	Residential		
2014	81	70	\$ 4,570,018	\$ 6,918,584
2015	72	70	6,295,490	5,009,404
2016	71	70	15,242,792	6,220,458
2017	72	69	14,379,921	11,893,473
2018	72	70	3,491,657	5,154,352

The City's policy based on current funding is to maintain arterial and collector roadways at an average Pavement Quality Index (PQI) of 72 and residential roadways at an average PQI of 70. This rating allows for minor cracking and releveling of the pavement along with minor roughness that could be noticeable to drivers traveling at posted speed. The City expended \$5,154,352 for street preservation in fiscal year 2018.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

A. Budgeting Procedures

The City follows these procedures in establishing the budgetary data:

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of minute order and ordinance.
4. The City Manager or designee is authorized to apply prudent monitoring procedures to assure that actual expenditures/expenses of the City do not exceed the appropriations at the major summary categories (salaries and benefits, operating services and supplies, and capital outlay) by organization key within each fund in conformance with the adopted policies set by the City Council. Capital Improvement Projects, including annual projects, may not exceed budget at the total project level. Additional appropriations or interfund transfers not included in the original budget ordinance require approval by the City Council.
5. Expenditures may not legally exceed budgeted appropriations at the organization key level by major summary category within each fund.
6. A formal budgetary process is employed as a management control device during the year.
7. Budgets are adopted for all governmental funds. In addition, the capital projects funds are budgeted on a project length basis and therefore are not comparable on an annual basis.

B. Adjustments to GAAP Basis from Budgetary Basis

City budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that capital projects expenditures are budgeted on a project length basis rather than a fiscal year. The effects of these differences are shown as capital outlay in the budget and actual statements.

C. Encumbrances

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of formal budgetary integration in all budgeted funds. Encumbrances outstanding at year end are reported as restricted, committed or assigned fund balances, as applicable, since they do not constitute expenditures or liabilities and are reappropriated in the following year. Unexpended appropriations lapse at year end and must be carried forward to be reappropriated in the following year.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Landscape and Lighting and Service Districts Fund. To account for the collection of assessment revenue from property owners for the maintenance of surrounding park and landscaping improvements within the boundaries of each district.

State Gasoline Tax Fund. To account for revenue apportioned to the City from the State-collected gas tax revenues and spent for construction and maintenance of City streets.

Traffic Safety Fund. To account for the City's share of fines generated from violations of the State Motor Vehicle Code.

Trench Cut Recovery Fund. To account for the collection of fees charged by the City for cutting trenches in paved roadway and spent for maintaining the street if useful life is decreased.

Technology Replacement Fund. To account for the activities related to the City's permit system funded by a 3 percent technology fee on permits.

Open Space Fund. To account for the accumulation of funding for the maintenance of the City's bike trails and open spaces.

Tree Propagation Fund. To account for fees assessed on oak tree removal and expended on the continuation and preservation of tree planting within the City.

Grants Fund. To account for monies various housing and police grants received from federal, state, and local grantors.

Housing Authority Housing Choice Voucher Fund. To account for monies received from the U.S. Department of Housing and Urban Development and expended for rental assistance to low income households within the Roseville and Rocklin areas.

Affordable Housing Fund. To account for monies received from property whose land use was changed from residential to commercial and from affordable housing agreements. These monies are then used to fund other affordable housing projects.

Low/Mod Income Housing Asset Fund. To account for the activities related to the assets assumed by the City as Housing Successor to the housing activities of the former Redevelopment Agency of the City of Roseville.

Cable TV PEG Fund. To account for activity related to Public, Educational, and Governmental Access TV Channels.

Police Evidence Fund. To account for confiscated property and evidence funds for the Police department.

NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)

Roseville Community Development Corporation Fund. To account for revenues and expenditures of the Corporation for economic development, affordable housing and other community programs.

Golf Fund. This fund accounts for all financial transactions associated relating to the development, operations, and maintenance of the City's public golf courses.

DEBT SERVICE FUND

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Roseville Finance Authority Fund. To account for the accumulation of resources from lease payments and the payment of long-term debt incurred by the Finance Authority.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Traffic Mitigation Fund. To account for revenues and expenditures related to major roadways and related structures such as bridges or interchanges.

Al Johnson Wildlife Area Fund. To account for activity related to the maintenance of the AL Johnson Wildlife area.

Community Facilities District Projects Fund. This fund is used to account for specific public improvements such as streets, sewers, storm drains, sidewalks or other amenities funded by special taxes against benefited properties.

Roadway Fund. To account for non-Gas Tax grants and other restricted revenues to construct and or maintain City streets.

General Fund Capital Projects Rehabilitation Fund. To account for the approved rehabilitation of existing City property funded by the General Fund.

RFA Capital Projects Fund. To account for specific public improvements such as streets, sewers, storm drains, sidewalks or other amenities funded by special assessments against benefited properties.

Development Impact Fee Fund. To account for fees applied to new construction and expended for the development of public facilities for which it creates a need.

NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)

PERMANENT FUNDS

Permanent funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs—that is, for the benefit of the government or its citizenry.

Citizens Benefit Fund. A permanent fund established to account for the proceeds from the sale of any municipally owned Hospital and interest earnings expended for improving the quality of life for the citizens of the City of Roseville.

Roseville Aquatics Complex Maintenance Fund. A permanent fund established to account for contribution from the High School District. Only the interest earnings can be spent on helping maintain the Aquatics Complex.

CITY OF ROSEVILLE, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018

	SPECIAL REVENUE FUNDS			
	Landscape and Lighting and Service Districts	State Gasoline Tax	Traffic Safety	Trench Cut Recovery Fund
ASSETS:				
Cash and investments	\$ 12,541,816	\$ 10,643,505	\$ 724,789	\$ 149,728
Cash with fiscal agents	-	-	-	-
Receivables:				
Accounts receivable	156,536	-	3,335	-
Accrued interest	56,590	45,574	-	759
Due from other government agencies	131,978	287,970	47,045	-
Due from other funds	-	-	-	-
Prepaid Asset	-	-	-	-
Developer permit fees receivable	-	-	-	-
Notes receivable	-	2,178,900	-	-
Land held for resale	-	-	-	-
Total Assets	<u>\$ 12,886,920</u>	<u>\$ 13,155,949</u>	<u>\$ 775,169</u>	<u>\$ 150,487</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 337,545	\$ 19,879	\$ 2,962	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to other government agencies	-	-	-	-
Advances from other funds	-	-	-	-
Deposits	29,145	1,300	-	-
Unearned revenue	-	-	-	-
Total Liabilities	<u>366,690</u>	<u>21,179</u>	<u>2,962</u>	<u>-</u>
Deferred Inflows of Resources:				
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	12,520,230	13,134,770	772,207	150,487
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficit)	<u>12,520,230</u>	<u>13,134,770</u>	<u>772,207</u>	<u>150,487</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 12,886,920</u>	<u>\$ 13,155,949</u>	<u>\$ 775,169</u>	<u>\$ 150,487</u>

SPECIAL REVENUE FUNDS

Technology Replacement	Open Space	Tree Propagation	Grants	Housing Authority Housing Choice Voucher	Affordable Housing	Low/Mod Income Housing Asset
\$ 1,235,663	\$ 646,613	\$ 2,143,597	\$ 1,207,695	\$ 491,003	\$ 6,707,520	\$ 969,738
-	-	-	-	27,935	-	-
2,253	-	-	1,093,015	-	3,200	-
2,484	3,109	9,338	6,277	-	436,990	979,208
-	-	-	2,258	-	125,000	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	12,709,597	-	8,279,082	14,225,573
-	-	-	-	-	-	861,245
<u>\$ 1,240,400</u>	<u>\$ 649,722</u>	<u>\$ 2,152,935</u>	<u>\$ 15,018,842</u>	<u>\$ 518,938</u>	<u>\$ 15,551,792</u>	<u>\$ 17,035,764</u>
\$ -	\$ 28,707	\$ 32,898	\$ 66,541	\$ 95,308	\$ 135,828	\$ -
-	-	-	-	27,935	-	-
95,054	-	-	-	-	-	-
-	-	-	-	-	316,423	311,654
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	564,687	-	-	-
<u>95,054</u>	<u>28,707</u>	<u>32,898</u>	<u>631,228</u>	<u>123,243</u>	<u>452,251</u>	<u>311,654</u>
-	-	-	13,585,650	-	8,367,659	10,991,840
-	-	-	-	-	-	-
1,145,346	621,015	2,120,037	801,964	395,695	6,731,882	5,732,270
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,145,346</u>	<u>621,015</u>	<u>2,120,037</u>	<u>801,964</u>	<u>395,695</u>	<u>6,731,882</u>	<u>5,732,270</u>
<u>\$ 1,240,400</u>	<u>\$ 649,722</u>	<u>\$ 2,152,935</u>	<u>\$ 15,018,842</u>	<u>\$ 518,938</u>	<u>\$ 15,551,792</u>	<u>\$ 17,035,764</u>

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018**

	SPECIAL REVENUE FUNDS			
	Cable TV PEG	Police Evidence	Roseville Community Development Corporation	Golf
ASSETS:				
Cash and investments	\$ 1,009,861	\$ 214,855	\$ 1,714,497	\$ -
Cash with fiscal agents	-	-	-	-
Receivables:				
Accounts receivable	93,607	-	3,805	437,072
Accrued interest	4,619	983	-	-
Due from other government agencies	-	-	-	-
Due from other funds	-	-	-	-
Prepaid Asset	-	-	8,602	-
Developer permit fees receivable	-	-	-	-
Notes receivable	-	-	191,343	-
Land held for resale	-	-	-	-
Total Assets	\$ 1,108,087	\$ 215,838	\$ 1,918,247	\$ 437,072
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 8,047	\$ 200	\$ 14,639	\$ 8,492
Accrued liabilities	-	-	-	2,197,111
Due to other funds	-	-	-	1,717,558
Due to other government agencies	-	-	-	-
Advances from other funds	-	-	1,530,951	2,242,000
Deposits	-	-	17,500	-
Unearned revenue	-	-	4,200	-
Total Liabilities	8,047	200	1,567,290	6,165,161
Deferred Inflows of Resources:				
Unavailable revenue	-	-	191,343	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	1,100,040	215,638	159,614	-
Assigned	-	-	-	-
Unassigned	-	-	-	(5,728,089)
Total Fund Balances (Deficit)	1,100,040	215,638	159,614	(5,728,089)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,108,087	\$ 215,838	\$ 1,918,247	\$ 437,072

DEBT SERVICE FUND		CAPITAL PROJECTS FUNDS					
Roseville Finance Authority		Development Impact	Traffic Mitigation	Al Johnson Wildlife Area	Community Facilities District Projects	Roadway	General Fund Capital Projects
\$	377,488	\$ 62,431,398	\$ 29,010,041	\$ 1,085,394	\$ 6,661,234	\$ 2,565,332	\$ 13,317,565
	-	-	-	-	3,691,908	-	-
	-	2,470,740	1,471,819	-	-	-	-
	1,479	340,063	151,416	5,285	15,149	5,397	78,351
	-	-	8,478,038	-	-	-	-
	-	95,054	-	-	-	-	-
	-	-	-	-	-	-	-
	-	473,651	-	-	-	-	-
	-	601,397	9,032	-	-	-	-
	-	-	-	-	-	-	-
\$	378,967	\$ 66,412,303	\$ 39,120,346	\$ 1,090,679	\$ 10,368,291	\$ 2,570,729	\$ 13,395,916
\$	-	\$ 847,974	\$ 2,779,051	\$ -	\$ -	\$ 59,294	\$ 159,403
	276,209	-	-	-	-	-	-
	-	442,387	-	-	-	-	-
	-	-	-	-	-	-	-
	-	7,573,606	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	276,209	8,863,967	2,779,051	-	-	59,294	159,403
	-	1,107,905	7,735,142	-	-	-	-
	-	-	-	-	-	-	-
	102,758	56,440,431	28,606,153	1,090,679	10,368,291	2,511,435	-
	-	-	-	-	-	-	13,236,513
	-	-	-	-	-	-	-
	102,758	56,440,431	28,606,153	1,090,679	10,368,291	2,511,435	13,236,513
\$	378,967	\$ 66,412,303	\$ 39,120,346	\$ 1,090,679	\$ 10,368,291	\$ 2,570,729	\$ 13,395,916

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CITY OF ROSEVILLE, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018

	CAPITAL PROJECTS FUND	PERMANENT FUNDS		
	RFA Capital Projects	Citizens Benefit	Roseville Aquatics Complex Maintenance	Total Non-Major Governmental Funds
ASSETS:				
Cash and investments	\$ 64,620	\$ 16,814,122	\$ 603,110	\$ 173,331,184
Cash with fiscal agents	-	-	-	3,719,843
Receivables:				
Accounts receivable	-	-	-	5,735,382
Accrued interest	348	102,470	3,450	2,249,339
Due from other government agencies	-	-	-	9,072,289
Due from other funds	-	-	-	95,054
Prepaid Asset	-	-	-	8,602
Developer permit fees receivable	-	-	-	473,651
Notes receivable	-	-	-	38,194,924
Land held for resale	-	-	-	861,245
Total Assets	<u>\$ 64,968</u>	<u>\$ 16,916,592</u>	<u>\$ 606,560</u>	<u>\$ 233,741,513</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 4,596,768
Accrued liabilities	-	-	-	2,501,255
Due to other funds	-	-	-	2,254,999
Due to other government agencies	-	-	-	628,077
Advances from other funds	-	-	-	11,346,557
Deposits	-	531	600,000	648,476
Unearned revenue	-	-	-	568,887
Total Liabilities	<u>-</u>	<u>531</u>	<u>600,000</u>	<u>22,545,019</u>
Deferred Inflows of Resources:				
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,979,539</u>
Fund Balances:				
Nonspendable	-	16,916,061	-	16,916,061
Restricted	64,968	-	6,560	144,792,470
Assigned	-	-	-	13,236,513
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,728,089)</u>
Total Fund Balances (Deficit)	<u>64,968</u>	<u>16,916,061</u>	<u>6,560</u>	<u>169,216,955</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 64,968</u>	<u>\$ 16,916,592</u>	<u>\$ 606,560</u>	<u>\$ 233,741,513</u>

**CITY OF ROSEVILLE, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018**

	SPECIAL REVENUE FUNDS			
	Landscape and Lighting and Service Districts	State Gasoline Tax	Traffic Safety	Trench Cut Recovery Fund
REVENUES:				
Taxes	\$ 10,360,415	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Subventions and grants	-	2,732,319	-	-
Use of money and property	12,674	2,861	-	318
Fines, forfeitures and penalties	-	-	338,633	-
Contributions from developers and others	-	-	-	-
Miscellaneous revenues	12,999	950,587	-	-
Total Revenues	10,386,088	3,685,767	338,633	318
EXPENDITURES:				
Current:				
General government	-	-	-	-
Development and operations	-	-	-	-
Public works	-	55,735	-	112
Public safety:				
Police	-	-	-	-
Fire	-	-	-	-
Parks and recreation	5,453,251	-	-	-
Housing assistance payments	-	-	-	-
Capital outlay	-	482,785	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	5,453,251	538,520	-	112
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,932,837	3,147,247	338,633	206
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(3,820,232)	(298,936)	-	-
Total Other Financing Sources (Uses)	(3,820,232)	(298,936)	-	-
Net change in fund balance	1,112,605	2,848,311	338,633	206
FUND BALANCES (DEFICIT) - BEGINNING, AS RESTATED	11,407,625	10,286,459	433,574	150,281
FUND BALANCES - ENDING	\$ 12,520,230	\$ 13,134,770	\$ 772,207	\$ 150,487

SPECIAL REVENUE FUNDS

Technology Replacement	Open Space	Tree Propagation	Grants	Housing Authority Housing Choice Voucher	Affordable Housing	Low/Mod Income Housing Asset
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
516,288	-	521,678	-	-	-	-
-	-	-	645,566	4,772,617	125,000	-
(427)	1,810	468	4,308	-	61,474	6,305
-	-	-	-	-	-	-
-	-	-	-	-	574,074	-
-	800	107,768	698,393	86	36,994	183,801
<u>515,861</u>	<u>2,610</u>	<u>629,914</u>	<u>1,348,267</u>	<u>4,772,703</u>	<u>797,542</u>	<u>190,106</u>
51,969	-	-	-	-	-	-
662	-	-	1,271,814	733,672	223,223	318,012
-	-	-	-	-	-	-
-	-	-	36,976	-	-	-
-	-	-	-	-	-	-
-	509,045	114,157	-	-	-	-
-	-	-	-	4,248,895	-	-
38,940	-	-	40,237	-	9,578	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>91,571</u>	<u>509,045</u>	<u>114,157</u>	<u>1,349,027</u>	<u>4,982,567</u>	<u>232,801</u>	<u>318,012</u>
<u>424,290</u>	<u>(506,435)</u>	<u>515,757</u>	<u>(760)</u>	<u>(209,864)</u>	<u>564,741</u>	<u>(127,906)</u>
22,017	535,587	-	-	-	-	-
-	(1,613)	-	(100,882)	-	(1,497)	(708)
<u>22,017</u>	<u>533,974</u>	<u>-</u>	<u>(100,882)</u>	<u>-</u>	<u>(1,497)</u>	<u>(708)</u>
446,307	27,539	515,757	(101,642)	(209,864)	563,244	(128,614)
<u>699,039</u>	<u>593,476</u>	<u>1,604,280</u>	<u>903,606</u>	<u>605,559</u>	<u>6,168,638</u>	<u>5,860,884</u>
<u>\$ 1,145,346</u>	<u>\$ 621,015</u>	<u>\$ 2,120,037</u>	<u>\$ 801,964</u>	<u>\$ 395,695</u>	<u>\$ 6,731,882</u>	<u>\$ 5,732,270</u>

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018**

	SPECIAL REVENUE FUNDS			
	Cable TV PEG	Police Evidence	Roseville Community Development Corporation	Golf
REVENUES:				
Taxes	\$ -	\$ -		\$ -
Charges for services	-	-		2,020,420
Subventions and grants	-	-	87,000	-
Use of money and property	1,402	39	1,029,391	51,865
Fines, forfeitures and penalties	-	-		-
Contributions from developers and others	-	-		-
Miscellaneous revenues	305,219	41,493	41,124	6,000
Total Revenues	306,621	41,532	1,157,515	2,078,285
EXPENDITURES:				
Current:				
General government	102,641	-	-	-
Development and operations	-	-	502,366	-
Public works	-	-	-	-
Public safety:				
Police	-	-	-	-
Fire	-	-	-	-
Parks and recreation	-	-	-	1,964,543
Housing assistance payments	-	-	-	-
Capital outlay	-	-	13,849	-
Debt service:				
Principal retirement	-	-	15,055	421,224
Interest and fiscal charges	-	-	19,081	69,104
Total Expenditures	102,641	-	550,351	2,454,871
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	203,980	41,532	607,164	(376,586)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	(26,501)
Total Other Financing Sources (Uses)	-	-	-	(26,501)
Net change in fund balance	203,980	41,532	607,164	(403,087)
FUND BALANCES (DEFICIT) - BEGINNING, AS RESTATED	896,060	174,106	(447,550)	(5,325,002)
FUND BALANCES - ENDING	\$ 1,100,040	\$ 215,638	\$ 159,614	\$ (5,728,089)

DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS					
Roseville Finance Authority	Development Impact	Traffic Mitigation	Al Johnson Wildlife Area	Community Facilities District Projects	Roadway	General Fund Capital Projects
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	14,990,255	8,887,641	-	-	-	414
-	-	1,087,385	-	-	2,897,440	-
10,716,975	165,711	(5,476)	63,965	54,410	10,491	25,554
-	-	-	-	-	-	101,194
-	77,174	757,195	-	-	-	-
-	13,445	-	-	-	90,116	500,588
10,716,975	15,246,585	10,726,745	63,965	54,410	2,998,047	627,750
6,956,038	926,933	-	-	-	-	-
-	49,887	-	-	-	-	-
-	710,890	51,730	-	-	18,594	-
-	-	-	-	-	-	-
-	10,694	-	-	-	-	-
-	66,675	-	-	-	-	-
-	-	-	-	-	-	-
-	14,929,894	9,591,712	-	7,860,105	2,419,066	10,247,714
-	-	-	-	-	-	-
3,943,857	85,763	-	-	-	-	-
10,899,895	16,780,736	9,643,442	-	7,860,105	2,437,660	10,247,714
(182,920)	(1,534,151)	1,083,303	63,965	(7,805,695)	560,387	(9,619,964)
-	517,938	269,301	-	3,208,444	3,352,202	7,116,823
-	(3,124,542)	(1,236,585)	-	(8,025)	(1,270,540)	(797,837)
-	(2,606,604)	(967,284)	-	3,200,419	2,081,662	6,318,986
(182,920)	(4,140,755)	116,019	63,965	(4,605,276)	2,642,049	(3,300,978)
285,678	60,581,186	28,490,134	1,026,714	14,973,567	(130,614)	16,537,491
\$ 102,758	\$ 56,440,431	\$ 28,606,153	\$ 1,090,679	\$ 10,368,291	\$ 2,511,435	\$ 13,236,513

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**CITY OF ROSEVILLE, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018**

	CAPITAL PROJECTS FUND	PERMANENT FUNDS		
	RFA Capital Projects	Citizens Benefit	Roseville Aquatics Complex Maintenance	Total Non-Major Governmental Funds
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ 10,360,415
Charges for services	-	-	-	26,936,696
Subventions and grants	-	-	-	12,347,327
Use of money and property	(429)	-	(8,820)	12,194,869
Fines, forfeitures and penalties	-	-	-	439,827
Contributions from developers and others	-	-	-	1,408,443
Miscellaneous revenues	-	(36,281)	-	2,953,132
Total Revenues	(429)	(36,281)	(8,820)	66,640,709
EXPENDITURES:				
Current:				
General government	-	419,000	-	8,456,581
Development and operations	-	-	-	3,099,636
Public works	-	-	-	837,061
Public safety:				
Police	-	-	-	36,976
Fire	-	-	-	10,694
Parks and recreation	-	-	-	8,107,671
Housing assistance payments	-	-	-	4,248,895
Capital outlay	-	-	-	45,633,880
Debt service:				
Principal retirement	-	-	-	436,279
Interest and fiscal charges	-	-	-	4,117,805
Total Expenditures	-	419,000	-	74,985,478
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(429)	(455,281)	(8,820)	(8,344,769)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	15,022,312
Transfers out	(7,017)	-	-	(10,694,915)
Total Other Financing Sources (Uses)	(7,017)	-	-	4,327,397
Net change in fund balance	(7,446)	(455,281)	(8,820)	(4,017,372)
FUND BALANCES (DEFICIT) - BEGINNING, AS RESTATED	72,414	17,371,342	15,380	173,234,327
FUND BALANCES - ENDING	\$ 64,968	\$ 16,916,061	\$ 6,560	\$ 169,216,955

CITY OF ROSEVILLE, CALIFORNIA
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	LANDSCAPE AND LIGHTING SERVICE DISTRICTS			STATE GASOLINE TAX		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Taxes	\$ 10,690,468	\$ 10,360,415	\$ (330,053)	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-
Subventions and grants	-	-	-	5,076,763	2,732,319	(2,344,444)
Use of money and property	131,435	12,674	(118,761)	92,448	2,861	(89,587)
Fines, forfeitures and penalties	-	-	-	-	-	-
Miscellaneous revenues	13,000	12,999	(1)	-	950,587	950,587
Total Revenues	10,834,903	10,386,088	(448,815)	5,169,211	3,685,767	(1,483,444)
EXPENDITURES:						
Current:						
Operating services and supplies	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Planning						
Highway Users Tax Operations				40,355	55,735	(15,380)
Olympus Pointe Lld Zone A	280,736	144,260	136,476	-	-	-
Olympus Pointe Lld Zone D	61,653	59,846	1,807	-	-	-
Nwrld Zone A	492,764	482,194	10,570	-	-	-
Nwrld Zone B	20,780	18,530	2,250	-	-	-
Johnson Ranch Lld Zone A	4,308	4,238	70	-	-	-
Johnson Ranch Lld Zone B	1,775	1,775	-	-	-	-
Johnson Ranch Lld Zone C	2,245	2,242	3	-	-	-
Johnson Ranch Lld Zone D	269	197	72	-	-	-
Johnson Ranch Lld Zone E	2,885	2,916	(31)	-	-	-
Ncrld Zone A	456,336	452,668	3,668	-	-	-
Ncrld Zone B	143,336	112,432	30,904	-	-	-
Ncrld Zone F	34,739	14,845	19,894	-	-	-
Ncrld Zone G	27,309	9,995	17,314	-	-	-
Infill Lld Zone A	10,204	8,264	1,940	-	-	-
Infill Lld Zone B	8,575	5,356	3,219	-	-	-
Infill Lld Zone C	14,865	11,450	3,415	-	-	-
Nrcfd 2 Sd Zone A	49,398	29,593	19,805	-	-	-
Nrcfd 2 Sd Zone B	71,717	64,761	6,956	-	-	-
Nrcfd 2 Sd Zone C	223,770	147,030	76,740	-	-	-
Nrcfd 2 Sd Zone E	15,198	10,694	4,504	-	-	-
Historic District Lld	50,326	35,882	14,444	-	-	-
Riverside District Lld	125,344	41,796	83,548	-	-	-
Stone Point Cfd #4 (Sd)	46,979	21,068	25,911	-	-	-
Infill Cfd4-Wdcrk Oaks Preser	11,749	11,415	334	-	-	-
Westbrook SRV Dist CFDA	375,056	102,059	272,997	-	-	-
Stoneridge Cfd #1 Srv Dist	43,769	39,263	4,506	-	-	-
Stoneridge Parcel 1 Cfd #2 Sd	560,268	463,345	96,923	-	-	-
Woodcrk West - Services District	362,388	309,996	52,392	-	-	-
Crocker Ranch Services District	258,175	239,008	19,167	-	-	-
Highland Res north Srv Dist	534,885	526,076	8,809	-	-	-
Vernon St Lighting/Landscape	71,619	66,697	4,922	-	-	-
Woodcreek East Services Dist	136,834	117,936	18,898	-	-	-
Stone Point Cfd #2 Srv Dist	28,115	23,832	4,283	-	-	-
Westpark Cfd #2 Services Dist	861,177	744,055	117,122	-	-	-
Fiddymment Ranch Cfd #2 Sd	1,031,019	812,202	218,817	-	-	-
HP Campus Oaks Cfd #2	76,293	10,742	65,551	-	-	-
Municipal Services Cfd #3	149,696	158,106	(8,410)	-	-	-
Longmeadow Cfd #2 Sd	123,192	110,622	12,570	-	-	-
Infill Services Cfd	55,342	35,865	19,477	-	-	-
Total Expenditures	6,825,088	5,453,251	1,371,837	40,355	55,735	(15,380)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,009,815	4,932,837	923,022	5,128,856	3,630,032	(1,498,824)
OTHER FINANCING SOURCES (USES):						
Transfers in				891,825	-	(891,825)
Transfers out	(3,231,056)	(3,820,232)	(589,176)	(4,091,794)	(298,936)	3,792,858
Total Other Financing Sources (Uses)	(3,231,056)	(3,820,232)	(589,176)	(3,199,969)	(298,936)	2,901,033
NET CHANGE IN FUND BALANCE	\$ 778,759	1,112,605	\$ 333,846	\$ 1,928,887	3,331,096	\$ 1,402,209
Adjustment to Budgetary Basis:						
Capital Outlay					(482,785)	
FUND BALANCE (DEFICIT) - BEGINNING AS RESTATED		11,407,625			10,286,459	
FUND BALANCE - ENDING		\$ 12,520,230			\$ 13,134,770	

(Continued)

CITY OF ROSEVILLE, CALIFORNIA
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	TECHNOLOGY REPLACEMENT			OPEN SPACE		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Charges for services	\$ 565,000	\$ 516,288	\$ (48,712)	\$ -	\$ -	\$ -
Subventions and grants	-	-	-	-	-	-
Use of money and property	3,554	(427)	(3,981)	5,580	1,810	(3,770)
Miscellaneous revenues	-	-	-	-	800	800
Total Revenues	<u>568,554</u>	<u>515,861</u>	<u>(52,693)</u>	<u>5,580</u>	<u>2,610</u>	<u>(2,970)</u>
EXPENDITURES:						
Current:						
General Government	5,029	2,512	2,517	-	-	-
Operating services and supplies						
Rehabilitation Account	-	-	-	-	-	-
CDBG	-	-	-	-	-	-
HOME Investment Partnerships	-	-	-	-	-	-
Cal/Home	-	-	-	-	-	-
Begin Program	-	-	-	-	-	-
Development and Operations	401,800	50,119	351,681	-	-	-
Parks and recreation						
Native Tree Projects	-	-	-	-	-	-
Non-native Tree Projects	-	-	-	-	-	-
Bike Trail Maintenance	-	-	-	689,414	509,045	180,369
Public safety:						
Police						
Forfeited property	-	-	-	-	-	-
Federal Asset Seizure	-	-	-	-	-	-
Total Expenditures	<u>406,829</u>	<u>52,631</u>	<u>354,198</u>	<u>689,414</u>	<u>509,045</u>	<u>180,369</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>161,725</u>	<u>463,230</u>	<u>301,505</u>	<u>(683,834)</u>	<u>(506,435)</u>	<u>177,399</u>
OTHER FINANCING SOURCES (USES):						
Proceeds from the sale of property						
Transfers in	35,900	22,017	(13,883)	570,442	535,587	(34,855)
Transfers out	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>	<u>(1,613)</u>	<u>(1,613)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(64,100)</u>	<u>22,017</u>	<u>86,117</u>	<u>568,829</u>	<u>533,974</u>	<u>(34,855)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 97,625</u>	<u>485,247</u>	<u>\$ 387,622</u>	<u>\$ (115,005)</u>	<u>27,539</u>	<u>\$ 142,544</u>
Adjustment to Budgetary Basis:						
Capital Outlay		(38,940)				
FUND BALANCE (DEFICIT) - BEGINNING		<u>699,039</u>			<u>593,476</u>	
FUND BALANCE - ENDING		<u>\$ 1,145,346</u>			<u>\$ 621,015</u>	

(Continued)

TREE PROPOGATION			GRANTS		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 38,000	\$ 521,678	\$ 483,678	\$ -	\$ -	\$ -
-	-	-	2,182,407	645,566	(1,536,841)
20,179	468	(19,711)	10,067	4,308	(5,759)
-	107,768	107,768	667,811	698,393	30,582
58,179	629,914	571,735	2,860,285	1,348,267	(1,512,018)
-	-	-	-	-	-
-	-	-	400,000	-	400,000
-	-	-	1,184,512	616,006	568,506
-	-	-	739,249	650,748	88,501
-	-	-	106,500	-	106,500
-	-	-	103,500	-	103,500
-	-	-	-	-	-
256,346	76,055	180,291	-	-	-
251,596	38,102	213,494	-	-	-
-	-	-	-	-	-
-	-	-	28,621	28,686	(65)
-	-	-	50,000	8,290	41,710
507,942	114,157	393,785	2,612,382	1,303,730	1,308,652
(449,763)	515,757	965,520	247,903	44,537	(203,366)
-	-	-	-	-	-
-	-	-	(100,884)	(100,882)	2
-	-	-	(100,884)	(100,882)	2
\$ (449,763)	515,757	\$ 965,520	\$ 147,019	(56,345)	\$ (203,364)
				(40,237)	
	1,604,280			903,606	
	\$ 2,120,037			\$ 807,024	

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	HOUSING AUTHORITY HOUSING CHOICE VOUCHERS			AFFORDABLE HOUSING		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Subventions and grants	\$ -	\$ 4,772,617	\$ 4,772,617	\$ 430,200	\$ 125,000	\$ (305,200)
Use of money and property	-	-	-	98,744	61,474	(37,270)
Contributions from developers	-	-	-	265,000	574,074	309,074
Miscellaneous revenues	-	86	86	243,000	36,994	(206,006)
Total Revenues	-	4,772,703	4,772,703	1,036,944	797,542	(239,402)
EXPENDITURES:						
Current:						
Salaries and benefits						
Planning						
Housing Authority	-	733,672	(733,672)	-	-	-
Operating services and supplies						
General government	-	-	-	-	-	-
Development and operations	-	-	-	233,833	223,223	10,610
Housing assistance payments	-	4,248,895	(4,248,895)	-	-	-
Total Expenditures	-	4,982,567	(4,982,567)	233,833	223,223	10,610
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(209,864)	(209,864)	803,111	574,319	(228,792)
OTHER FINANCING SOURCES (USES):						
Proceeds from the sale of property						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(1,497)	(1,497)	-
Total Other Financing Sources (Uses)	-	-	-	(1,497)	(1,497)	-
NET CHANGE IN FUND BALANCE	\$ -	(209,864)	\$ (209,864)	\$ 801,614	572,822	\$ (228,792)
Adjustment to Budgetary Basis:					(9,578)	
Capital Outlay						
FUND BALANCE (DEFICT) - BEGINNING		605,559			6,168,638	
FUND BALANCE - ENDING		\$ 395,695			\$ 6,731,882	

LOW/MOD INCOME HOUSING ASSET FUND			CABLE TV PEG		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14,261	6,305	(7,956)	10,663	1,402	(9,261)
-	-	-	-	-	-
310,725	183,801	(126,924)	215,700	305,219	89,519
324,986	190,106	(134,880)	226,363	306,621	80,258
-	-	-	-	-	-
-	-	-	285,046	102,641	182,405
332,443	318,012	14,431	-	-	-
-	-	-	-	-	-
332,443	318,012	14,431	285,046	102,641	182,405
(7,457)	(127,906)	(120,449)	(58,683)	203,980	262,663
-	-	-	-	-	-
(708)	(708)	-	-	-	-
(708)	(708)	-	-	-	-
\$ (8,165)	(128,614)	\$ (120,449)	\$ (58,683)	203,980	\$ 262,663
	5,860,884			896,060	
	\$ 5,732,270			\$ 1,100,040	

**CITY OF ROSEVILLE, CALIFORNIA
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	POLICE EVIDENCE			ROSEVILLE COMMUNITY DEVELOPMENT CORPORATION		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subventions and grants	-	-	-	-	87,000	87,000
Use of money and property	1,999	39	(1,960)	-	1,029,391	1,029,391
Contributions from developers	-	-	-	-	-	-
Miscellaneous revenues	15,000	41,493	26,493	-	41,124	41,124
Total Revenues	16,999	41,532	24,533	-	1,157,515	1,157,515
EXPENDITURES:						
Current:						
Salaries and benefits						
Planning						
Housing Authority	-	-	-	-	-	-
Operating services and supplies						
Planning						
General government	-	-	-	-	-	-
Roseville Community Development Corporation	-	-	-	-	502,366	(502,366)
Development and operations	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Public safety:						
Fire	-	-	-	-	-	-
Cal/Home	-	-	-	-	-	-
Begin Program	-	-	-	-	-	-
Housing Trsut Fund	-	-	-	-	-	-
Home Improvement	-	-	-	-	-	-
Affordable Housing	-	-	-	-	-	-
Low & Moderate Income Housing	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	15,055	(15,055)
Interest	-	-	-	-	19,081	(19,081)
Housing Assistance Payments	-	-	-	-	-	-
Total Expenditures	-	-	-	-	536,502	(536,502)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	16,999	41,532	24,533	-	621,013	621,013
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ 16,999	41,532	\$ 24,533	\$ -	621,013	\$ 621,013
Adjustment to Budgetary Basis:						
Capital Outlay					(13,849)	
FUND BALANCE (DEFICT) - BEGINNING		174,106			(447,550)	
FUND BALANCE - ENDING		\$ 215,638			\$ 159,614	

GOLF COURSE		
Budget	Actual	Variance Positive (Negative)
\$ 2,100,000	\$ 2,020,420	\$ (79,580)
-	-	-
77,221	51,865	(25,356)
-	-	-
-	6,000	6,000
<u>2,177,221</u>	<u>2,078,285</u>	<u>(98,936)</u>
-	-	-
-	-	-
-	-	-
-	-	-
2,049,942	1,964,543	85,399
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
421,224	421,224	-
67,635	69,104	(1,469)
-	-	-
<u>2,538,801</u>	<u>2,454,871</u>	<u>83,930</u>
<u>(361,580)</u>	<u>(376,586)</u>	<u>(15,006)</u>
154,746	-	(154,746)
<u>(360,812)</u>	<u>(26,501)</u>	<u>334,311</u>
<u>(206,066)</u>	<u>(26,501)</u>	<u>179,565</u>
<u>\$ (567,646)</u>	<u>(403,087)</u>	<u>\$ 164,559</u>
	<u>(5,325,002)</u>	
	<u>\$ (5,728,089)</u>	

**CITY OF ROSEVILLE, CALIFORNIA
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	ROSEVILLE FINANCING AUTHORITY			CITIZENS BENEFIT		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Subventions and grants	\$ -	\$ -	\$ -	\$ 426,385	\$ -	\$ (426,385)
Use of money and property	10,695,602	10,716,975	21,373	8,673	(36,281)	(44,954)
Total Revenues	10,695,602	10,716,975	21,373	435,058	(36,281)	(471,339)
EXPENDITURES:						
Current:						
Operating services and supplies						
General Government	-	-	-	442,082	419,000	23,082
Cable TV Peg Funds	-	-	-	-	-	-
Special Districts	6,956,040	6,956,038	2	-	-	-
Debt Service:						
Interest and fiscal charges	3,739,562	3,943,857	(204,295)	-	-	-
Total Expenditures	10,695,602	10,899,895	(204,293)	442,082	419,000	23,082
NET CHANGE IN FUND BALANCE	\$ -	(182,920)	\$ (182,920)	\$ (7,024)	(455,281)	\$ (448,257)
FUND BALANCE (DEFICT) - BEGINNING		285,678			17,371,342	
FUND BALANCE - ENDING		\$ 102,758			\$ 16,916,061	

NON-MAJOR ENTERPRISE FUNDS

LOCAL TRANSPORTATION FUND

This fund accounts for the activities associated with the operations and maintenance of the City's public transit activities and has particular emphasis on serving the elderly and the handicapped.

SCHOOL-AGE CHILD CARE FUND

This fund accounts for the receipt of parent fees and State grants used to finance child development programs.

CITY OF ROSEVILLE, CALIFORNIA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2018

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Local Transportation</u>	<u>School-Age Child Care</u>	<u>Totals</u>
ASSETS:			
Current Assets:			
Cash and investments in City Treasury	\$ 6,631,604	\$ 1,032,745	\$ 7,664,349
Receivables:			
Accounts, net of allowance for doubtful accounts	71,965	128,323	200,288
Accrued interest	42,538	2,768	45,306
Due from other government agencies	1,699,772	18,364	1,718,136
Total Current Assets	8,445,879	1,182,200	9,628,079
Non-Current Assets:			
Land and construction in progress	5,045,722	90,388	5,136,110
Capital assets being depreciated, net	14,683,363	1,983,204	16,666,567
Total Non-Current Assets	19,729,085	2,073,592	21,802,677
Total Assets	28,174,964	3,255,792	31,430,756
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows related to OPEB	72,000	249,000	321,000
Deferred outflows related to pensions	1,179,234	3,848,598	5,027,832
Total Deferred outflows of resources	1,251,234	4,097,598	5,348,832
LIABILITIES:			
Current Liabilities:			
Accounts payable	754,670	48,387	803,057
Accrued liabilities	31,948	87,127	119,075
Due to other funds	-	57,219	57,219
Current portion of compensated absences	92,166	166,347	258,513
Current portion of long-term debt	-	-	-
Deposits	135	-	135
Unearned revenue	4,408,216	32,676	4,440,892
Total Current Liabilities	5,287,135	391,756	5,678,891
Long-term liabilities:			
Advances from other funds	-	715,000	715,000
Compensated absences	142,544	286,785	429,329
Net OPEB obligations	938,000	4,589,000	5,527,000
Net pension liability	3,149,508	8,934,765	12,084,273
Total Long-Term Liabilities	4,230,052	14,525,550	18,755,602
Total Liabilities	9,517,187	14,917,306	24,434,493
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows related to OPEB	164,000	681,000	845,000
Deferred inflows related to pensions	240,981	113,219	354,200
Total Deferred inflows of resources	404,981	794,219	1,199,200
NET POSITION:			
Net investment in capital assets	19,729,085	2,073,592	21,802,677
Unrestricted	(225,055)	(10,431,727)	(10,656,782)
TOTAL NET POSITION (DEFICIT)	\$ 19,504,030	\$ (8,358,135)	\$ 11,145,895

CITY OF ROSEVILLE, CALIFORNIA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES
IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Local Transportation</u>	<u>School-Age Child Care</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for services	\$ 934,746	\$ 6,155,315	\$ 7,090,061
Other	203,980	241,605	445,585
Total Operating Revenues	<u>1,138,726</u>	<u>6,396,920</u>	<u>7,535,646</u>
OPERATING EXPENSES			
Operations	7,345,539	6,520,212	13,865,751
Administration	1,020,919	1,269,765	2,290,684
Depreciation and amortization	<u>1,528,899</u>	<u>69,686</u>	<u>1,598,585</u>
Total Operating Expenses	<u>9,895,357</u>	<u>7,859,663</u>	<u>17,755,020</u>
Operating Income (Loss)	<u>(8,756,631)</u>	<u>(1,462,743)</u>	<u>(10,219,374)</u>
NON-OPERATING REVENUES (EXPENSES):			
Interest and rents revenue	104,120	2,742	106,862
Interest and fiscal charges (expenses)	-	(6,515)	(6,515)
Subventions and grants	11,883,034	425,789	12,308,823
Gain (loss) from sale of property	<u>(3,592)</u>	<u>-</u>	<u>(3,592)</u>
Total Nonoperating Revenues (Expenses)	<u>11,983,562</u>	<u>422,016</u>	<u>12,405,578</u>
Income (Loss) Before Contributions and Transfers	3,226,931	(1,040,727)	2,186,204
Capital contributions from developers and governmental activities	1,024,443	90,388	1,114,831
Transfer in	131,212	-	131,212
Transfer out	<u>(2,122,131)</u>	<u>(254,722)</u>	<u>(2,376,853)</u>
Change in net position	2,260,455	(1,205,061)	1,055,394
TOTAL NET POSITION (DEFICIT) - BEGINNING	<u>17,243,575</u>	<u>(7,153,074)</u>	<u>10,090,501</u>
TOTAL NET POSITION (DEFICIT) - ENDING	<u>\$ 19,504,030</u>	<u>\$ (8,358,135)</u>	<u>\$ 11,145,895</u>

CITY OF ROSEVILLE, CALIFORNIA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Local Transportation</u>	<u>School-Age Child Care</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 902,911	\$ 6,169,425	\$ 7,072,336
Payments to suppliers	(6,939,598)	(5,485,574)	(12,425,172)
Payments to employees	(1,374,726)	(1,012,002)	(2,386,728)
Other receipts	207,684	241,605	449,289
Net Cash provided by/(used for) Operating Activities	<u>(7,203,729)</u>	<u>(86,546)</u>	<u>(7,290,275)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Subventions and grants	6,108,635	478,653	6,587,288
Interest paid	-	(13,870)	(13,870)
Payments to other funds for long-term cash borrowings	-	(40,000)	(40,000)
Transfers in	131,212	300,000	431,212
Transfers out	<u>(2,122,131)</u>	<u>(254,722)</u>	<u>(2,376,853)</u>
Net cash provided by/(used for) Noncapital Financing Activities	<u>4,117,716</u>	<u>470,061</u>	<u>4,587,777</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(4,326,378)	-	(4,326,378)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and rents received	<u>118,935</u>	<u>2,742</u>	<u>121,677</u>
Net increase (decrease) in cash and cash equivalents	(7,293,456)	386,257	(6,907,199)
Cash and investments at beginning of period	<u>12,910,620</u>	<u>646,488</u>	<u>13,557,108</u>
Cash and investments at end of period	<u>\$ 5,617,164</u>	<u>\$ 1,032,745</u>	<u>\$ 6,649,909</u>
Reconciliation of Operating Income (Loss)			
to Net Cash provided by/(used for) Operating Activities:			
Operating Income (Loss)	\$ (8,756,631)	\$ (1,462,743)	\$ (10,219,374)
Adjustments to Reconcile Operating Income			
to Net Cash Provided by Operating Activities:			
Depreciation and amortization	1,528,899	69,686	1,598,585
OPEB expense	18,000	1,101,278	1,119,278
Pension expense	277,058	155,000	432,058
Change in Assets and Liabilities:			
Receivables, Net	(6,732)	4,940	(1,792)
Accounts payable and other liabilities	<u>(264,323)</u>	<u>45,293</u>	<u>(219,030)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (7,203,729)</u>	<u>\$ (86,546)</u>	<u>\$ (7,290,275)</u>
NON-CASH TRANSACTIONS:			
Capital assets transferred from governmental activities		<u>\$ 90,338</u>	<u>\$ 90,338</u>

INTERNAL SERVICE FUNDS

Internal Service Funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

Financial reporting standards require that for the Statement of Activities, the net revenues or expenses of each internal service fund be eliminated by netting them against the operations of the other City departments which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Position.

However, internal service funds are still presented separately in the Fund financial statements, including the funds below.

Automotive Fund. To account for the maintenance and replacement of vehicles used by City departments. Funds are received by means of a rental fee charged to the various departments.

Facilities Fund. To account for building maintenance and custodial services for City departments.

Information Technology Fund. To account for the City's IT infrastructure and related support services.

General Equipment Replacement Fund. To account for the replacement of equipment for City departments.

Post Retirement Fund. To account for the contributions and benefits paid in relation to accrued employee retirement compensation.

Workers' Compensation Fund. To account for the City's self-insurance program for Workers' Compensation benefits and for the administration of various preventative programs.

General Liability Fund. To account for the cost of claims and administrative costs of the City's self-insured general liability program.

Unemployment Reserve Fund. To account for State and Federal mandated unemployment insurance benefits for employees.

Vision Fund. To account for the City's insurance program for Vision benefits.

Dental Fund. To account for the City's insurance program for Dental benefits.

Section 125 Fund. To account for the assets and liabilities of the employer's flexible benefits plan established under Internal Revenue Code Section 125.

CITY OF ROSEVILLE, CALIFORNIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2018

	Automotive	Facilities	Information Technology	General Equipment Replacement
ASSETS				
Current Assets:				
Cash and Investments in City Treasury	\$ 29,508,321	\$ 1,657,624	\$ 1,194,886	\$ 926,778
Receivables:				
Accounts	19,145	8	-	-
Accrued interest	2,405,283	4,137	3,012	1,707
Due from other government agencies	17,429	-	-	-
Due from other funds	217,565	-	-	-
Prepays	-	-	175,104	-
Notes receivable	663,361	-	-	-
Inventories	833,980	180,201	-	-
Total Current Assets	33,665,084	1,841,970	1,373,002	928,485
Non Current Assets:				
Advances to other funds	3,490,525	-	-	-
Capital assets:				
Construction in progress	1,542,921	-	543,454	-
Capital assets being depreciated, net	14,501,201	113,787,610	1,796,737	-
Total Assets	53,199,731	115,629,580	3,713,193	928,485
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred outflows related to pensions	1,146,182	2,295,791	9,530,891	-
LIABILITIES				
Current Liabilities:				
Accounts payable	196,014	272,425	104,041	66,722
Accrued liabilities	41,558	10,200	6,330	-
Compensated Absences	102,180	61,099	368,033	-
Self-insurance claims payable	-	-	-	-
Total Current Liabilities	339,752	343,724	478,404	66,722
Non-Current Liabilities:				
Compensated absences	208,900	207,234	792,519	-
Net OPEB liability	-	-	-	-
Self-insurance claims payable	-	-	-	-
Net pension liability	4,553,822	2,987,738	12,403,486	-
Total Liabilities	5,102,474	3,538,696	13,674,409	66,722
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflows related to pensions	155,783	63,312	262,838	-
NET POSITION				
Net investment in capital assets	16,044,122	113,787,610	2,340,191	-
Unrestricted	33,043,534	535,753	(3,033,354)	861,763
TOTAL NET POSITION (DEFICIT)	\$ 49,087,656	\$ 114,323,363	\$ (693,163)	\$ 861,763

Self Insurance Funds							
Post Retirement	Worker's Compensation	General Liability	Unemployment Reserve	Vision	Dental	Section 125	Total
\$ 653,858	\$ 12,126,424	\$ 5,100,291	\$ 1,036,698	\$ 286,500	\$ 735,930	\$ 91,887	\$ 53,319,197
-	2,506	18,700	-	-	-	-	40,359
-	63,287	21,508	4,679	1,454	3,648	360	2,509,075
-	-	-	-	-	-	-	17,429
-	-	-	-	-	-	-	217,565
-	-	-	-	-	169,800	63,263	408,167
-	-	-	-	-	-	-	663,361
-	-	-	-	-	-	-	1,014,181
653,858	12,192,217	5,140,499	1,041,377	287,954	909,378	155,510	58,189,334
-	-	-	-	-	-	-	3,490,525
-	-	-	-	-	-	-	2,086,375
-	-	-	-	-	-	-	130,085,548
653,858	12,192,217	5,140,499	1,041,377	287,954	909,378	155,510	193,851,782
-	182,159	69,395	-	-	-	-	13,224,418
-	-	34,231	47,085	-	112,710	14,073	847,301
-	5,931	4,140	-	-	-	-	68,159
-	20,468	13,493	-	-	-	-	565,273
-	1,473,233	491,192	-	-	-	-	1,964,425
-	1,499,632	543,056	47,085	-	112,710	14,073	3,445,158
-	35,211	30,766	-	-	-	-	1,274,630
-	-	-	-	-	-	-	-
-	6,711,393	1,964,769	-	-	-	-	8,676,162
-	582,290	389,052	-	-	-	-	20,916,388
-	8,828,526	2,927,643	47,085	-	112,710	14,073	34,312,338
-	13,190	37,085	-	-	-	-	532,208
-	-	-	-	-	-	-	132,171,923
653,858	3,532,660	2,245,166	994,292	287,954	796,668	141,437	40,059,731
\$ 653,858	\$ 3,532,660	\$ 2,245,166	\$ 994,292	\$ 287,954	\$ 796,668	\$ 141,437	\$ 172,231,654

CITY OF ROSEVILLE, CALIFORNIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

	Automotive	Facilities	Information Technology	General Equipment Replacement
OPERATING REVENUES				
Charges for services	\$ 13,437,282	\$ 4,805,122	\$ 9,567,276	\$ 149,584
Total Operating Revenues	13,437,282	4,805,122	9,567,276	149,584
OPERATING EXPENSES				
Operations and maintenance	7,532,543	5,600,473	12,302,712	161,759
Depreciation and amortization	4,207,562	3,568,960	351,846	-
Claims expense	-	-	-	-
Total Operating Expenses	11,740,105	9,169,433	12,654,558	161,759
Operating Income (Loss)	1,697,177	(4,364,311)	(3,087,282)	(12,175)
NON-OPERATING REVENUE (EXPENSES)				
Interest and rents revenue	137,906	(11,919)	(7,248)	(5,844)
Gain (loss) on disposal	264,694	(15,429)	-	-
Total Non-Operating Revenue	402,600	(27,348)	(7,248)	(5,844)
Income (Loss) Before Contributions and transfers	2,099,777	(4,391,659)	(3,094,530)	(18,019)
Transfers In	134,826	1,571,423	1,314,156	879,782
Transfers Out	(365,184)	(10,797)	(10,182)	-
Changes in Net Position	1,869,419	(2,831,033)	(1,790,556)	861,763
NET POSITION (DEFICIT) - BEGINNING, AS RESTATED	47,218,237	117,154,396	1,097,393	-
NET POSITION - ENDING	\$ 49,087,656	\$ 114,323,363	\$ (693,163)	\$ 861,763

Self Insurance Funds							
Post Retirement	Worker's Compensation	General Liability	Unemployment Reserve	Vision	Dental	Section 125	Total
\$ 5,282,818	\$ 3,998,015	\$ 2,783,004	\$ 250,606	\$ 159,439	\$ 1,484,140	\$ 420,922	\$ 42,338,208
5,282,818	3,998,015	2,783,004	250,606	159,439	1,484,140	420,922	42,338,208
14,620,323	3,870,473	1,640,806	169,168	162,670	137,571	724	46,199,222
-	-	-	-	-	-	-	8,128,368
-	1,213,857	1,280,324	-	-	1,333,320	400,359	4,227,860
14,620,323	5,084,330	2,921,130	169,168	162,670	1,470,891	401,083	58,555,450
(9,337,505)	(1,086,315)	(138,126)	81,438	(3,231)	13,249	19,839	(16,217,242)
6,490	17,605	7,362	1,767	615	959	-	147,693
-	-	-	-	-	-	-	249,265
6,490	17,605	7,362	1,767	615	959	-	396,958
(9,331,015)	(1,068,710)	(130,764)	83,205	(2,616)	14,208	19,839	(15,820,284)
8,803,338	-	-	-	-	-	-	12,703,525
-	(15,763)	(27,799)	-	-	-	-	(429,725)
(527,677)	(1,084,473)	(158,563)	83,205	(2,616)	14,208	19,839	(3,546,484)
1,181,535	4,617,133	2,403,729	911,087	290,570	782,460	121,598	175,778,138
\$ 653,858	\$ 3,532,660	\$ 2,245,166	\$ 994,292	\$ 287,954	\$ 796,668	\$ 141,437	\$ 172,231,654

CITY OF ROSEVILLE, CALIFORNIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	Automotive	Facilities	Information Technology	General Equipment Replacement
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 13,460,744	\$ 4,805,114	\$ 9,567,276	\$ 149,584
Payments to suppliers	(4,696,666)	(3,281,700)	(3,177,104)	(95,037)
Payments to employees	(1,789,016)	(1,410,359)	(5,662,573)	-
Payments to OPEB trust	-	-	-	-
Claims paid	-	-	-	-
Other receipts (payments)	-	-	-	-
Net Cash Provided by (Used for) Operating Activities	<u>6,975,062</u>	<u>113,055</u>	<u>727,599</u>	<u>54,547</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Payments from other governmental agencies	(9,173)	-	-	-
Receipt of payments on notes receivables	663,361	-	(175,104)	-
Increase (decrease) in due to other funds	(453,015)	-	-	-
Increase (decrease) in advances to other funds	(99,654)	-	-	-
Transfers in	134,826	1,571,423	1,314,156	879,782
Transfers out	<u>(365,184)</u>	<u>(10,798)</u>	<u>(10,182)</u>	<u>-</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>(128,839)</u>	<u>1,560,625</u>	<u>1,128,870</u>	<u>879,782</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets, net	<u>(2,670,181)</u>	<u>-</u>	<u>(651,323)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received (paid)	<u>101,811</u>	<u>(16,056)</u>	<u>(10,260)</u>	<u>(7,551)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	4,277,853	1,657,624	1,194,886	926,778
Cash and Investments at Beginning of Period	<u>25,230,468</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Investments at End of Period	<u>\$ 29,508,321</u>	<u>\$ 1,657,624</u>	<u>\$ 1,194,886</u>	<u>\$ 926,778</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Operating Income (Loss)	\$ 1,697,177	\$ (4,364,311)	\$ (3,087,282)	\$ (12,175)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	4,207,562	3,568,960	351,846	-
Pension expense	328,547	755,259	3,135,433	-
Change in Assets and Liabilities:				
Receivables, Net	23,462	-	-	-
Prepays	982,604	-	-	-
Inventories	(53,220)	(180,209)	-	-
Accounts payable and other liabilities	<u>(211,070)</u>	<u>333,356</u>	<u>327,602</u>	<u>66,722</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 6,975,062</u>	<u>\$ 113,055</u>	<u>\$ 727,599</u>	<u>\$ 54,547</u>

Self Insurance Funds							
Post Retirement	Worker's Compensation	General Liability	Unemployment Reserve	Vision	Dental	Section 125	Total
\$ 5,282,818	\$ 3,997,732	\$ 2,765,297	\$ 250,606	\$ 159,439	\$ 3,406	\$ 2,696	\$ 40,444,712
-	(155)	-	(122,083)	-	-	-	(11,372,745)
-	(182,234)	(971,158)	-	-	(1,333,320)	(400,359)	(11,749,019)
(14,620,323)	-	-	-	-	-	-	(14,620,323)
-	(3,610,454)	(1,655,809)	-	(162,670)	(162,278)	-	(5,591,211)
-	-	-	-	-	1,484,140	420,922	1,905,062
<u>(9,337,505)</u>	<u>204,889</u>	<u>138,330</u>	<u>128,523</u>	<u>(3,231)</u>	<u>(8,052)</u>	<u>23,259</u>	<u>(983,524)</u>
-	-	-	-	1,170	-	-	(8,003)
-	-	-	-	-	-	-	488,257
-	-	-	-	-	-	-	(453,015)
-	-	-	-	-	-	-	(99,654)
8,803,338	-	-	-	-	-	-	12,703,525
-	(15,763)	(27,799)	-	-	-	-	(429,726)
<u>8,803,338</u>	<u>(15,763)</u>	<u>(27,799)</u>	<u>-</u>	<u>1,170</u>	<u>-</u>	<u>-</u>	<u>12,201,384</u>
-	-	-	-	-	-	-	(3,321,504)
<u>8,680</u>	<u>1,292</u>	<u>3,551</u>	<u>864</u>	<u>(490)</u>	<u>100</u>	<u>(141)</u>	<u>81,800</u>
(525,487)	190,418	114,082	129,387	(2,551)	(7,952)	23,118	7,978,156
<u>1,179,345</u>	<u>11,936,006</u>	<u>4,986,209</u>	<u>907,311</u>	<u>289,051</u>	<u>743,882</u>	<u>68,769</u>	<u>45,341,041</u>
<u>\$ 653,858</u>	<u>\$ 12,126,424</u>	<u>\$ 5,100,291</u>	<u>\$ 1,036,698</u>	<u>\$ 286,500</u>	<u>\$ 735,930</u>	<u>\$ 91,887</u>	<u>\$ 53,319,197</u>
\$ (9,337,505)	\$ (1,086,315)	\$ (138,126)	\$ 81,438	\$ (3,231)	\$ 13,249	\$ 19,839	\$ (16,217,242)
-	-	-	-	-	-	-	8,128,368
-	55,229	16,091	-	-	-	-	4,290,559
-	(283)	(17,707)	-	-	3,406	208	9,086
-	-	-	-	-	-	-	982,604
-	-	-	-	-	-	-	(233,429)
-	1,236,258	278,072	47,085	-	(24,707)	3,212	2,056,530
<u>\$ (9,337,505)</u>	<u>\$ 204,889</u>	<u>\$ 138,330</u>	<u>\$ 128,523</u>	<u>\$ (3,231)</u>	<u>\$ (8,052)</u>	<u>\$ 23,259</u>	<u>\$ (983,524)</u>

PRIVATE-PURPOSE TRUST FUNDS

Private-Purpose Trust funds are used to account for trust arrangements under which principal and income benefit private organizations or other governments.

Endowment Private-Purpose Trust Fund. To account for trust arrangements under which principal and income benefit private organizations.

Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund. Established to account for the activities of the Successor Agency to the former Redevelopment Agency of the City of Roseville.

CITY OF ROSEVILLE, CALIFORNIA
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018

	Endowment Private-Purpose Trust	Successor Agency to the Redevelopment Agency Private-Purpose Trust	Total
ASSETS:			
Cash and investments in Treasury	\$ 1,857,793	\$ 3,500,949	\$ 5,358,742
Restricted cash and investments with fiscal agents	-	241,540	241,540
Accrued interest receivable	9,877	561,740	571,617
Notes receivable	-	4,152,359	4,152,359
Capital assets:			
Land	-	74,369	74,369
Total Assets	<u>1,867,670</u>	<u>8,530,957</u>	<u>10,398,627</u>
LIABILITIES:			
Accounts payable	-	5	5
Accrued liabilities	-	937,652	937,652
Long-term liabilities:			
Due in one year	-	2,036,284	2,036,284
Due in more than one year	-	48,505,724	48,505,724
Total Liabilities	<u>-</u>	<u>51,479,665</u>	<u>51,479,665</u>
NET POSITION (DEFICIT)			
Held in trust for private purposes or for other governments	<u>\$ 1,867,670</u>	<u>\$ (42,948,708)</u>	<u>\$ (41,081,038)</u>

CITY OF ROSEVILLE, CALIFORNIA
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

	Endowment Private-Purpose Trust	Successor Agency to the Redevelopment Agency Private-Purpose Trust	Total
ADDITIONS			
Property taxes	\$ -	\$ 3,377,428	\$ 3,377,428
Investment income	2,212	153,629	155,841
Total Additions	2,212	3,531,057	3,533,269
DEDUCTIONS			
General government	25,684	-	25,684
Community services	-	169,006	169,006
Debt service:			
Interest and fiscal charges	-	3,301,530	3,301,530
Total Liabilities	25,684	3,470,536	3,496,220
Change in net position	(23,472)	60,521	37,049
NET POSITION (DEFICIT) - BEGINNING	1,891,142	(43,009,229)	(41,118,087)
NET POSITION (DEFICIT) - ENDING	\$ 1,867,670	\$ (42,948,708)	\$ (41,081,038)

AGENCY FUNDS

Agency Funds account for assets held by the City as an agent for individuals, governmental entities, and non-public organizations. These funds include the following:

Special Assessments/Community Services Districts (CSDs)

These funds account for the monies collected and disbursed for land-based debt, where the City is not obligated for the debt.

Payroll Revolving Fund

This fund accounts for the payroll deductions and contributions that are held in transit.

Highway 65 JPA (Bizz Johnson JPA)

This JPA, which consists of the City, City of Rocklin and Placer County, was formed to fund interchanges off of Highway 65. The City acts as lead agency and treasurer. The fees are collected via building permits.

Dry Creek Drainage Basin

Fees are collected via building permits for the Dry Creek area and submitted quarterly to Placer County for drainage mitigation.

County Capital Facilities Fee

This fee was established by the County to fund future county capital facilities from development. It is collected via building permits and submitted quarterly to the County.

South Placer Wastewater Authority (SPWA)

SPWA is a Joint Powers Authority comprised of the City, Placer County and South Placer Public Utilities District. The City is acting as the treasurer and construction manager. This JPA was formed to issue debt to facilitate the construction of the regional wastewater infrastructure. The agencies collect regional wastewater connection fees and submit them to SPWA which is used for debt service payments and for the future expansion of facilities.

Special Sewer Benefit Area #3

This Sewer Special Benefit Area was established to reimburse from properties benefiting from certain sewer infrastructure and oversized pipelines in the northeast portion of the City. The reimbursements are made to various project participants.

Special Sewer Benefit Area #4

This Sewer Special Benefit Area was established to reimburse from properties benefiting from certain sewer infrastructure and oversized pipelines in the southeast portion of the City. The reimbursements are made to Southfork Partnership.

AGENCY FUNDS (CONTINUED)

South Placer County Tourism Business Improvement District (SPCTBID)

All hotels in the region are assessed fees for the purpose of promoting tourism in the area. These fees are forwarded to the City quarterly and then submitted quarterly to the SPCTBID.

South Placer County Safe Kids Coalition

The fees are collected for and submitted to an organization in Placer County for child safety programs.

South Placer Regional Traffic Fee

This fee is collected via building permits and submitted quarterly to Placer County Transportation Authority to fund regional traffic mitigation.

Placer County Traffic Mitigation Fund (TMF)

The fee is collected via building permits and submitted quarterly to Placer County to fund regional traffic mitigation due to new development.

Placer County Air Pollution Control Fund

The fee is collected to contribute towards construction of a future animal shelter in South Placer County.

Sierra College Boulevard Fund

To account for contributions to provide maintenance of bike trails and open space.

Special Assessment Collection Fees

To account for fees collected for Placer County's administration of the City's Special Assessments.

WRSP Reimbursements

To account for developer reimbursements in the West Roseville Specific Plan.

Sierra Vista Reimbursements

To account for developer reimbursements in the Sierra Vista Specific Plan.

HP Campus Oaks Reimbursements

To account for developer reimbursements in the HP Campus Oaks Specific Plan

Downtown Roseville PBID

To account for fees collected for the benefit of downtown Roseville.

CITY OF ROSEVILLE, CALIFORNIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018
Special Assessments and Community Services Districts				
Cash and investments in City Treasury	\$ 21,103,851	\$ 23,350,058	\$ 21,103,851	\$ 23,350,058
Restricted cash and investments with fiscal agents	27,926,654	20,486,773	27,926,654	20,486,773
Taxes receivable	853,442	12,821,177	853,442	12,821,177
Accrued interest receivable	72,676	91,615	72,676	91,615
Due from other government agencies	-	199,122	-	199,122
Total Assets	\$ 49,956,623	\$ 56,948,745	\$ 49,956,623	\$ 56,948,745
Accounts payable	\$ 633	\$ 2,549	\$ 633	\$ 2,549
Accrued Liabilities	279,166	4,871	279,166	4,871
Due to others	-	27,948	-	27,948
Due to bondholders	49,676,824	56,913,377	49,676,824	56,913,377
Total Liabilities	\$ 49,956,623	\$ 56,948,745	\$ 49,956,623	\$ 56,948,745
Payroll Revolving				
Cash and investments in City Treasury	\$ 2,659,257	\$ 2,131,367	\$ 2,659,257	\$ 2,131,367
Accounts payable	\$ 2,659,257	\$ 2,131,367	\$ 2,659,257	\$ 2,131,367
Highway 65 JPA				
Cash and investments in City Treasury	\$ 3,016,620	\$ 4,291,903	\$ 3,016,620	\$ 4,291,903
Accrued interest receivable	11,738	18,997	11,738	18,997
Due from other government agencies	182,754	134,300	182,754	134,300
Total Assets	\$ 3,211,112	\$ 4,445,200	\$ 3,211,112	\$ 4,445,200
Accounts payable	\$ -	149,588	\$ -	\$ 149,588
Due to member agencies	3,211,112	4,295,612	3,211,112	4,295,612
Total Liabilities	\$ 3,211,112	\$ 4,445,200	\$ 3,211,112	\$ 4,445,200
Dry Creek Drainage Basin				
Cash and investments in City Treasury	\$ 69,941	\$ 20,343	\$ 69,941	\$ 20,343
Accrued interest receivable	158	150	158	150
Total Assets	\$ 70,099	\$ 20,493	\$ 70,099	\$ 20,493
Accounts payable		\$ 20,493	\$ -	\$ 20,493
Due to others	\$ 70,099	-	70,099	-
Total Liabilities	\$ 70,099	\$ 20,493	\$ 70,099	\$ 20,493

(Continued)

CITY OF ROSEVILLE, CALIFORNIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018
County Capital Facilities Fee				
Cash and investments in City Treasury	\$ 1,429,018	\$ 478,479	\$ 1,429,018	\$ 478,479
Accounts receivable	3,948	2,132	3,948	2,132
Accrued interest receivable	1,797	2,847	1,797	2,847
Total Assets	<u>\$ 1,434,763</u>	<u>\$ 483,458</u>	<u>\$ 1,434,763</u>	<u>\$ 483,458</u>
Accounts payable	<u>\$ 1,434,763</u>	<u>\$ 483,458</u>	<u>\$ 1,434,763</u>	<u>\$ 483,458</u>
South Placer Wastewater Authority				
Cash and investments in City Treasury	\$ 111,927,142	\$ 119,739,998	\$ 111,927,142	\$ 119,739,998
Restricted cash and investments with fiscal agents	8,280,012	38,286,793	8,280,012	38,286,793
Accounts receivable	2,534,030	973	2,534,030	973
Accrued interest receivable	411,785	511,219	411,785	511,219
Due from other government agencies	-	556,137	-	556,137
Total Assets	<u>\$ 123,152,969</u>	<u>\$ 159,095,120</u>	<u>\$ 123,152,969</u>	<u>\$ 159,095,120</u>
Accounts payable	\$ 582,480	\$ 579,310	\$ 582,480	\$ 579,310
Accrued liabilities	593,026	846,276	593,026	846,276
Due to member agencies	121,977,463	157,669,534	121,977,463	157,669,534
Total Liabilities	<u>\$ 123,152,969</u>	<u>\$ 159,095,120</u>	<u>\$ 123,152,969</u>	<u>\$ 159,095,120</u>
Special Sewer Benefit Area #3				
Cash and investments in City Treasury	\$ 1,829	\$ 1,804	\$ 1,829	\$ 1,804
Accrued interest receivable	-	9	-	9
Total Assets	<u>\$ 1,829</u>	<u>\$ 1,813</u>	<u>\$ 1,829</u>	<u>\$ 1,813</u>
Due to others	<u>\$ 1,829</u>	<u>\$ 1,813</u>	<u>\$ 1,829</u>	<u>\$ 1,813</u>
Special Sewer Benefit Area #4				
Cash and investments in City Treasury	\$ 186,611	\$ 186,852	\$ 186,611	\$ 186,852
Accrued interest receivable	766	947	766	947
Total Assets	<u>\$ 187,377</u>	<u>\$ 187,799</u>	<u>\$ 187,377</u>	<u>\$ 187,799</u>
Due to others	<u>\$ 187,377</u>	<u>\$ 187,799</u>	<u>\$ 187,377</u>	<u>\$ 187,799</u>
South Placer County Tourism Business Improvement District (SPCTBID)				
Cash and investments in City Treasury	\$ 20,586	\$ 20,064	\$ 20,586	\$ 20,064
Accounts Receivable	1,040,242	1,104,799	1,040,242	1,104,799
Accrued interest receivable	779	1,257	779	1,257
Total Assets	<u>\$ 1,061,607</u>	<u>\$ 1,126,120</u>	<u>\$ 1,061,607</u>	<u>\$ 1,126,120</u>
Accounts payable	\$ 1,061,607	\$ 788,460	\$ 1,061,607	\$ 788,460
Due to others	-	337,660	-	337,660
Total Liabilities	<u>\$ 1,061,607</u>	<u>\$ 1,126,120</u>	<u>\$ 1,061,607</u>	<u>\$ 1,126,120</u>

(Continued)

CITY OF ROSEVILLE, CALIFORNIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018
South Placer County Safe Kids Coalition				
Cash and investments in City Treasury	\$ 4,269	\$ 4,274	\$ 4,269	\$ 4,274
Accrued interest receivable	18	22	18	22
Total Assets	\$ 4,287	\$ 4,296	\$ 4,287	\$ 4,296
Due to others	\$ 4,287	\$ 4,296	\$ 4,287	\$ 4,296
South Placer Regional Traffic Fee				
Cash and investments in City Treasury	\$ 1,252,086	\$ 373,101	\$ 1,252,086	\$ 373,101
Accounts Receivable	920,073	1,869,642	920,073	1,869,642
Accrued interest receivable	1,565	2,692	1,565	2,692
Total Assets	\$ 2,173,724	\$ 2,245,435	\$ 2,173,724	\$ 2,245,435
Accounts payable	\$ 1,257,088	\$ 501,227	\$ 1,257,088	\$ 501,227
Due to others	916,636	1,744,208	916,636	1,744,208
Total Liabilities	\$ 2,173,724	\$ 2,245,435	\$ 2,173,724	\$ 2,245,435
Placer County TMF				
Cash and investments in City Treasury	\$ 85,929	\$ 173,226	\$ 85,929	\$ 173,226
Due to others	\$ 85,929	\$ 173,226	\$ 85,929	\$ 173,226
Placer County Air Pollution Control				
Cash and investments in City Treasury	\$ 88,372	\$ 31,379	\$ 88,372	\$ 31,379
Due to others	\$ 88,372	\$ 31,379	\$ 88,372	\$ 31,379
Sierra College Boulevard				
Cash and investments in City Treasury	\$ 49,425	\$ 17,550	\$ 49,425	\$ 17,550
Due to others	\$ 49,425	\$ 17,550	\$ 49,425	\$ 17,550
Special Assessment Collection Fees				
Cash and investments in City Treasury	\$ 13,122	\$ -	\$ -	\$ 13,122
Due to other governmental agencies	\$ 13,122	\$ -	\$ -	\$ 13,122
Total Liabilities	13,122	-	-	13,122
WRSP Reimbursements				
Cash and investments in City Treasury	\$ 20,927	\$ 601,162	\$ 20,927	\$ 601,162
Accrued interest receivable	288	1,721	288	1,721
Total Assets	\$ 21,215	\$ 602,883	\$ 21,215	\$ 602,883
Due to others	\$ 9,433	\$ 602,883	\$ 9,433	\$ 602,883
Due to other governmental agencies	11,782	-	11,782	-
Total Liabilities	\$ 21,215	\$ 602,883	\$ 21,215	\$ 602,883

(Continued)

CITY OF ROSEVILLE, CALIFORNIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	June 30, 2017	Additions	Reductions	June 30, 2018
Sierra Vista Reimbursements				
Cash and investments in City Treasury	\$ 427,165	\$ 1,004,864	\$ 427,165	\$ 1,004,864
Accrued interest receivable	1,587	3,773	1,587	3,773
Total Assets	\$ 428,752	\$ 1,008,637	\$ 428,752	\$ 1,008,637
Due to others	\$ 212,750	\$ 1,008,637	\$ 212,750	\$ 1,008,637
Due to other governmental agencies	216,002	-	216,002	-
Total Liabilities	\$ 428,752	\$ 1,008,637	\$ 428,752	\$ 1,008,637
HP Campus Oaks reimbursements				
Cash and investments in City Treasury	\$ 128,481	\$ 219	\$ 128,481	\$ 219
Accrued interest receivable	3	100	3	100
Total Assets	\$ 128,484	\$ 319	\$ 128,484	\$ 319
Due to bondholders	\$ 128,484	\$ 319	\$ 128,484	\$ 319
Downtown Roseville PBID				
Cash and investments in City Treasury	\$ 101,845	\$ 95,707	\$ 101,845	\$ 95,707
Due from other government agencies	-	3,468	-	3,468
Taxes receivable	7,437	7,437	7,437	7,437
Total Assets	\$ 109,282	\$ 106,612	\$ 109,282	\$ 106,612
Due to others	\$ 109,282	\$ 106,612	\$ 109,282	\$ 106,612
Total Agency Funds				
Cash and investments in City Treasury	\$ 142,586,476	\$ 152,522,350	\$ 142,573,354	\$ 152,535,472
Restricted cash and investments with fiscal agents	36,206,666	58,773,566	36,206,666	58,773,566
Accounts receivable	4,498,293	2,977,546	4,498,293	2,977,546
Taxes receivable	860,879	12,828,614	860,879	12,828,614
Accrued interest receivable	503,159	635,349	503,160	635,348
Due from other government agencies	182,754	893,027	182,754	893,027
Total Assets	\$ 184,838,227	\$ 228,630,452	\$ 184,825,106	\$ 228,643,573
Accounts payable	\$ 6,995,827	\$ 4,656,452	\$ 6,995,828	\$ 4,656,451
Accrued liabilities	872,192	851,147	872,192	851,147
Due to other governmental agencies	240,906	-	227,784	13,122
Due to member agencies	125,188,575	161,965,146	125,188,575	161,965,146
Due to bondholders	49,805,308	56,913,696	49,805,308	56,913,696
Due to others	1,735,419	4,244,011	1,735,419	4,244,011
Total Liabilities	\$ 184,838,227	\$ 228,630,452	\$ 184,825,106	\$ 228,643,573

STATISTICAL SECTION

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time:

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balance of Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax and electric revenue:

1. Sales Tax Revenue
2. Assessed Value and Estimated Value of Taxable Property
3. Property Tax Rates, All Direct and Overlapping Governments
4. Principal Property Tax Payers
5. Property Tax Levies and Collections
6. Electric Customers and Revenues
7. Residential Energy Prices
8. Business Energy Prices

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

1. Ratio of Outstanding Debt by Type
2. Revenue Bond Coverage – 2011 Refunding Fixed Rate Wastewater Revenue Bonds – Series C
Revenue Bond Coverage – 2013 Refunding Variable Rate Wastewater Revenue Bonds
3. Revenue Bond Coverage – 2017 Wastewater Revenue Refunding Bonds
4. Bonded Debt Pledged Revenue Coverage – 2014 Redevelopment Tax Allocation Bonds
5. Bonded Debt Pledged Revenue Coverage – 2016 Redevelopment Tax Allocation Bonds
6. Computation of Direct and Overlapping Debt
7. Computation of Legal Bonded Debt Margin

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

1. Demographic and Economic Statistics
2. Principal Employers

STATISTICAL SECTION (Continued)

Operating Information

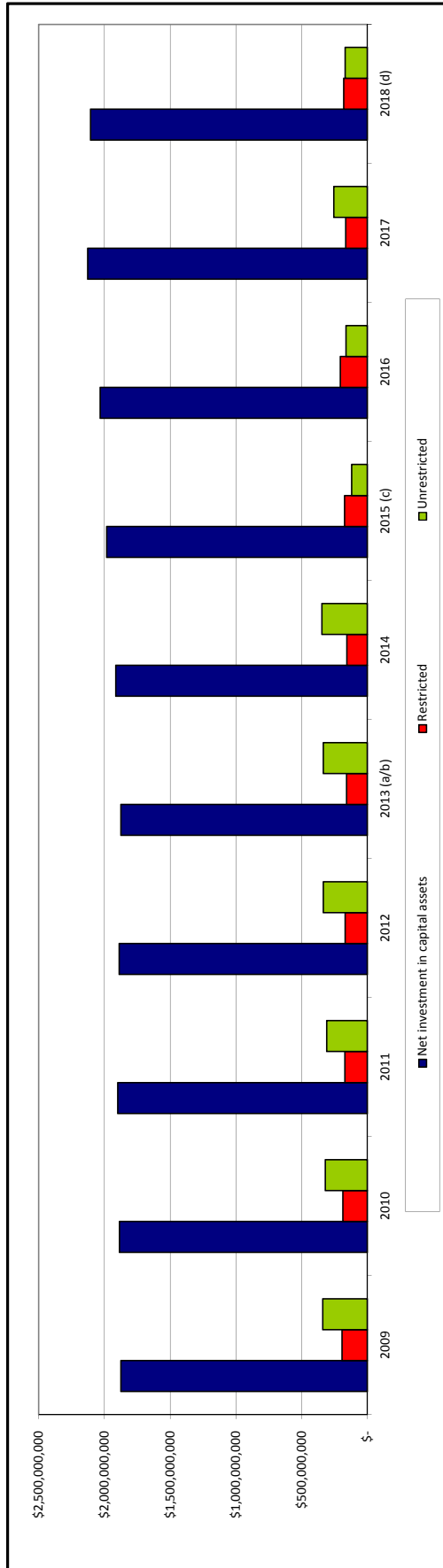
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

Sources

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

CITY OF ROSEVILLE
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)



	Fiscal Year Ended June 30,										
	2009	2010	2011	2012	2013 (a/b)	2014	2015 (c)	2016	2017	2018 (d)	
Governmental activities											
Net investment in capital assets	\$ 809,874,186	\$ 821,029,885	\$ 827,793,866	\$ 834,840,748	\$ 837,323,692	\$ 828,800,273	\$ 844,036,089	\$ 874,967,712	\$ 963,416,426	\$ 930,356,095	
Restricted	149,364,179	141,943,254	144,584,184	140,299,702	131,372,528	123,592,373	139,686,598	171,581,599	128,500,453	130,786,912	
Unrestricted	114,855,293	100,170,093	84,860,426	94,429,280	90,617,991	75,908,251	(94,115,158)	(93,575,847)	(42,897,806)	(125,570,328)	
Total governmental activities net position	\$ 1,074,093,658	\$ 1,063,143,232	\$ 1,057,238,476	\$ 1,069,569,730	\$ 1,059,314,211	\$ 1,028,300,897	\$ 889,607,529	\$ 952,973,464	\$ 1,049,019,073	\$ 935,572,679	
Business-type activities											
Net investment in capital assets	\$ 1,063,872,692	\$ 1,063,903,341	\$ 1,070,888,251	\$ 1,053,701,396	\$ 1,036,619,532	\$ 1,084,782,351	\$ 1,137,488,311	\$ 1,156,762,308	\$ 1,164,442,267	\$ 1,174,477,350	
Restricted	43,873,415	43,565,544	26,825,766	28,837,472	27,217,358	31,557,118	33,974,831	33,300,330	35,568,403	48,717,018	
Unrestricted	225,358,784	219,151,174	224,337,296	241,020,358	243,176,781	270,348,547	214,253,723	255,100,345	298,014,583	294,622,023	
Total business-type activities net position	\$ 1,333,104,891	\$ 1,326,620,059	\$ 1,322,051,313	\$ 1,323,559,226	\$ 1,307,013,671	\$ 1,386,688,016	\$ 1,385,716,865	\$ 1,445,162,983	\$ 1,498,025,253	\$ 1,517,816,391	
Primary government											
Net investment in capital assets	\$ 1,873,746,878	\$ 1,884,933,226	\$ 1,898,682,117	\$ 1,888,542,144	\$ 1,873,943,224	\$ 1,913,582,624	\$ 1,981,524,400	\$ 2,031,730,020	\$ 2,127,858,693	\$ 2,104,833,445	
Restricted	193,237,594	185,508,798	171,409,950	169,137,174	158,589,886	155,149,491	173,661,429	204,881,929	164,068,856	179,503,930	
Unrestricted	340,214,077	319,321,267	309,197,722	335,449,638	333,794,772	346,256,798	120,138,565	161,524,498	255,116,777	169,051,695	
Total primary government net position	\$ 2,407,198,549	\$ 2,389,763,291	\$ 2,379,289,789	\$ 2,393,128,956	\$ 2,366,327,882	\$ 2,414,988,913	\$ 2,275,324,594	\$ 2,398,136,447	\$ 2,547,044,326	\$ 2,453,389,070	

(a) The City implemented the provisions of GASB Statement 63 in fiscal year 2013, which replaced the term "net assets" with the term "net position."
(b) The City restated certain balances in fiscal year 2014; the statistics prior to 2014 have not been restated.
(c) The City implemented the provisions of GASB Statements 68 and 71 in fiscal year 2015; the statistics prior to 2015 have not been restated.
(d) The City implemented the provisions of GASB Statements 75 in fiscal year 2018 and restated certain balances.

CITY OF ROSEVILLE
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2009	2010	2011	2012	2013 (a)	2014	2015 (b)	2016	2017	2018 (c)
Expenses										
Governmental Activities:										
General Government	\$ 35,306,470	\$ 31,596,121	\$ 30,387,717	\$ 35,564,864	\$ 36,146,055	\$ 42,359,074	\$ 33,259,988	\$ 24,156,228	\$ 23,477,949	\$ 19,793,110
Development and Operations	16,399,001	20,004,902	13,441,264	11,625,120	6,070,940	14,194,087	20,677,108	21,661,632	22,387,337	25,227,066
Public Works	35,299,262	33,143,591	30,932,981	32,524,417	42,655,128	26,482,643	17,191,405	12,786,495	15,499,737	21,316,464
Police	36,257,952	34,190,552	31,720,789	32,462,454	33,163,354	34,443,258	33,815,163	34,215,809	27,989,234	46,653,023
Fire	27,405,634	27,543,494	25,191,924	25,282,596	26,611,217	28,183,501	28,710,164	28,336,652	21,870,763	38,336,937
Library	5,184,868	4,692,455	3,933,549	4,631,691	4,537,528	4,634,502	4,728,411	4,675,146	3,356,937	5,888,252
Parks and recreation	20,607,763	18,358,870	17,664,088	20,209,935	22,032,310	13,939,153	21,676,006	21,289,788	19,273,481	28,848,599
Housing assistance payments	3,530,527	3,628,510	3,643,394	4,232,695	4,049,279	3,658,070	4,046,250	4,077,451	4,216,417	4,248,895
Interest on long-term debt	5,847,054	7,131,216	3,181,266	999,436	1,181,294	740,975	543,336	1,170,785	4,796,427	4,796,427
Total Governmental Activities Expenses	\$ 185,838,531	\$ 180,289,711	\$ 160,096,972	\$ 166,333,208	\$ 176,540,105	\$ 168,835,263	\$ 164,647,830	\$ 152,369,986	\$ 142,357,184	\$ 195,110,830
Business-Type Activities:										
Electric	\$ 163,739,748	\$ 172,512,453	\$ 148,271,687	\$ 144,985,608	\$ 144,141,500	\$ 144,616,552	\$ 139,307,833	\$ 141,831,457	\$ 150,984,130	\$ 149,377,786
Water	21,842,893	23,025,281	22,235,757	24,311,517	24,569,405	25,300,949	25,123,587	26,723,627	30,074,999	32,296,706
Wastewater	28,512,359	29,169,860	29,516,033	34,587,583	33,820,0510	36,129,357	34,598,191	34,569,588	40,370,531	45,984,028
Solid Waste	14,914,734	15,172,092	14,979,891	15,855,280	16,173,643	16,173,470	17,028,218	17,778,385	18,307,460	22,628,907
Natural Gas	27,665,056	27,398,886	27,106,564	26,792,658	26,383,130	25,984,715	25,574,327	25,179,279	24,685,497	24,217,677
Golf Course	3,003,690	2,814,274	2,828,099	2,487,080	2,617,733	2,501,897	2,598,524	2,502,782	2,466,928	-
Local Transportation	6,221,260	7,084,490	6,609,048	6,727,985	7,909,058	7,482,689	8,918,391	7,985,912	8,195,699	9,895,357
School-age Child Care	4,649,458	4,258,304	4,277,245	4,461,275	4,691,235	4,496,871	3,664,376	5,251,976	5,794,022	7,866,178
Total Business-Type Activities Expenses	270,549,198	281,435,640	255,924,324	260,208,986	260,306,214	262,626,500	256,773,447	261,823,007	280,879,266	292,266,639
Total Primary Government Expenses	\$ 456,387,729	\$ 461,725,351	\$ 416,021,296	\$ 426,542,194	\$ 436,846,319	\$ 431,461,763	\$ 421,421,277	\$ 414,192,993	\$ 423,236,450	\$ 487,377,469
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 3,780,716	\$ 2,655,834	\$ 2,914,657	\$ 2,778,080	\$ 2,650,873	\$ 2,519,443	\$ 4,151,967	\$ 4,097,453	\$ 5,153,373	\$ 5,688,733
Development and Operations	1,903,124	2,704,794	2,564,206	1,983,989	1,691,318	7,131,093	9,016,571	8,941,215	10,370,206	12,440,599
Public Works	3,327,869	2,841,931	2,913,603	2,919,180	3,124,557	224,389	207,635	30,618	518,117	158,610
Police	2,346,230	2,088,346	1,525,433	1,319,271	1,504,357	1,541,641	1,384,407	1,354,837	1,322,994	1,473,504
Fire	1,362,379	1,185,742	1,203,109	1,009,954	821,543	1,326,015	1,505,539	1,704,523	2,377,309	2,138,165
Library	230,290	216,064	228,343	339,589	297,467	332,387	128,689	137,575	24,085	18,561
Parks and recreation	9,728,400	9,843,940	10,057,346	10,242,291	12,574,853	11,391,414	13,361,020	13,093,192	14,657,957	17,469,661
Operating Grants and Contributions	12,465,557	12,354,931	10,943,019	2,984,979	9,609,400	10,996,049	12,420,283	18,730,677	21,033,377	17,220,739
Capital Grants and Contributions	22,813,349	27,053,063	11,716,689	19,862,713	21,787,386	22,489,470	29,838,252	36,641,052	35,523,510	27,774,425
Total Government Activities Program Revenues	57,957,914	60,944,645	44,066,405	43,440,046	54,061,754	57,951,901	72,043,249	86,722,256	90,980,928	84,382,997
Business-Type Activities:										
Charges for Services:										
Electric	155,843,041	163,315,149	163,234,969	160,141,372	159,002,035	162,182,048	168,349,951	167,160,777	166,006,839	168,559,762
Water	17,765,674	17,473,099	17,967,074	19,954,068	22,899,867	23,212,495	23,511,499	22,960,518	27,983,419	31,624,951
Wastewater	27,087,117	24,961,516	30,472,704	28,088,503	27,693,272	30,386,896	31,786,319	34,411,404	39,000,990	37,426,508
Solid Waste	19,951,063	20,082,492	20,682,638	20,903,993	21,437,536	21,806,830	22,002,869	22,403,352	23,111,497	24,257,746
Natural Gas	16,528,513	16,557,517	16,528,513	16,563,722	16,530,605	16,529,666	16,528,513	16,572,034	16,528,513	16,528,513
Golf Course	2,953,223	2,801,963	2,415,983	2,702,741	2,460,509	2,392,702	2,386,188	2,216,692	1,931,550	-
Local Transportation	1,184,861	861,730	1,075,864	974,344	1,141,354	1,201,224	1,177,935	1,396,957	1,396,957	1,138,726
School-age Child Care	4,779,262	4,358,762	4,296,761	4,047,021	4,475,225	4,780,848	4,273,030	5,475,945	5,680,237	6,396,920
Operating Grants and Contributions	10,139,913	6,327,458	6,174,016	13,729,467	7,175,122	13,286,509	14,272,710	5,878,612	10,640,845	12,614,825
Capital Grants and Contributions	55,050,971	26,604,588	16,234,957	12,323,429	17,501,234	43,539,243	50,670,825	55,809,279	61,026,801	78,824,553
Total Business-Type Activities Program Revenue	311,283,638	283,344,274	278,956,407	279,428,660	280,251,269	319,270,591	334,983,128	334,066,548	353,307,648	377,372,504
Total Primary Government Program Revenues	\$ 369,241,552	\$ 344,288,919	\$ 323,022,812	\$ 322,868,706	\$ 334,313,023	\$ 377,222,492	\$ 407,026,377	\$ 420,788,804	\$ 444,288,576	\$ 461,755,501
Net (Expense)/Revenue										
Governmental Activities	\$ (127,880,617)	\$ (119,345,066)	\$ (116,030,567)	\$ (122,893,162)	\$ (122,478,351)	\$ (110,883,362)	\$ (92,604,581)	\$ (65,647,730)	\$ (51,376,256)	\$ (110,727,833)
Business-Type Activities	40,734,440	1,908,634	2,310,327	19,219,674	19,949,505	56,644,091	78,209,681	72,423,541	72,428,511	85,105,865
Total Primary Government Net Expense	\$ (87,146,177)	\$ (117,436,432)	\$ (92,998,484)	\$ (103,673,488)	\$ (102,528,846)	\$ (54,239,271)	\$ (14,394,900)	\$ 6,595,811	\$ 21,052,126	\$ (25,621,968)

(Continued)

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CITY OF ROSEVILLE
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)

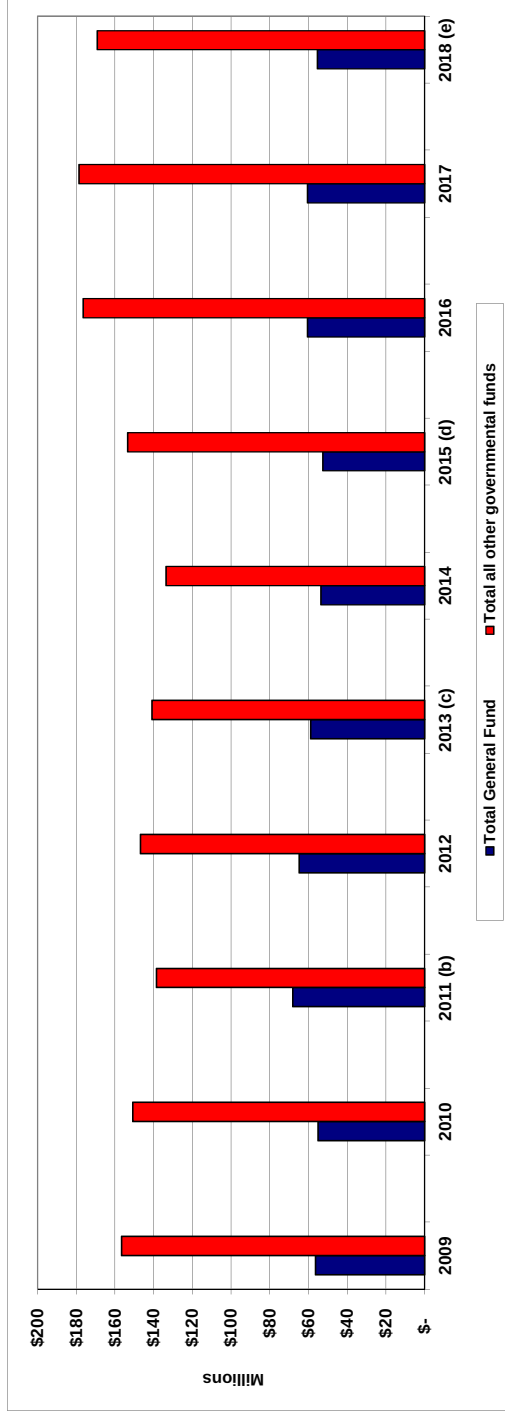
	2009	2010	2011	2012	2013 (a)	2014	2015 (b)	2016	2017	2018 (c)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property taxes	\$ 39,688,660	\$ 38,102,029	\$ 34,721,253	\$ 31,758,352	\$ 31,075,967	\$ 31,930,656	\$ 34,728,281	\$ 37,998,872	\$ 40,689,765	\$ 44,646,475
Sales taxes	36,024,500	32,139,544	37,332,222	38,129,931	43,002,643	46,591,961	48,094,824	52,993,394	51,646,625	50,710,102
Franchise taxes	930,003	1,615,166	1,735,495	1,822,869	1,874,700	2,037,189	2,057,707	2,168,413	2,310,192	2,363,377
Transient occupancy tax		-	-	-	-	-	-	-	-	3,534,479
Motor fuel taxes	1,855,462	2,909,176	-	-	-	-	-	-	-	-
Motor vehicle in lieu (Intergovernmental- unrestricted)	373,495	332,224	523,609	122,230	-	-	-	-	-	-
Other Taxes	2,974,201	2,779,885	2,936,778	6,626,071	6,465,560	7,465,472	7,186,709	7,745,155	7,104,703	4,854,967
Use of money and property	14,048,619	4,737,938	3,645,241	3,243,932	533,505	2,414,976	1,763,604	3,058,420	674,516	2,008,801
Miscellaneous revenues	4,568,055	1,934,366	1,089,608	1,511,125	2,113,638	420,959	414,279	191,255	18,688,013	10,143,729
Transfers	28,320,921	23,844,312	26,144,153	30,374,582	25,212,344	(11,480,648)	27,704,787	24,853,427	20,662,506	16,710,815
Gain/(Loss) from sales of capital assets	-	-	-	-	-	43,992	1,699,847	4,729	25,137	3,522
Assets transferred to/liabilities assumed by										
Successor Agency	-	-	-	34,223,315	-	7,107,581	-	-	-	-
Cancellation of loans receivable from										
Successor Agency	-	-	-	-	-	(5,847,668)	-	-	-	-
Restructuring of interest on loans receivable from										
Successor Agency	-	-	-	-	-	(814,422)	-	-	-	-
Total Government Activities	128,783,916	108,394,640	108,128,359	147,812,407	110,278,357	79,870,048	123,650,038	129,013,665	141,801,457	134,976,267
Business-Type Activities:										
Use of money and property	19,665,082	15,450,846	12,812,162	12,662,821	11,245,022	11,499,354	11,274,851	12,056,004	8,940,537	\$ 88,239,420
Miscellaneous revenues	-	-	-	-	150,119	-	-	-	-	-
Transfers	(28,320,921)	(23,844,312)	(26,144,153)	(30,374,582)	(25,212,344)	11,480,648	(27,704,787)	(24,853,427)	(20,662,506)	(16,710,815)
Gain/(Loss) from sales of capital assets	-	-	-	-	-	50,252	(2,028,306)	-	-	(548,308)
Special Item	-	-	-	-	(22,715,022)	-	-	-	-	-
Total Business-Type Activities	(8,655,839)	(8,393,466)	(13,331,991)	(17,711,761)	(36,532,225)	23,030,254	(18,458,242)	(12,797,423)	(11,721,969)	70,980,297
Total Primary Government	\$ 120,128,077	\$ 100,001,174	\$ 94,796,368	\$ 130,100,646	\$ 73,746,132	\$ 102,900,302	\$ 105,191,796	\$ 116,216,242	\$ 130,079,488	\$ 205,956,564
Change in Net Position										
Governmental Activities	\$ 903,299	\$ (10,950,426)	\$ (7,902,208)	\$ 24,919,245	\$ (12,199,994)	\$ (31,013,314)	\$ 31,045,457	\$ 63,365,935	\$ 90,425,201	\$ 24,248,434
Business-Type Activities	32,078,601	(6,484,832)	9,700,092	1,507,913	(16,587,170)	79,674,345	59,751,439	59,446,118	60,706,413	156,086,162
Total Primary Government	\$ 32,981,900	\$ (17,435,258)	\$ 1,797,884	\$ 26,427,158	\$ (28,787,164)	\$ 48,661,031	\$ 90,796,896	\$ 122,812,053	\$ 151,131,614	\$ 180,334,596

(a) The City implemented the provisions of GASB Statement 63 in fiscal year 2013, which replaced the term "net assets" with the term "net position."

(b) The City implemented the provisions of GASB Statements 68 and 71 in fiscal year 2015; the statistics prior to 2015 have not been restated.

(c) The City implemented the provisions of GASB Statements 75 in fiscal year 2018 and restated certain balances.

CITY OF ROSEVILLE
FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)



General Fund

	2009	2010	2011 (b)	2012	2013 (c)	2014	2015 (d)	2016	2017	2018 (e)
Reserved	\$ 13,472,640	\$ 13,730,063	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	42,850,836	41,375,295	-	-	-	-	-	-	-	-
Nonspendable	-	-	23,734,548	17,036,815	24,350,331	12,700,881	12,547,564	12,089,564	14,222,845	13,181,664
Committed	-	-	-	-	-	-	-	-	727,155	-
Assigned	-	-	5,328,824	2,944,900	3,002,686	2,685,359	4,510,098	3,129,479	4,510,525	3,925,021
Unassigned	-	-	39,068,183	44,796,255	31,486,665	38,187,768	35,469,686	45,358,414	41,115,763	38,352,989
Total General Fund	\$ 56,323,476	\$ 55,105,358	\$ 68,131,555	\$ 64,777,970	\$ 58,841,682	\$ 53,574,008	\$ 52,527,348	\$ 60,577,457	\$ 60,576,288	\$ 55,459,674 (a)

All Other Governmental Funds

	2009	2010	2011 (b)	2012	2013 (c)	2014	2015 (d)	2016	2017	2018 (e)
Reserved	\$ 56,058,554	\$ 51,548,654	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special Revenue Funds	65,941,856	64,422,284	-	-	-	-	-	-	-	-
Capital Projects	16,456,146	16,542,186	-	-	-	-	-	-	-	-
Permanent Funds	18,066,202	18,353,285	-	-	-	-	-	-	-	-
Nonspendable	-	-	17,411,864	17,503,760	17,691,169	16,940,290	16,964,800	16,964,800	16,964,800	16,916,061
Restricted	-	-	108,226,582	113,465,925	109,656,487	104,437,932	122,721,798	148,224,236	147,157,295	144,792,470
Committed	-	-	2,195,164	2,248,644	2,290,938	2,280,996	2,362,738	794,928	147,222	-
Assigned	-	-	14,890,220	14,472,182	12,625,416	11,304,133	11,483,003	10,525,153	16,369,206	13,236,513
Unassigned	-	-	(4,081,313)	(925,077)	(1,333,659)	(1,290,629)	(150,757)	(116,035)	(2,079,194)	(5,728,089)
Total all other governmental funds	\$ 156,522,758	\$ 150,866,409	\$ 138,642,517	\$ 146,765,434	\$ 140,930,351	\$ 133,672,722	\$ 153,381,582	\$ 176,393,082	\$ 178,559,329	\$ 169,216,955 (a)

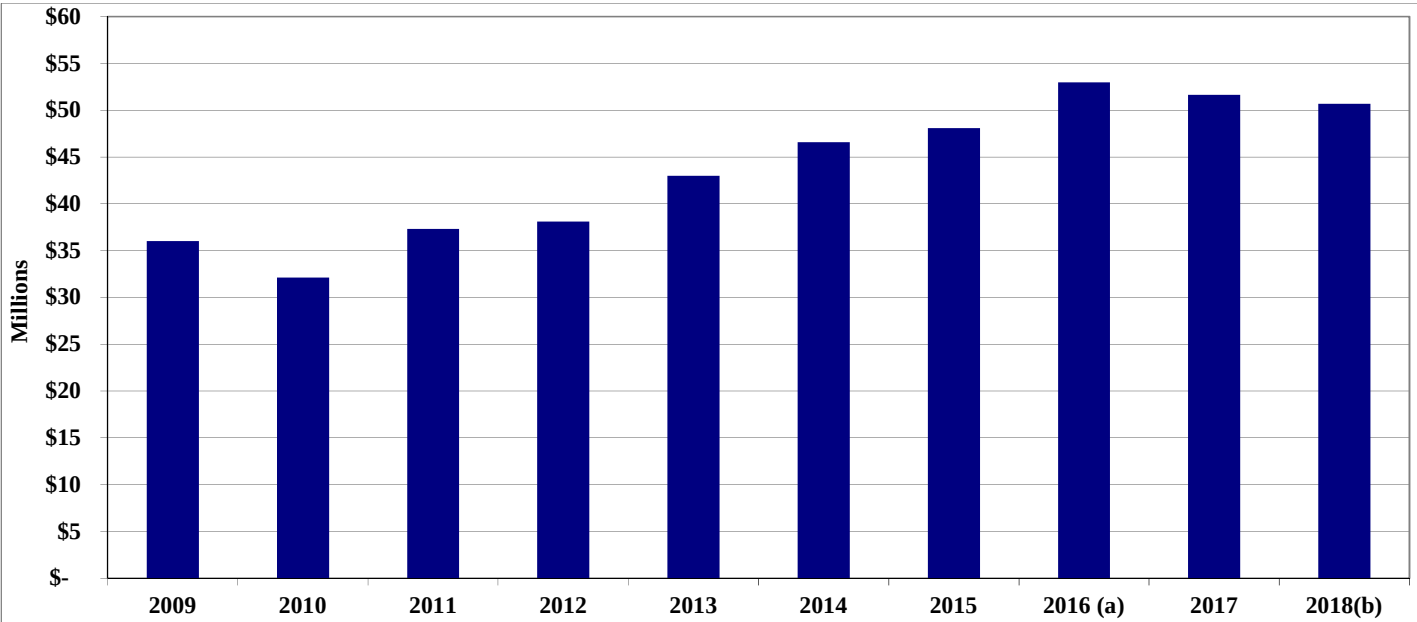
- (a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.
 (b) The City implemented the provisions of GASB Statement 54 in fiscal year 2011; years prior to 2011 have not been restated to conform with the new presentation.
 (c) The City restated certain balances in fiscal year 2014; the statistics prior to 2014 have not been restated.
 (d) The City implemented GASB Statements 68 and 71 in fiscal year 2015; years prior to 2015 have not been restated to conform with the new presentation.
 (e) The City implemented the provisions of GASB Statements 75 in fiscal year 2018 and restated certain balances.

CITY OF ROSEVILLE
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$ 85,601,833	\$ 79,623,097	\$ 82,023,333	\$ 80,584,812	\$ 85,621,989	\$ 90,692,294	\$ 96,055,076	\$ 106,209,940	\$ 106,882,600	\$ 111,838,688
Licenses and permits	1,832,029	1,624,422	1,651,822	1,756,255	1,805,452	2,066,744	2,684,169	2,723,234	3,268,160	3,001,719
Charges for services	18,899,792	18,080,957	17,111,034	17,222,182	20,613,195	23,145,058	27,624,928	28,398,884	36,270,061	44,541,860
Subventions and grants	16,909,738	22,554,411	13,612,705	11,835,085	17,307,222	14,081,767	15,082,197	10,662,888	17,814,381	12,925,977
Use of money and property	16,183,845	9,528,347	3,107,947	3,271,208	1,892,467	2,237,778	2,273,687	3,608,140	8,063,026	13,580,949
Fine, forfeitures and penalties	2,283,349	2,115,882	1,829,785	1,502,408	1,447,757	1,265,026	1,226,611	1,192,435	1,231,989	1,399,287
Contributions from property owners										
Contributions from developers and others	957,680	706,385	1,483,872	2,900,578	3,673,089	1,721,409	15,321,286	4,847,097	2,256,674	2,260,841
Miscellaneous revenues	7,264,395	5,991,250	3,032,677	2,458,788	3,409,782	4,247,829	8,323,382	24,820,495	24,799,603	6,022,224
Total Revenues	149,932,661	140,224,751	123,853,175	121,531,316	135,770,953	139,457,905	168,591,336	182,463,113	200,586,494	195,571,545
Expenditures										
Current:										
General government	26,639,267	21,737,861	21,840,332	23,676,727	25,215,600	23,438,473	25,135,288	26,308,369	31,494,060	15,296,075
Development and operations	13,481,274	17,310,689	10,229,425	7,303,223	6,095,964	11,300,917	14,979,353	16,042,793	21,992,856	16,435,711
Public works	16,022,025	10,700,041	11,013,467	10,597,421	10,746,489	6,698,390	5,972,942	6,069,793	7,060,201	8,138,529
Public safety:										
Police	30,408,122	28,564,889	27,411,509	28,650,241	29,638,540	30,695,155	31,917,720	34,565,899	35,785,791	39,817,024
Fire	24,527,743	23,349,639	23,264,497	23,573,792	25,041,187	25,530,503	27,328,554	28,792,370	30,357,023	32,689,465
Library	3,449,204	3,224,523	2,855,794	3,560,396	3,726,160	3,689,914	3,979,158	4,120,111	4,155,157	5,224,590
Parks and recreation	17,979,576	16,199,096	15,610,257	18,320,063	19,671,070	19,276,779	20,854,408	21,111,520	21,451,673	25,483,508
Housing assistance payments	3,530,527	3,628,510	3,643,394	4,232,695	4,049,279	3,858,070	4,046,250	4,077,451	4,216,417	4,248,895
Payments under development agreements	1,601,494	1,445,960	1,146,915	880,852	567,619	567,619	567,619	567,619	-	-
Annexation payments	1,959,852	2,131,802	2,045,843	2,228,371	2,302,077	2,932,924	3,596,777	4,076,406	4,734,193	5,775,035
Capital outlay	49,795,093	36,534,025	20,416,652	19,529,120	34,879,208	30,170,149	30,433,990	37,821,774	59,258,478	49,553,074
Debt service:										
Principal retirement	1,392,486	1,397,222	1,402,625	2,694,645	802,821	2,125,278	844,490	863,892	1,098,509	1,532,317
Interest and fiscal charges	7,090,871	7,396,273	2,932,461	1,612,858	1,217,231	607,872	393,375	1,079,183	4,221,646	4,948,323
Total Expenditures	197,877,534	173,620,530	143,813,171	146,860,404	163,953,245	160,892,043	170,049,924	185,497,180	225,826,004	209,142,546
Excess (deficiency) of revenues over (under) expenditures	(47,944,873)	(33,395,779)	(19,959,996)	(25,329,088)	(28,182,292)	(21,434,138)	(1,458,588)	(3,034,067)	(25,239,510)	(13,571,001)
Other Financing Sources (Uses)										
Proceeds from capital lease	385,538	-	-	-	-	43,992	104,580	-	-	-
Debt issued	-	-	-	-	-	-	-	14,425,000	-	-
Premium on debt issued	-	-	-	-	-	-	-	862,056	-	-
Proceeds from sale of property	12,040	10,000	-	-	159,482	-	516,821	-	-	-
Transfers in	53,047,351	42,615,799	44,206,780	43,818,402	38,821,810	41,542,969	38,238,578	53,202,949	43,364,097	28,539,336
Transfers out	(28,126,447)	(18,935,737)	(23,444,479)	(18,447,291)	(19,147,016)	(24,688,897)	(18,739,191)	(34,394,329)	(23,201,601)	(24,102,321)
Issuance of debt	-	-	-	-	11,549,031	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	(12,756,326)	-	-	-	-	-
Contributions from developers	-	2,831,250	-	-	-	-	-	-	-	-
Total other financing sources (uses)	25,318,482	26,521,312	20,762,301	25,371,111	18,626,981	16,898,064	20,120,788	34,095,676	20,162,496	4,437,015
Net Change in fund balances before special and extraordinary items	(22,626,391)	(6,874,467)	802,305	42,023	(9,555,311)	(4,536,074)	18,662,200	31,061,609	(5,077,014)	(9,133,986)
Special and Extraordinary items										
Assets transferred to/liabilities assumed by										
Successor Agency/Housing Successor	-	-	-	4,727,309	-	-	-	-	-	-
Increase in loan to the Successor Agency	-	-	-	-	(7,304,420)	-	-	-	-	-
Change in classification of assets	-	-	-	-	-	(2,141,561)	-	-	-	-
Cancellation of loans receivable from										
Successor Agency	-	-	-	-	-	(5,847,668)	-	-	-	-
Net Change in fund balances	\$ (22,626,391)	\$ (6,874,467)	\$ 802,305	\$ 4,769,332	\$ (16,859,731)	\$ (12,525,303)	\$ 18,662,200	\$ 31,061,609	\$ (5,077,014)	\$ (9,133,986)
Debt service as a percentage of noncapital expenditures	5.7% *	6.4% *	3.5%	3.4%	1.6% *	2.1% *	0.9% *	1.3% *	3.2% *	4.1%

* In FY2018, the City recalculated these percentages.

**CITY OF ROSEVILLE
SALES TAX REVENUE
Last Ten Fiscal Years**



Fiscal Year	Amount
2009	\$ 36,024,500
2010	32,139,544
2011	37,332,222
2012	38,129,931
2013	43,002,643
2014	46,591,961
2015	48,094,824
2016 (a)	52,993,394
2017	51,646,625
2018(b)	50,710,102
TOTAL	<u>\$ 436,665,747</u>

(a) This amount includes a one-time payment for final quarter of the State Triple Flip.

(b) The sales tax decrease is due to a one-time delay in State processing sales tax payments as a result of implementation of a new tax collection system.

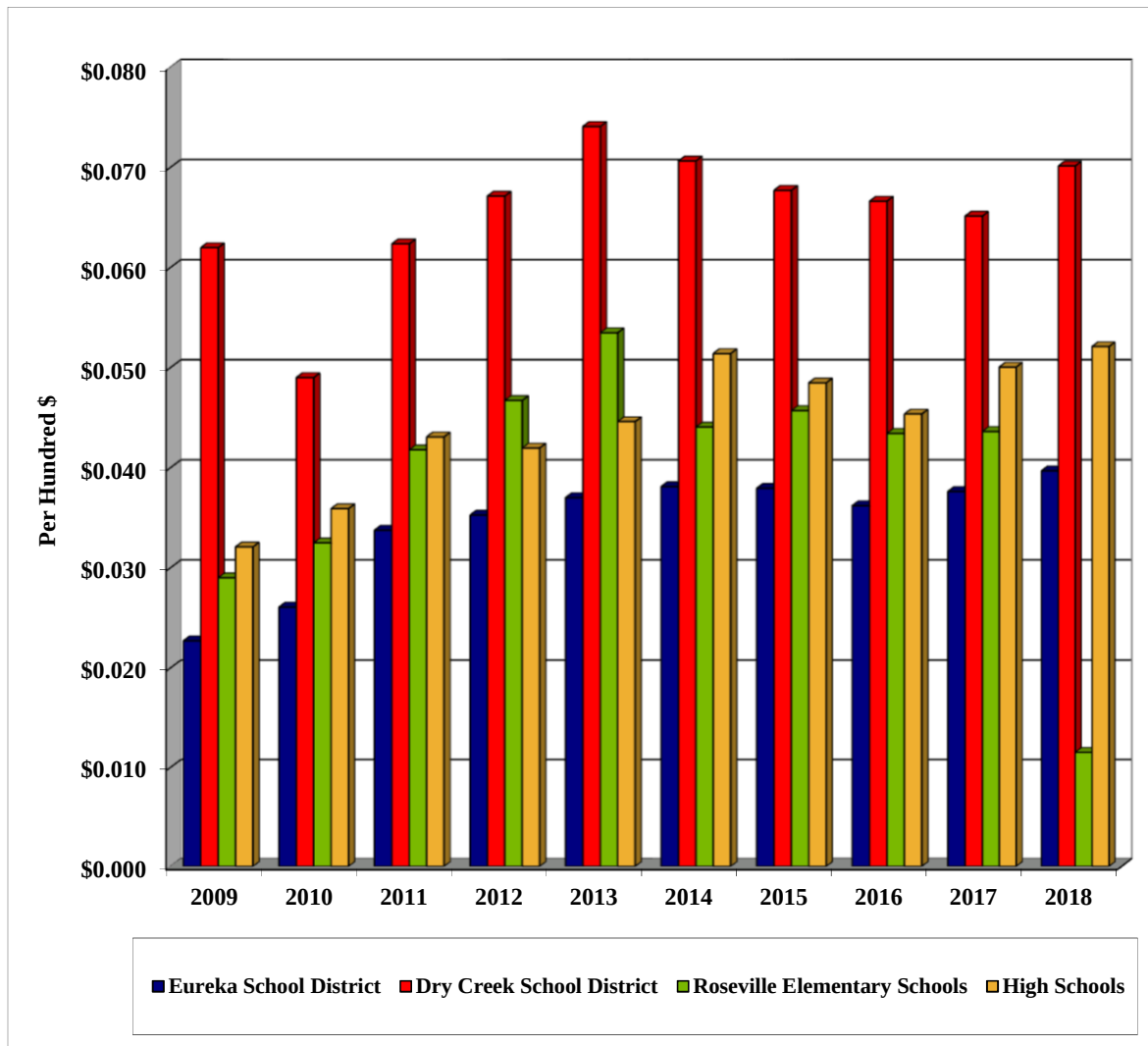
CITY OF ROSEVILLE
ASSESSMENT ROLL VALUES
Last Ten Fiscal Years

	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Secured										
Land	\$ 5,022,518,855	\$ 4,702,676,886	\$ 4,258,240,370	\$ 4,138,902,907	\$ 4,139,152,114	\$ 4,416,998,220	\$ 4,811,588,559	\$ 5,038,592,302	\$ 5,343,255,434	\$ 5,619,414,445
Structure	11,950,909,732	12,095,007,943	11,439,696,023	10,859,970,035	10,942,930,883	11,732,698,206	12,621,412,601	13,670,305,499	14,619,778,326	15,565,619,635
Growing Imp.										
Fixtures	172,326,456	121,330,197	122,138,875	86,539,606	86,949,612	85,175,780	86,169,588	72,381,116	54,816,121	71,994,553
Personal Property	439,345,074	397,416,205	398,032,391	195,128,458	185,441,743	197,939,682	199,577,920	176,564,870	173,880,661	128,012,551
Gross	17,585,100,117	17,316,431,231	16,218,107,659	15,280,541,006	15,354,474,352	16,432,811,888	17,718,748,668	18,957,843,787	20,191,730,542	21,385,041,184
Exemptions	(1,037,586,092)	(1,185,170,787)	(1,271,501,002)	(1,183,664,559)	(1,216,280,788)	(1,189,126,642)	(1,235,144,897)	(1,196,368,326)	(1,240,797,255)	(1,287,075,877)
Net Value	16,547,514,025	16,131,260,444	14,946,606,657	14,096,876,447	14,138,193,564	15,243,685,246	16,483,603,771	17,761,475,461	18,950,933,287	20,097,965,307
Unsecured										
Land	9,752,733	9,938,066	9,918,107	10,652,978	15,107,515	14,275,896	14,209,597	14,751,078	15,636,657	16,035,546
Structure	19,086,998	19,483,398	19,054,920	19,198,391	40,452,068	39,978,372	40,065,250	40,572,958	41,034,119	41,858,259
Fixtures	170,668,416	195,965,488	204,471,411	278,372,656	204,335,331	201,618,605	200,634,374	210,899,452	219,812,361	232,332,616
Personal Property	420,787,592	404,628,665	427,041,927	456,724,821	440,681,012	497,756,921	478,575,784	508,561,032	586,873,115	568,397,250
Gross	620,295,739	630,015,617	660,486,365	764,948,846	700,575,926	753,629,794	733,485,005	774,784,520	863,356,252	858,623,671
Exemptions	(40,368,799)	(69,496,206)	(98,512,303)	(88,790,688)	(92,879,612)	(86,500,375)	(61,105,400)	(93,563,794)	(114,427,098)	(112,467,389)
Net Value	579,926,940	560,519,411	561,974,062	676,158,158	607,696,314	667,129,419	672,379,605	681,220,726	748,929,154	746,156,282
Total Net Assessed Value (a)	\$ 17,127,440,965	\$ 16,691,779,855	\$ 15,508,580,719	\$ 14,773,034,605	\$ 14,745,889,878	\$ 15,910,814,665	\$ 17,155,983,376	\$ 18,442,696,187	\$ 19,699,862,441	\$ 20,844,121,589
Direct Tax Rate (b)	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

- (a) Article XIII(A), added to the California Constitution by Proposition 13 in 1978 fixed the base for valuation of property subject to taxes at the full cash value which appeared on the Assessor's 1975/76 assessment roll. Thereafter, full cash value can be increased to reflect:
- annual inflation up to 2%; or
 - market value at time of ownership change; or
 - market value for new construction

- (b) California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area.

**CITY OF ROSEVILLE
PROPERTY TAX RATES
DIRECT & OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years**



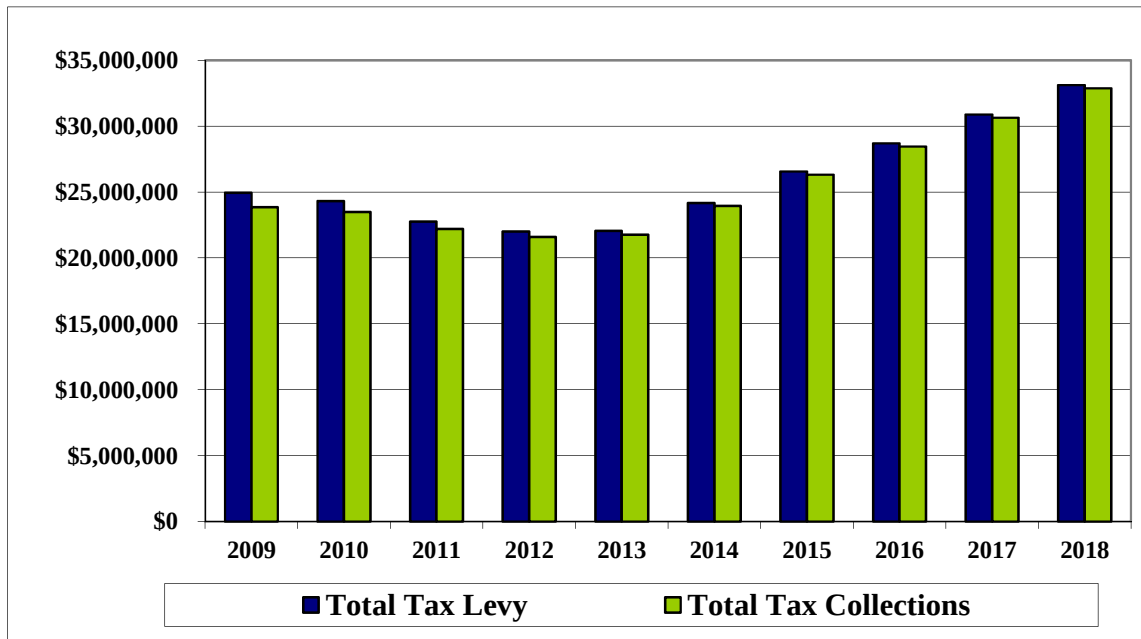
Fiscal Year	Direct Rate	Overlapping Rates				Total (a)
	Basic County Wide Levy	Eureka School District	Dry Creek School District	Roseville Elementary Schools	High Schools	
2009	1.0000	0.0227	0.0620	0.0290	0.0321	1.0700
2010	1.0000	0.0261	0.0490	0.0325	0.0359	1.0718
2011	1.0000	0.0338	0.0624	0.0418	0.0431	1.0890
2012	1.0000	0.0353	0.0671	0.0467	0.0420	1.0917
2013	1.0000	0.0370	0.0741	0.0535	0.0446	1.0995
2014	1.0000	0.0381	0.0706	0.0441	0.0514	1.1023
2015	1.0000	0.0379	0.0677	0.0457	0.0485	1.0989
2016	1.0000	0.0362	0.0666	0.0434	0.0454	1.0941
2017	1.0000	0.0376	0.0651	0.0436	0.0500	1.0988
2018	1.0000	0.0397	0.0701	0.0115	0.0521	1.0925

(a) Total Overlapping Rates uses an average of Eureka School District, Dry Creek School District and Roseville Elementary School

PRINCIPAL PROPERTY TAX PAYERS
Current Year and Nine Years Ago

Property Owner	Primary Land Use	Rank	2018		Rank	2009	
			Taxable Assessed Value	Percent of Total City Taxable Assessed Value		Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Roseville Shoppingtown LLC	Shopping Center	1	\$432,357,589	2.13%	3	206,151,662	1.23%
CPT Creekside Town Center LLC	Shopping Center	2	104,014,590	0.51%			
KW Fund V - Roseville Parkway LLC	Apartments	3	102,394,828	0.51%			
DDR Creekside LP	Commercial	4	91,298,924	0.45%			
Rosemeade Residential Holdings LLC	Apartments	5	82,976,966	0.41%			
Walmart Stores Inc.	Commercial	6	79,714,186	0.39%	6	83,763,047	0.50%
Roseville Fountains LP	Shopping Center	7	67,775,033	0.33%			
CW FBI Sacramento LLC	Vacant Industrial	8	66,553,332	0.33%			
Oakmont Properties - Creekside LLC	Apartments	9	66,230,221	0.33%			
8000 Foothills LLC	Office Building	10	64,003,260	0.32%			
Southall Group Holdings LLC	Industrial	11	63,320,996	0.31%			
Eureka Development Company LLC	Commercial	12	59,924,431	0.30%			
Parkway Plaza CW LLC	Office Building	13	55,110,600	0.27%			
W2005 Fargo Hotels Pool C Realty LP	Hotel	14	53,396,750	0.26%	7	83,413,487	0.50%
Safeway Inc.	Commercial	15	52,018,687	0.26%			
BBC Roseville Oaks LLC	Commercial	16	49,148,338	0.24%			
Mourier Land Investment Corporation	Office Building	17	48,997,625	0.24%			
Forest Cove 388 LLC	Apartments	18	45,540,800	0.22%			
Terraces at Highland Property Owner LLC	Apartments	19	43,916,465	0.22%			
John L. Sullivan Family LP	Auto Dealership	20	43,006,823	0.21%			
NEC Electronics USA Inc.					1	375,688,057	2.25%
Hewlett Packard Enterprise Company					2	288,874,669	1.73%
PL Roseville LLC					4	200,719,087	1.20%
Donahue Schriber Realty Group LP					5	88,004,872	0.53%
NNN Parkway Corporate Plaza LLC					8	68,896,799	0.41%
Pulte Home Corporation					9	68,231,513	0.41%
Hines Douglas Corporate Center LP					10	66,758,999	0.40%
Total			\$1,671,700,444	8.25%		\$1,530,502,192	9.15%
Local Secured Assessed Valuation:			\$ 20,273,848,112			\$ 16,719,828,331	

**CITY OF ROSEVILLE
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years**



Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2009	24,932,869	23,840,809	95.62%
2010	24,317,144	23,490,361	96.60%
2011	22,749,169	22,191,814	97.55%
2012	21,991,913	21,585,063	98.15%
2013	22,044,604	21,749,207	98.66%
2014	24,170,809	23,943,603	99.06%
2015	26,562,322	26,328,574	99.12%
2016	28,692,626	28,454,477	99.17%
2017	30,888,183	30,650,344	99.23%
2018	33,112,938	32,881,148	99.30%

Notes:

Current tax collections beginning in 1993 have been reduced by a mandatory tax reallocation imposed by the State of California.

Placer County uses an estimate for the delinquency rate and compiles delinquency as a lump sum.

Subsequent collections are not broken out by fiscal year from the County. This information is not available.

CITY OF ROSEVILLE
ELECTRIC CUSTOMERS AND REVENUES
Ten Largest Electric Customers as of June 30, 2018

Rank	Business Type (a)	kWh	Percent Total kWh	Revenue	Percent to Total Revenue
1	Manufacturing	105,230,000	8.89%	\$10,204,532	6.29%
2	Medical Care	27,985,391	2.37%	\$3,213,538	1.98%
3	Government and Utilities	27,568,873	2.33%	\$2,938,663	1.81%
4	Admin/Office/R&D	25,994,000	2.20%	\$2,726,637	1.68%
5	Medical Care	24,912,127	2.11%	\$2,749,227	1.69%
6	Retail and Property Management	16,757,514	1.42%	\$2,095,871	1.29%
7	Retail	15,504,546	1.31%	\$1,160,331	0.71%
8	Grocery	9,809,092	0.83%	\$1,287,980	0.79%
9	Grocery	7,252,864	0.61%	\$837,432	0.52%
10	Logistics	7,059,119	0.60%	\$765,347	0.47%

Electric Sales Revenue as of June 30, 2018

Residential	\$ 70,802,913
Commercial	91,495,287
Total	<u>\$ 162,298,200</u>

(a) Customer's name not shown to follow the City's Administrative Regulation regarding confidentiality of customers.

Source: City of Roseville Electric Department

CITY OF ROSEVILLE
RESIDENTIAL ENERGY PRICES
Effective January 1, 2017

Residential	
Basic Service Charge (per meter, per month)	\$26.00
Energy Charge (\$/kWh)	
Tier 1- up to 500 kWh/month	\$0.0931
Tier 2- greater than 500 kWh/month	\$0.1435
Renewable Energy Surcharge (\$/kWh)	\$0.0056
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002
Hydroelectric Adjustment (\$/kWh) ⁽¹⁾	\$0.00000
State Energy Surcharge (\$/kWh)	\$0.00029

Special Residential Rates

Electric Rate Assistance Program ⁽²⁾	
Basic Service Charge (per meter, per month)	\$22.10
Energy Charge (\$/kWh)	
Tier 1- up to 500 kWh/month	\$0.0783
Tier 2- greater than 500 kWh/month	\$0.1211
Renewable Energy Surcharge (\$/kWh)	\$0.0056
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002
Hydroelectric Adjustment (\$/kWh) ⁽¹⁾	\$0.00000
State Energy Surcharge (\$/kWh)	\$0.00029
Medical Support Rate Reduction ⁽³⁾	
Basic Service Charge (per meter, per month)	\$26.00
Energy Charge (\$/kWh)	
Tier 1- up to 500 kWh/month	\$0.0457
Tier 2- greater than 500 kWh/month	\$0.1211
Renewable Energy Surcharge (\$/kWh)	\$0.0056
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002
Hydroelectric Adjustment (\$/kWh) ⁽¹⁾	\$0.00000
State Energy Surcharge (\$/kWh)	\$0.00029
Senior Citizen Rate Reduction ⁽⁴⁾	
Basic Service Charge (per meter, per month)	\$22.88
Energy Charge (\$/kWh)	
Tier 1- up to 500 kWh/month	\$0.0812
Tier 2- greater than 500 kWh/month	\$0.1256
Renewable Energy Surcharge (\$/kWh)	\$0.0056
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002
Hydroelectric Adjustment (\$/kWh) ⁽¹⁾	\$0.00000
State Energy Surcharge (\$/kWh)	\$0.00029

NOTES

1) There is no hydroelectric adjustment in effect from July 2017 through June 2018.

2) An application must be submitted along with a copy of the most recent energy bill and proof of income. For complete program guidelines or to receive an application, call the City of Roseville's Housing and Redevelopment Office at 774-5300.

This rate is 15% credit on all electric service charges.

3) An application must be completed for the Medical Support Rate reduction. A doctor's certification is also required. For more information or an application, please call the City of Roseville Finance Department at 774-5300. **This rate is a 50% credit on the first 500 kWh per month and 15% credit for usage > 500 kWh.**

4) Rate closed July 1, 1998. **Recipients receive a 12% credit on all electric charges.**

CITY OF ROSEVILLE
BUSINESS ENERGY PRICES
Effective January 1, 2017

Small General Service (GS-1) (Demand < 20 kW)	Winter	Summer
Basic Service Charge (per meter, per month)	\$38.00	\$38.00
Energy Charge (\$/kWh)	\$0.0974	\$0.1131
Renewable Energy Surcharge (\$/kWh)	\$0.0056	\$0.0056
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002	\$0.0002
Hydroelectric Adjustment (\$/kWh)	\$0.00000	\$0.00000
State Energy Surcharge (\$/kWh)	\$0.00029	\$0.00029
Medium General Service (GS-2) (20 kW < Demand ≤ 500 kW)	Winter	Summer
Basic Service Charge (per meter, per month)	\$65.00	\$65.00
Demand Charge (\$/kW-month)	\$6.16	\$6.16
Energy Charge (\$/kWh)	\$0.1028	\$0.1235
Renewable Energy Surcharge (\$/kWh)	\$0.0056	\$0.0056
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002	\$0.0002
Hydroelectric Adjustment (\$/kWh)	\$0.00000	\$0.00000
State Energy Surcharge (\$/kWh)	\$0.00029	\$0.00029
Large General Service (GS-3) (500 kW < Demand ≤ 1000 kW)	Winter	Summer
Basic Service Charge (per meter, per month)	\$521.00	\$521.00
Demand Charge (\$/kW-month)	\$6.60	\$11.57
Energy Charge		
Off Peak (\$/kWh)	\$0.0682	\$0.0890
On Peak (\$/kWh)	\$0.0890	\$0.1098
Super Peak (\$/kWh)	\$0.0890	\$0.1408
Renewable Energy Surcharge (\$/kWh)	\$0.0056	\$0.0056
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002	\$0.0002
Hydroelectric Adjustment (\$/kWh)	\$0.00000	\$0.00000
State Energy Surcharge (\$/kWh)	\$0.00029	\$0.00029
Very Large General Service (GS-4) (Demand > 1000 kW)	Winter	Summer
Basic Service Charge (per meter, per month)	\$591.00	\$591.00
Demand Charge (\$/kW-month)	\$6.71	\$11.51
Energy Charge		
Off Peak (\$/kWh)	\$0.0674	\$0.0879
On Peak (\$/kWh)	\$0.0862	\$0.1067
Super Peak (\$/kWh)	\$0.0862	\$0.1397
Renewable Energy Surcharge (\$/kWh)	\$0.0056	\$0.0056
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002	\$0.0002
Hydroelectric Adjustment (\$/kWh)	\$0.00000	\$0.00000
State Energy Surcharge (\$/kWh)	\$0.00029	\$0.00029

Note: General Service Customers include all commercial, industrial, governmental and other non-residential customers.

Time of Use (TOU) seasons, days, hours, holidays:

Winter - bills with meter read dates October through May

Summer - bills with meter read date June through September

Off Peak: 10:00pm to 7:00am Monday through Friday (Except Holidays)

All Day Saturday, Sunday, and Holidays

On Peak: 7:00am to 4:00pm AND 7:00pm to 10:00pm

Monday through Friday (Except Holidays)

Super Peak: 4:00pm to 7:00pm Monday through Friday (Except Holidays)

Holidays are defined as: New Years Day, Martin Luther King Day, Presidents' Day, Memorial Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, and Christmas Day.

There is no hydroelectric adjustment in effect from July 2017 through June 2018.

The California State Energy Surcharge may change from time to time as specified in State law.

A 2% discount is available for primary service customers.

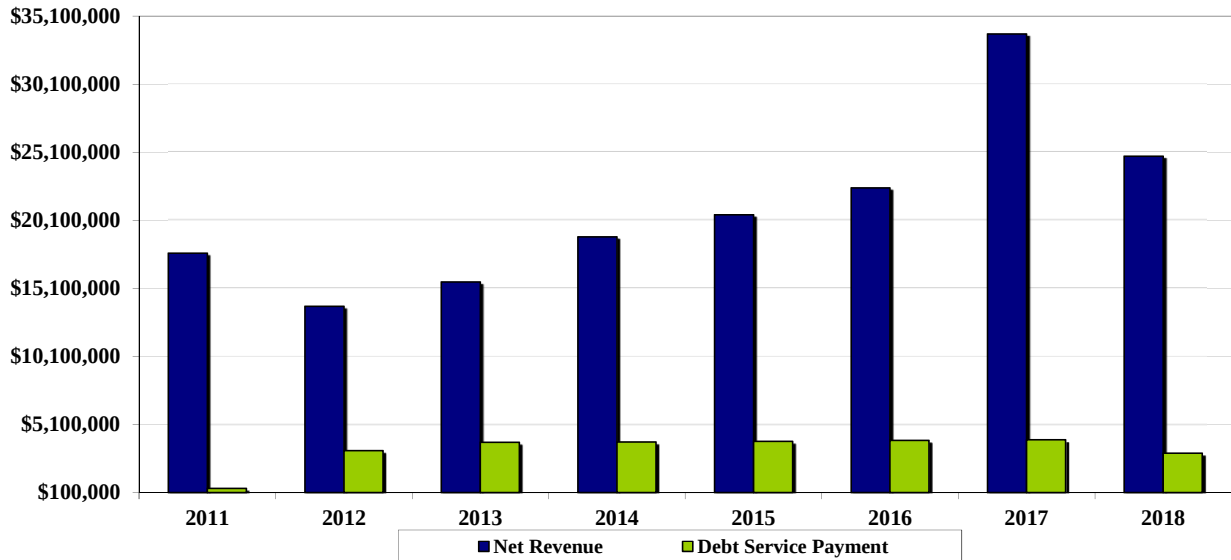
CITY OF ROSEVILLE
RATIO OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Certificates of Participation [d]	Tax Allocation Bonds [c]	Governmental Activities				Business-Type Activities			Total Primary Government [e]	Percentage of Placer County Total Personal Income [a]	Debt Per Capita [a]	
			Installment Purchase Obligations	Capital Lease	Lease	Loans	Total Governmental Activities	Certificates of Participation	Revenue Bonds				Lease
2009	\$ 15,220,000	\$ 35,305,000	\$ 2,145,277	\$ -	\$ -	\$ -	\$ 52,670,277	\$ 328,172,879	\$ 305,144,457	\$ -	\$ 685,987,613	4.31%	\$ 6,106
2010	14,560,000	34,845,000	1,868,055	-	-	-	51,273,055	326,781,578	297,365,814	-	675,420,447	4.10%	5,834
2011	13,885,000	34,365,000	1,620,430	-	-	-	49,870,430	257,729,721	347,327,592	-	654,927,743	3.78%	5,431
2012	13,190,000	-	125,785	-	-	-	13,315,785	250,082,864	337,284,692	-	600,683,341	3.16%	4,921
2013	-	-	1,234,286	-	11,549,031	-	12,783,317	237,460,076	337,680,087	4,775,578	579,915,741	2.94%	4,770
2014	-	-	-	-	10,670,247	4,059,175	14,729,422	175,923,926	380,082,084	4,344,960	552,699,058	2.71%	4,530
2015	-	-	-	69,007	9,874,685	4,045,820	13,989,512	150,053,467	385,334,824	3,945,831	553,323,634	2.61%	4,295
2016	-	-	-	34,928	24,347,067	4,030,681	28,412,676	152,649,025	368,091,795	3,538,160	552,691,656	2.43%	4,122
2017	-	-	-	-	23,272,775	4,013,624	27,286,399	138,472,975	363,175,852	3,123,170	532,658,396	[b]	3,916
2018	-	-	-	-	24,823,067	3,981,145	28,804,212	133,923,531	363,838,283	407,761,814	526,566,026	[b]	3,838

- [a] These ratios are calculated using personal income and population as shown on the Demographics and Economic Statistics schedule.
[b] Total personal income information is not available.
[c] The Redevelopment Agency was dissolved effective January 31, 2012 and its liabilities were assumed by the Successor Agency.
[d] In 2013 the Certificates of Participation were refunded by the 2013 Public Facilities Refunding lease.
[e] Long term debt was restated in fiscal year 2014; statistics prior to 2014 have not been restated.

Sources: The City's Comprehensive Annual Financial Reports
State of California, Department of Finance (population)
U.S. Department of Commerce, Bureau of Economic Analysis - Local Data (personal income)

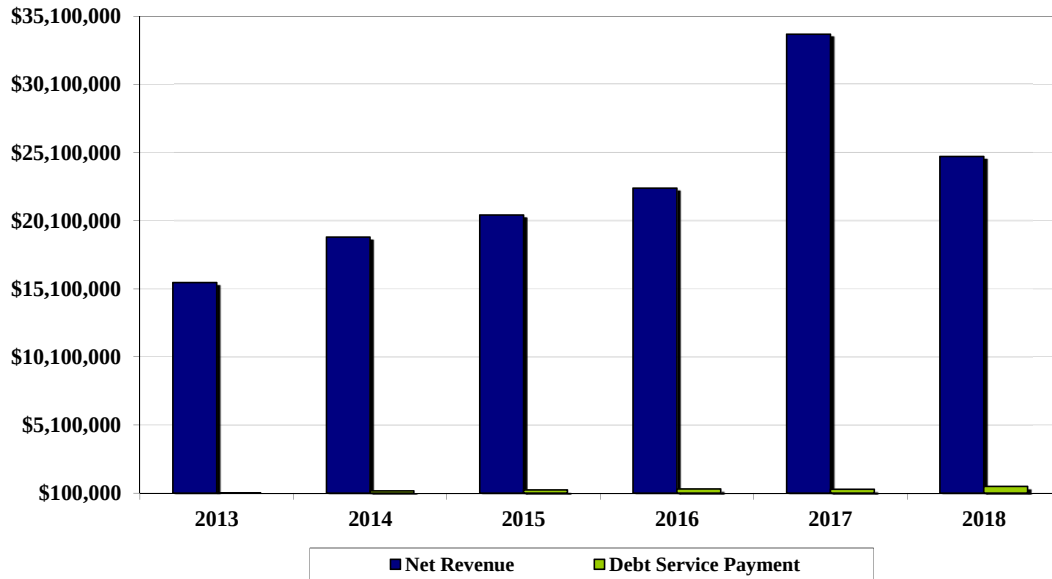
**CITY OF ROSEVILLE
REVENUE BOND COVERAGE
2011 REFUNDING FIXED RATE WASTEWATER REVENUE BONDS SERIES C
Last Eight Fiscal Years ⁽¹⁾**



Fiscal Year	Gross Revenue (2)	Operating Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2011	\$ 34,177,527	\$ 16,494,109	\$ 17,683,418	\$ -	\$ 400,337	\$ 400,337	44.17
2012	32,738,613	18,957,898	13,780,715	1,457,173	1,721,010	3,178,183	4.34
2013	33,605,925	18,039,506	15,566,419	1,874,464	1,922,096	3,796,560	4.10
2014	37,294,549 (4)	18,408,939 (4)	18,885,610	1,988,535	1,840,952	3,829,487	4.93
2015	39,361,960	18,849,642	20,512,318	2,133,436	1,743,323	3,876,759	5.29
2016	41,852,947 (4)	19,373,759 (4)	22,479,188	2,287,586	1,638,543	3,926,129	5.73
2017	52,754,587 (4)	18,970,634 (4)	33,783,953	2,457,151	1,522,026	3,979,177	8.49
2018	49,676,763	24,866,733	24,810,030	2,635,965	351,385	2,987,350	8.31

Notes: (1) Ten years of data are not available due to the bonds being issued on April 7, 2011
(2) Includes all wastewater operating revenues, non-operating interest revenue, and connection fees
(3) Includes all wastewater operating expenses less depreciation and interest
(4) Restated

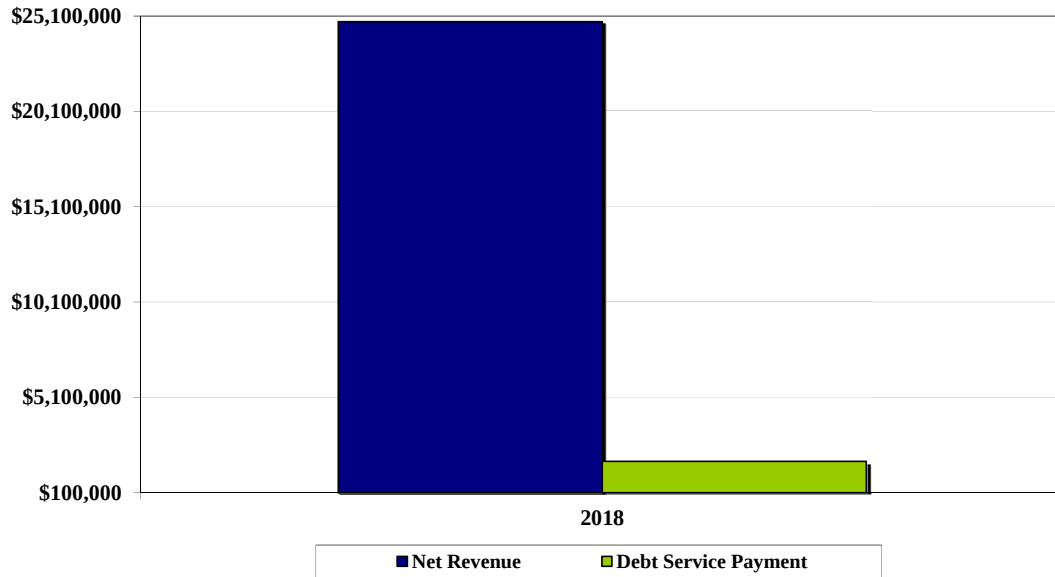
CITY OF ROSEVILLE
REVENUE BOND COVERAGE
2013 REFUNDING VARIABLE RATE WASTEWATER REVENUE BONDS
Last Six Fiscal Years ⁽¹⁾



Fiscal Year	Gross Revenue (2)	Operating Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2013	\$ 33,605,925	\$ 18,039,506	\$ 15,566,419	\$ -	\$ 112,244	\$ 112,244	138.68
2014	37,294,549 (4)	18,408,939 (4)	18,885,610	-	265,789	265,789	71.05
2015	39,361,960	18,849,642	20,512,318	-	346,131	346,131	59.26
2016	41,852,947 (4)	19,373,759 (4)	22,479,188	-	406,694	406,694	55.27
2017	52,754,587 (4)	18,970,634 (4)	33,783,953	-	380,118	380,118	88.88
2018	49,676,763	24,866,733	24,810,030	-	598,534	598,534	41.45

Notes: (1) Ten years of data are not available due to the bonds being issued on April 1, 2013
(2) Includes all wastewater operating revenues, non-operating interest revenue, and connection fees
(3) Includes all wastewater operating expenses less depreciation and interest
(4) Restated

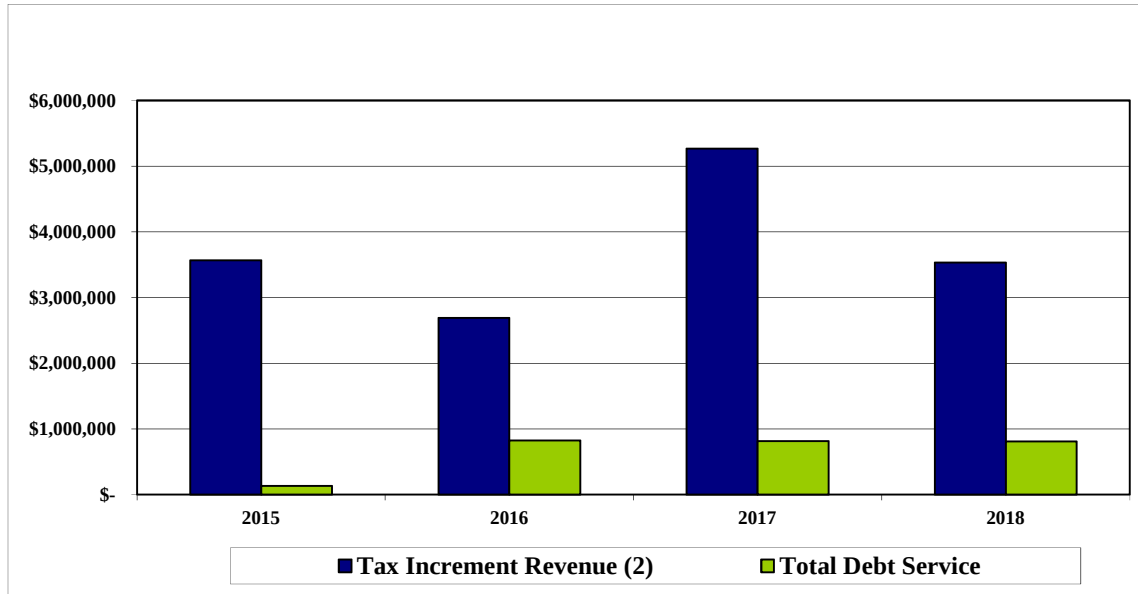
**CITY OF ROSEVILLE
REVENUE BOND COVERAGE
2017 WASTEWATER REVENUE REFUNDING BONDS
First Fiscal Year ⁽¹⁾**



Fiscal Year	Gross Revenue (2)	Operating Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2018	\$ 49,676,763	\$ 24,866,733	\$ 24,810,030	\$ -	\$ 1,748,313	\$ 1,748,313	14.19

Notes: (1) Ten years of data are not available due to the bonds being issued on September 28, 2017
(2) Includes all wastewater operating revenues, non-operating interest revenue, and connection fees
(3) Includes all wastewater operating expenses less depreciation and interest

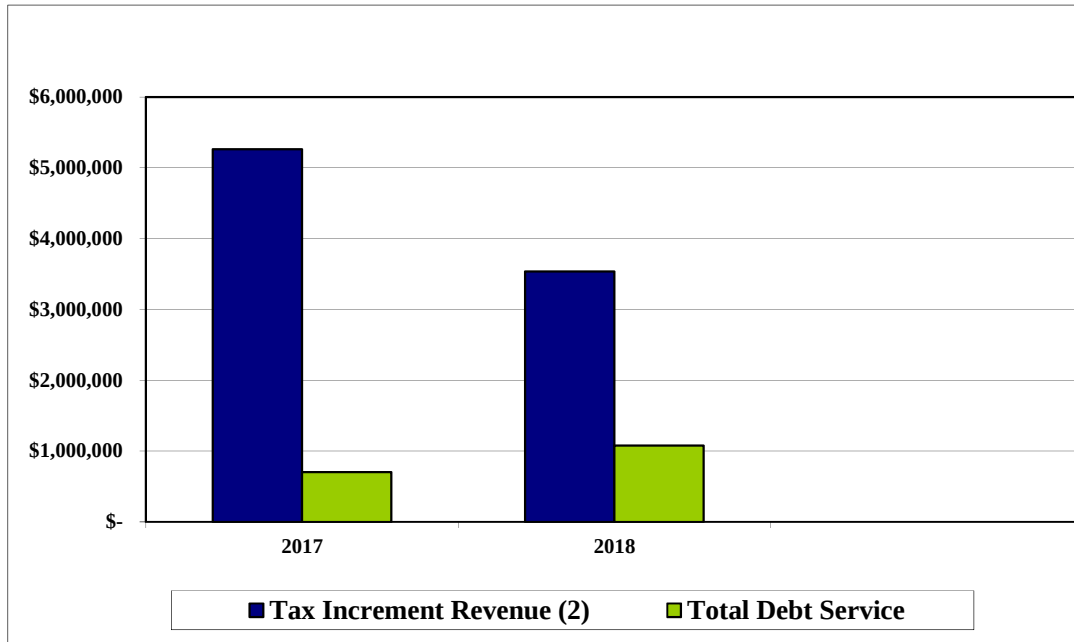
CITY OF ROSEVILLE
2014 REDEVELOPMENT PROJECT TAX ALLOCATION BONDS
Last Four Fiscal Years⁽¹⁾



Fiscal Year	Tax Increment Revenue (2)	Debt Service Requirements			Coverage
		Principal	Interest	Total Debt Service	
2015	\$ 3,566,262	\$ -	\$ 132,646	\$ 132,646	0.27
2016	2,692,154 (3)	435,000	390,688	825,688	0.03
2017	5,263,766	435,000	378,363	813,363	0.06
2018	3,534,361	445,000	365,063	810,063	0.04

Notes: (1) Ten years of data are not available due to the bonds being issued on September 9, 2014
(2) Amounts reported include tax revenue and debt service of the Successor Agency.
(3) Restated

CITY OF ROSEVILLE
2016 REDEVELOPMENT PROJECT TAX ALLOCATION BONDS
Last Two Fiscal Year ⁽¹⁾



Fiscal Year	Tax Increment Revenue (2)	Debt Service Requirements			Coverage
		Principal	Interest	Total Debt Service	
2017	\$ 5,263,766	\$ -	\$ 703,884	\$ 703,884	0.07
2018	3,534,361	340,000	738,037	1,078,037	0.03

Notes: (1) Ten years of data are not available due to the bonds being issued on July 19, 2016
(2) Amounts reported include tax revenue and debt service of the Successor Agency.

CITY OF ROSEVILLE
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
June 30, 2018

2017-18 Assessed Valuation: \$21,022,938,697

	Total Debt 06/30/2018	% Applicable (1)	City's Share of Debt 6/30/2018
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Roseville Joint Union High School District	\$111,408,296	75.245%	\$83,829,172
Roseville Joint Union High School District SFID No. 1	15,978,971	97.480%	15,576,301
Center Joint Unified School District	37,705,956	1.855%	699,445
Rocklin Unified School District	59,232,339	0.468%	277,207
Dry Creek Joint School District	35,222,269	56.751%	19,988,990
Eureka Union School District	1,481,206	34.437%	510,083
Roseville City School District	15,563,924	97.339%	15,149,768
City of Roseville Community Facilities Districts	297,505,500	100.000%	297,505,500
California Statewide Communities Development Authority Assessment Districts	8,483,576	100.000%	8,483,576
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$442,020,042
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Placer County Certificates of Participation	\$28,395,000	29.529%	\$8,384,760
Placer County Office of Education Certificates of Participation	1,110,000	29.529%	327,772
Sierra Joint Community College District Certificates of Participation	4,770,000	22.342%	1,065,713
Roseville Joint Union High School District Certificates of Participation	594,343	1.855%	11,025
Rocklin Unified School District Certificates of Participation	13,880,000	0.468%	64,958
Eureka Union School District Certificates of Participation	3,380,000	34.437%	1,163,971
Roseville City School District Certificates of Participation	6,770,000	97.339%	6,589,850
Placer Mosquito and Vector Control District Certificates of Participation	3,270,000	29.529%	965,598
City of Roseville General Fund Obligation	24,044,438	100.000%	24,044,438
City of Roseville Debt Premium	778,632	100.000%	778,632
City of Roseville Successor Agency Loan	3,981,145	100.000%	3,981,145
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$47,377,862
Less: City of Roseville supported obligation			\$2,774,229
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$44,603,633
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	\$30,605,000	100.000%	\$30,605,000
TOTAL GROSS DIRECT DEBT			\$28,804,215
TOTAL NET DIRECT DEBT			\$26,029,986
TOTAL OVERLAPPING DEBT			\$491,198,689
GROSS COMBINED TOTAL DEBT (2)			\$520,002,904
NET COMBINED TOTAL DEBT			\$517,228,675

- (1) The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value.
Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the City divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2017-2018 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.10%
Total Gross Direct Debt (\$28,804,215)	0.14%
Total Net Direct Debt (\$26,029,986)	0.12%
Gross Combined Total Debt	2.47%
Net Combined Total Debt	2.46%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$903,767,966):

Total Overlapping Tax Increment Debt	3.39%
--------------------------------------	-------

Source: California Municipal Statistics, Inc.

CITY OF ROSEVILLE
COMPUTATION OF LEGAL BONDED DEBT MARGIN
June 30, 2018

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$20,273,848,112
---	------------------

BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	\$760,269,304
---	---------------

AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$522,584,881
Less bonded debt not subject to limit	(522,584,881)

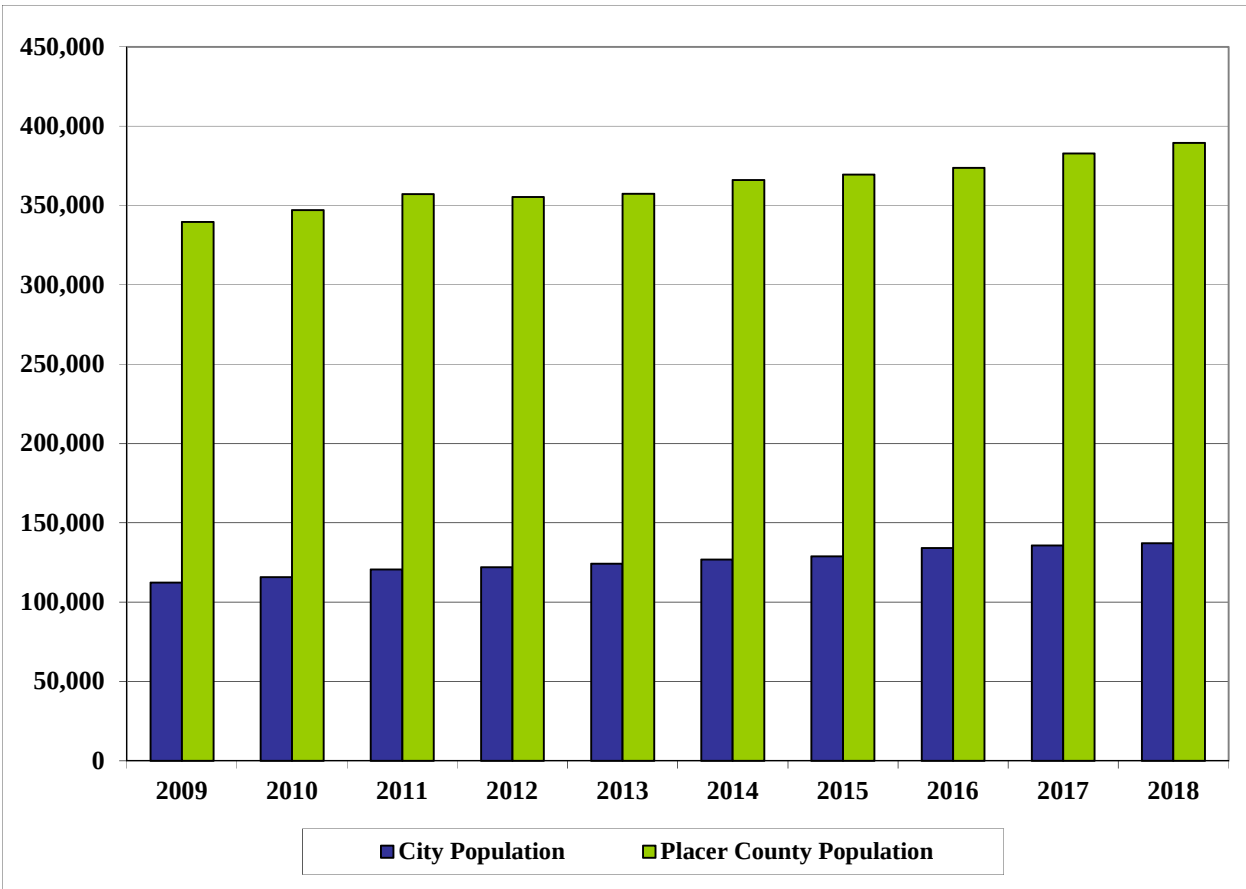
Amount of debt subject to limit	-
---------------------------------	---

LEGAL BONDED DEBT MARGIN	\$760,269,304
--------------------------	---------------

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2009	\$ 626,993,562	\$ -	\$ 626,993,562	0.00%
2010	611,493,748	-	611,493,748	0.00%
2011	567,178,798	-	567,178,798	0.00%
2012	560,837,192	-	560,837,192	0.00%
2013	536,758,408	-	536,758,408	0.00%
2014	578,172,662	-	578,172,662	0.00%
2015	624,626,766	-	624,626,766	0.00%
2016	672,531,992	-	672,531,992	0.00%
2017	717,170,366	-	717,170,366	0.00%
2018	760,269,304	-	760,269,304	0.00%

- (a) California Government Code, Section 43605 sets the debt limit at 15%.
The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

CITY OF ROSEVILLE
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years



Fiscal Year	City of Roseville Population	County Total Personal Income (in thousands)	County Per Capita Personal Income	City of Roseville Unemployment Rate (%)	Placer County Population	City Population % of County
2009	112,343	15,898,900	45,614	10.6%	339,577	33.08%
2010	115,781	16,464,986	47,012	11.3%	347,102	33.36%
2011	120,593	17,312,666	48,476	11.4%	357,138	33.77%
2012	122,060	19,004,105	52,544	10.0%	355,328	34.35%
2013	124,255	20,174,068	54,924	7.5%	357,463	34.76%
2014	126,956	21,182,771	55,000	6.5%	366,000	34.69%
2015	128,832	21,240,299	57,000	5.3%	369,454	34.87%
2016	134,073	22,741,453	59,000	4.5%	373,796	35.87%
2017	135,868	(a)	(a)	3.8%	382,837	35.49%
2018	137,213	(a)	(a)	3.0%	389,532	35.23%

(a) Information not available

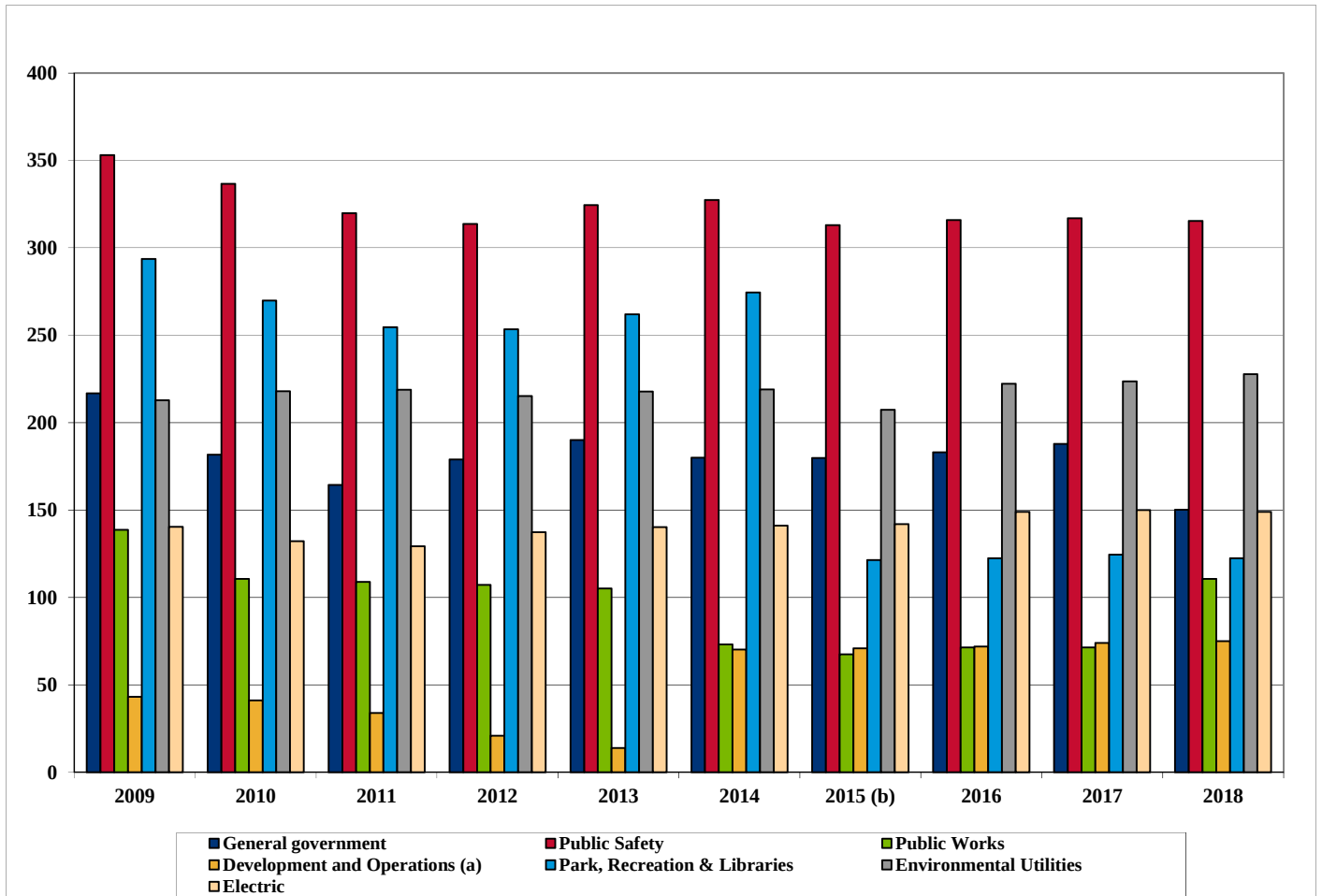
CITY OF ROSEVILLE
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

Employer	2018			2009	
	Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank
The Permanente Medical Group & Foundation Group	3,148	1	3.78%	4,300	1
Sutter Roseville Medical Group	2,202	2	2.65%	1,922	4
City of Roseville	1,896	3	2.28%	1,100	5
Roseville Joint Union High School	1,626	4	1.95%	803	8
Roseville City School District	1,133	5	1.36%	897	6
PRIDE Industries	1,062	6	1.28%	800	10
Adventist Health	940	7	1.13%		
Wal-Mart	625	8	0.75%	862	7
Union Pacific Railroad Company	569	9	0.68%	2,000	3
Consolidated Communications	475	10	0.57%		
Hewlett Packard	(b)			3,200	2
NEC Electronics	n/a			800	9
Subtotal	<u>13,676</u>		<u>16.43%</u>	<u>16,684</u>	
Total Employment	<u>83,221</u>	(a)		<u>76,000</u>	

(a) Total Employment as used above represents the total employment of all employees located within the City limits.

(b) Number of employee for Hewlett Packard is not available.

CITY OF ROSEVILLE
FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION
Last Ten Fiscal Years



Adopted for Fiscal Year Ended June 30,

	2009	2010	2011	2012	2013	2014	2015 (b)	2016	2017	2018
Function										
General government	216.79	181.75	164.38	179.09	190.14	180.10	179.81	183.11	187.98	150.23
Public Safety	353.18	336.75	319.90	313.78	324.59	327.42	313.00	316.00	317.00	315.50
Public Works	138.77	110.75	109.03	107.33	105.17	73.18	67.50	71.50	71.50	110.75
Development and Operations (a)	43.25	41.17	33.98	21.00	14.00	70.26	71.00	72.00	74.00	75.00
Park, Recreation & Libraries	293.70	269.89	254.65	253.43	262.00	274.61	121.50	122.50	124.50	122.50
Environmental Utilities	213.00	218.09	218.90	215.32	217.82	219.14	207.50	222.25	223.75	227.75
Electric	140.46	132.29	129.33	137.39	140.36	141.09	142.00	149.00	150.00	149.00
Total	1,399.15	1,290.69	1,230.17	1,227.34	1,254.08	1,285.80	1,102.31	1,136.36	1,148.73	1,150.73

(a) Community Development was renamed to Development and Operations in fiscal year 2014.

(b) Decrease in FTE for FY14-15 is due to no longer including FTEs attributable to temporary part-time staff.

CITY OF ROSEVILLE
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public safety:										
Fire:										
Number of Haz-Mat alarms answered	194	192	172	199	201	214	228	204	224	239
Number of medical emergencies answered	6,967	7,485	7,836	8,429	9,045	9,995	11,015	10,694	10,545	10,993
Total calls for service	8,694	9,129	9,609	10,006	10,936	12,163	13,286	12,828	16,756	16,553
Police:										
Law violations: (Note 53)										
Physical arrests (adult and juvenile)	5,245	4,520	5,845	4,264	4,647	4,321	3,295	4,057	3,734	4,554
Traffic citations	20,889	19,033	6,404	4,826	4,470	2,207	1,839	2,702	3,036	4,187
Public works:										
Total building permits issued	3,975	3,884	4,078	4,338	4,131	5,796	5,715	5,854	6,226	6,387
Total square feet of street maintenance performed	7,648,976	4,501,241	4,342,272	3,375,318	4,275,981	4,452,658	1,971,986	3,468,666	12,190,840	1,564,362
Park and recreation:										
Community services:										
Total attendance in Youth/Adult/Senior programs		299,134	301,906	265,736	224,339	233,598	240,576	246,331	209,619	213,916
Total attendance to aquatic facilities	250,182	266,931	278,860	306,455	291,407	324,918	357,064	316,994	428,744	451,127
Library:										
Number of materials checked out (Note 1)	946,224	1,001,179	994,990	1,058,434	1,194,909	1,273,880	1,252,039	1,306,844	1,339,684	1,221,101
Water:										
Average daily consumption (in million gallons)	28.19	25.60	25.90	28.60	30.20	28.00	23.01	20.70	23.25	25.77
Number of backflow devices tested	4,728	4,895	4,965	4,558	3,862	4,520	4,854	5,093	5,183	5,200
Number of meters sold	2,268	807	497	555	770	569	824	848	1,044	1,100
Wastewater:										
Number of miles of sewer mains flushed	258	209	284	277	271	335	284	266	294	283
% of preventative work orders hours (Note 2)	45.5%	48.0%	55%	n/a	40.2%	35.8%	41.3%	38.4%	46.4%	45.7%
Solid waste:										
Tons of solid waste collected	89,512	87,446	89,125	87,336	87,946	92,101	94,308	101,794	117,594	115,548

Notes:

- 1 - The Library totals include Downtown Library, Maidu Library and Riley Library. The Bookmobile was retired during winter 2008 and was replaced in April 2015. FY18 was the first year the Libraries were closed on Fridays.
- 2 - Data not available for FY11-12 due to change in software (Maximo) used by the City.
- 3 - The City restated Police Law Violations numbers for FY16 and FY17.

CITY OF ROSEVILLE
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public safety:										
Fire stations	8	8	8	8	8	8	8	8	8	8
Police stations	1	1	1	1	1	1	1	1	1	1
Number of Police patrol vehicles (Note 2)	106	51	49	58	61	64	67	77	91	88
Public works:										
Miles of streets	428	429	432	438	440	440	458	465	470	478
Number of traffic signals	162	165	166	167	167	167	171	175	180	183
Park and recreation:										
Community services:										
Golf courses (18 holes)	2	2	2	2	2	2	2	2	2	2
Parks and recreation facilities	61	61	63	66	68	71	72	72	74	76
Miles of creek	60	60	60	60	60	60	60	60	75	75
Swimming pools (Note 1)	4	3	3	3	3	3	3	3	3	3
Tennis courts	16	16	16	16	16	18	18	18	18	18
Library:										
City libraries	3	3	3	3	3	3	3	3	3	3
Water:										
Miles of water mains	562	567	569	569	570	570	583	592	608	621
Fire hydrants	4,473	4,514	4,533	4,542	4,545	4,545	4,654	4,735	4,763	5,007
Wastewater:										
Miles of sanitary sewers	485	492	493	487	487	491	497	505	517	529
Miles of storm drain	373	382	348	349	351	344	353	366	372	381
Solid waste:										
Number of new residential refuse customers	800	750	522	537	768	475	601	787	822	1,068
Electric:										
Number of residential customers	45,478	46,400	47,021	47,611	48,387	49,013	49,851	50,784	51,638	52,789
Number of commercial customers	6,349	6,411	6,437	6,505	6,561	6,666	6,673	6,700	6,759	6,812

Notes:

1 - Beginning FY09-10, the swimming pool at Oakmont High School was no longer used by the City.

2 - Prior to FY16-17, the City only reported active patrol cars. In FY16-17 the City began reporting active patrol vehicles, which includes all police department vehicles that are patrolling the streets in one fashion or another, whether undercover, a community services officer, an animal control officer, or a citizen on patrol volunteer. No additional cars were purchased in FY16-17.

CITY OF ROSEVILLE, CALIFORNIA

SINGLE AUDIT REPORT

FISCAL YEAR ENDING JUNE 30, 2018

CITY OF ROSEVILLE, CALIFORNIA

SINGLE AUDIT REPORT

FISCAL YEAR ENDING JUNE 30, 2018

Table of Contents

	<u>Page</u>
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3
Schedule of Expenditures of Federal Awards	6
Notes to the Schedule of Expenditure of Federal Awards	8
Schedule of Findings and Questioned Costs	
I. Summary of Auditors' Results	9
II. Financial Statement Findings	10
III. Federal Awards Findings and Questioned Costs	11
Summary Schedule of Prior Audit Findings	12



VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and
Members of the City Council
Roseville, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Roseville, California (City), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 21, 2018. Our report includes an emphasis of matter paragraph regarding the City's adoption of Governmental Accounting Standards Board (GASB) Statements No. 75, Accounting and *Financial Reporting for Postemployment Benefits Other Than Pension* and No. 85, *Omnibus 2017*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Sacramento, California

December 21, 2018



VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and
Members of the City Council
Roseville, California

Report on Compliance for Each Major Federal Program

We have audited the City of Roseville California's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2018. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 21, 2018, which contained unmodified opinions on those financial statements. Our report includes an emphasis of matter paragraph regarding the City's adoption of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and Statement No. 85, *Omnibus*. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Sacramento, California

December 21, 2018

CITY OF ROSEVILLE, CALIFORNIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Grant Identification Number / Pass-Through Identification Number	Federal Expenditures	Amounts Provided to Subrecipients
<u>U. S. Department of Housing and Urban Development</u>				
<i>Direct Programs</i>				
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871	CA128	\$ 4,982,568	
CDBG - Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218	B-16-MC-06-0043	513,676	\$ 359,725
<i>Passed through the California Department of Housing and Community Development</i>				
Home Investment Partnerships Program	14.239	14-HOME-10043	644,932	
Home Investment Partnerships Program	14.239	Loan	3,373,263	
Total Home Investment Partnerships Program			4,018,195	
Total Department of Housing and Urban Development			9,514,439	359,725
<u>U. S. Department of Health and Human Services</u>				
<i>Passed through the California Department of Education</i>				
CCDF Cluster				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	CCTR-7167	102,835	
Child Care and Development Block Grant	93.575	CCTR-7167	47,269	
Total CCDF Cluster			150,104	
Total Department of Health and Human Services			150,104	
<u>U. S. Department of Justice</u>				
<i>Direct Programs</i>				
Equitable Sharing Program	16.922	N/A	7,915	
Total Department of Justice			7,915	
<u>U. S. Department of Transportation</u>				
<i>Federal Transit Cluster</i>				
<i>Direct Programs</i>				
Federal Transit-Formula Grants				
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	CA 90-Z291	246,520	
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	CA-90-Z206	246,520	
<i>Passed through Sacramento Regional Transit</i>				
Bus and Bus Facilities Formula Program	20.526	CA-34-0036-01	993,480	
Bus and Bus Facilities Formula Program	20.526	CA-34-0009-01	30,119	
Total Federal Transit Cluster			1,516,639	
<i>Passed through the California Department of Transportation</i>				
Highway Planning and Construction Cluster				
Highway Planning and Construction - 2015 RSTP Arterial Microsurf	20.205	STPL-5182(072)	2,427,713	
Highway Planning and Construction - 2017 Arterial ADA Ramps	20.205	CML 5182(075)	466,874	
Highway Planning and Construction - Bridge Preventative Maint Proj	20.205	BPMPL-5182(071)	2,853	
Highway Planning and Construction - Cirby Way/Roseville Rd	20.205	HSIPL-5182(068)	108,377	
Highway Planning and Construction - Industrial Ave Bridge Replacement	20.205	BRLS-5182(056)	796,440	
Highway Planning and Construction - Oak St Ext-Miners Ravine Trail	20.205	CML-5182(063)	380,630	
Highway Planning and Construction - Oakridge Bridge Replacement	20.205	BRLO-5182(057)	182,680	
Highway Planning and Construction - Safe Routes To School Cycle 3	20.205	SRTSLNI-5182(064)	5,916	
Total Highway Planning and Construction Cluster			4,371,483	
Transit Services Programs Cluster				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	64AM16-00103	28,389	
<i>Passed through the Placer County Transportation Planning Agency</i>				
Paul S. Sarbanes Transit In the Parks	20.520	N/A	110,696	
Total Department of Transportation			6,027,207	

See accompanying notes to the Schedule of Expenditures of Federal Awards.

CITY OF ROSEVILLE, CALIFORNIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	CFDA Number	Grant Identification Number / Pass-Through Identification Number	Federal Expenditures	Amounts Provided to Subrecipients
<u>Department of Homeland Security</u>				
<i>Passed through the California Governor's Office of Emergency Services</i>				
Federal Emergency Management Agency Pre-Disaster Mitigation	97.047	2014-005	\$ 271,575	
<i>Passed through Butte County</i>				
Federal Emergency Management Agency Fire Management Assistance Grant - Nevada County Fire Mutual Aid	97.046	FEMA-4344-DR	3,957	
<i>Passed through the County of Placer</i>				
Homeland Security Grant Program	97.067	2015-0078	20,594	
Homeland Security Grant Program	97.067	2016-0102	45,709	
Homeland Security Grant Program	97.067	2017-0083	48,871	
Total Highway Planning and Construction Cluster			115,174	
Total Department of Homeland Security			390,706	
TOTAL FEDERAL EXPENDITURES			\$ 16,090,371	\$ 359,725

See accompanying notes to the Schedule of Expenditures of Federal Awards.

CITY OF ROSEVILLE, CALIFORNIA

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the City of Roseville, California (City) under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for the governmental funds and the accrual basis of accounting for the proprietary funds. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in the prior year.

NOTE 3 – INDIRECT COST RATE

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 – OUTSTANDING LOANS OF FEDERAL FUNDS

The following schedule presents the amount of outstanding loans receivable by CFDA number. All loans with continuing compliance requirements are included on the accompanying Schedule. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented on the Schedule. The balance of loans outstanding at June 30, 2018, consists of:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Outstanding Balance</u>
14.239	Home Investment Partnerships Program	\$ 3,373,263

CITY OF ROSEVILLE, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

I. SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued on whether the financial statements
audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting

Material weakness(es) identified?

No

Significant deficiency(ies) identified?

None noted

Noncompliance material to financial statements noted?

No

FEDERAL AWARDS

Internal control over major federal programs:

Material weakness(es) identified?

No

Significant deficiency(ies) identified?

None noted

Type of auditors' report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance
with 2 CFR 200 section 200.516(a)?

No

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
<u>14.871</u>	<u>Section 8 Housing Choice Vouchers</u>
<u>20.205</u>	<u>Highway Planning and Construction Cluster</u>
<u> </u>	<u> </u>

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

No

CITY OF ROSEVILLE, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

II. FINANCIAL STATEMENT FINDINGS

None noted.

CITY OF ROSEVILLE, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None noted.

CITY OF ROSEVILLE, CALIFORNIA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018

Not applicable.

CITY OF ROSEVILLE, CALIFORNIA

Independent Accountants' Report on
Agreed-Upon Procedures Applied To
The Article XIII-B Appropriations Limit Calculation

For the Fiscal Year Ended June 30, 2019



VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

VALUE THE *difference*

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES RELATED TO
THE ARTICLE XIII-B APPROPRIATIONS LIMIT CALCULATION**

The Honorable Mayor and Members of City Council
City of Roseville, California

We have performed the procedures enumerated below, which were agreed to by the City of Roseville, California (City) (the specified party), to the appropriations limit calculation of the City prepared in accordance with Section 1.5 of Article XIII-B of the California Constitution, for the fiscal year ended June 30, 2019. The City's management is responsible for the appropriations limit calculation. The sufficiency of the procedures is solely the responsibility of the City. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

1. We obtained the completed worksheets setting forth the calculations necessary to establish the City's appropriations limit and compared the 2018-2019 limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of the City Council.

Finding: No exceptions were found as a result of this procedure.

2. We added last year's limit to the annual adjustment amount, and compared the resulting amount to the 2018-2019 appropriations limit.

Finding: No exceptions were found as a result of this procedure.

3. We compared the current year information to the worksheets described in No. 1 above and to information provided by the California State Department of Finance.

Finding: No exceptions were found as a result of this procedure.

4. We agreed the prior year appropriations limit to the prior year appropriations limit adopted by the City Council.

Finding: No exceptions were found as a result of this procedure.

The agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not perform an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the appropriations limit calculation. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by Article XIII-B of the California Constitution.

This report is intended solely for the information and use of the City Council and management of the City and is not intended to be and should not be used by anyone other than those specified parties.

A handwritten signature in cursive script that reads "Varinck, Trine, Day & Co LLP".

Sacramento, California
December 21, 2018



COUNCIL COMMUNICATION

CC #: 9758
File #: 0102-06

Title: Proclamation - School Choice Week
Contact: Rosalinda Parra 916-774-5263 rparra@roseville.ca.us

Meeting Date: 1/16/2019
Item #: 6.22.

RECOMMENDATION TO COUNCIL

Proclaim January 20-26, 2019 as School Choice Week and urge residents of Roseville to support public and non-public K-12 education options for all children.

BACKGROUND

Not applicable.

FISCAL IMPACT

Not applicable.

ECONOMIC DEVELOPMENT / JOBS CREATED

Not applicable.

ENVIRONMENTAL REVIEW

Not applicable.

Respectfully Submitted,

Rosalinda Parra, Deputy Clerk

Sonia Orozco, City Clerk



Dominick Casey, City Manager

ATTACHMENTS:

Description

Proclamation - School Week

CITY OF ROSEVILLE



SCHOOL CHOICE WEEK

January 20-26, 2019

WHEREAS, all children should have access to the highest-quality education possible; and

WHEREAS, the City of Roseville recognizes the important role that an effective education plays in preparing all students in Roseville to be successful adults; and

WHEREAS, quality education is important to the economic vitality of Roseville; and

WHEREAS, Roseville is home to a multitude of high quality public and non-public schools from which parents can choose for their children, in addition to families who educate their children in the home; and

WHEREAS, education variety helps to diversify the economy, and enhance the vibrancy of the community; and

WHEREAS, Roseville has many quality teaching professionals who are committed to educating our children; and

WHEREAS, School Choice Week is celebrated across the country by students, parents, educators, schools, and organizations to raise awareness of educational options.

NOW, THEREFORE, I, KRISTA BERNASCONI, VICE MAYOR OF THE CITY OF ROSEVILLE, CALIFORNIA, do hereby proclaim January 20-26, 2019 as **SCHOOL CHOICE WEEK** and urge residents of Roseville, to support public and non-public K-12 education options for all children.

SIGNED this 16th day of January, 2019.

KRISTA BERNASCONI, VICE MAYOR

ATTEST:

SONIA OROZCO, CITY CLERK
CITY OF ROSEVILLE, CALIFORNIA





COUNCIL COMMUNICATION

CC #: 9755
File #: 0202-01

Title: Fiscal Year 2017-18 Year-End Report
Contact: Scott Pettingell 916-746-1306 spettingell@roseville.ca.us

Meeting Date: 1/16/2019
Item #: 7.1.

RECOMMENDATION TO COUNCIL

This is an informational item and requires no Council action.

BACKGROUND

This report is the year-end version of the quarterly report that was created to provide the Council with brief information regarding the financial performance of the City of Roseville. It includes a series of tables and charts displaying financial data for FY2017-18 for (1) the General Fund, (2) the enterprise operating funds, and (3) revenues in other selected funds. It also includes an explanation of significant variations.

FISCAL IMPACT

This item is a informational report only and has no fiscal impact.

ECONOMIC DEVELOPMENT / JOBS CREATED

This item is not connected to any new job creation.

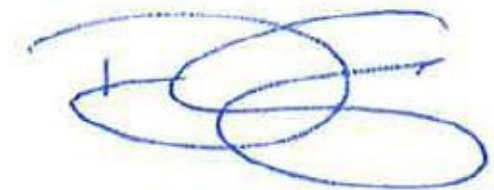
ENVIRONMENTAL REVIEW

The FY2017-18 Year-End Report is not considered a "project" as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines §15378); consequently, no CEQA action is required.

Respectfully Submitted,

Scott Pettingell, Budget Manager

Dennis Kauffman, Chief Financial Officer



Dominick Casey, City Manager

ATTACHMENTS:

Description

Year-end Report

Year-End Report

Fiscal Year 2017-18



316 Vernon Street, Downtown Roseville, California

Fiscal Year 2017-18 Year-End Report

Introduction

This report displays year-end financial data for fiscal year (FY) 2017-18 for the General Fund, the major enterprise operating funds, and revenues in other selected funds. Each page includes the following information:

- FY2017-18 Budget to actual comparison
 - o Amended budget
 - o Actual
 - o Budget to actual variance (dollars)
 - o Budget to actual variance (percent)
- FY2016-17 to FY2017-18 Actual comparison
 - o Bar charts for notable revenues, departments and funds

The amended budget reflects the adopted budget plus changes in revenue estimates and expenditure appropriations approved through the budget adjustment process. Actual year-end data is displayed in bar chart format for both FY2016-17 and FY2017-18 to show how the City performed compared to the previous year. This report only highlights notable variances.

The data in this report illustrate a significant change to our budgeting and accounting practices in FY2017-18. Per Generally Accepted Accounting Principles (GAAP), transfers related to indirect costs were reclassified to expenditure reductions in the General Fund and to operating expenses in the enterprise funds. The effects of this change are:

- General Fund Revenues and Transfers In: These are reduced significantly compared to the prior year since the General Fund is no longer reporting indirect cost transfers.
- General Fund Expenditures: There is a significant reduction compared to the prior year since, instead of reporting an incoming transfer for indirect costs, the General Fund is reporting reduced departmental expenditures.
- Enterprise Funds: Expenses increased significantly from last year since, instead of reporting transfers out to reimburse the General Fund for indirect costs, enterprise funds now report these costs as operating expenses.

General Fund: Operating Revenue & Transfers In (page 6)

Budget to Actual Comparison

General Fund operating revenues ended the year lower than budget by \$2.1 million, or 2 percent. The one-time shortfall is because the City did not receive its full disbursement of sales tax revenue for FY2017-18 due to a delay in processing state-wide tax returns at the California Department of Tax and Fee Administration (CDTFA) related to the implementation of its new software system. As a result, the City is reporting a 6 percent, or \$3 million, reduction in sales tax revenue compared to budget.

Due to the CDTFA's inability to report which disbursements pertain to which fiscal year, we were unable to accrue the revenue back to FY2017-18 and will be unable to determine with certainty the final amount earned in FY2017-18. Because of this, sales tax revenue for FY2017-18 will show as a one-time "dip" with an anticipated one-time "spike" in FY2018-19.

Property tax revenues exceeded the amended budget by one percent or \$636,000.

Parks, Recreation & Libraries program revenues came in approximately \$385,000 below estimates. Staff attributes the majority of this shortfall to lower than anticipated revenues from adult sports, youth, teen, and aquatic programs.

Building Permit revenues exceeded revenue projections by 23 percent or \$443,000, and Plan Check Fee revenues exceeded revenue projections by three percent or \$57,000.

Engineering inspection fees exceeded estimates by 69 percent, or \$68,000. This increase is primarily due to the finalizing of large commercial improvement plans.

Grant revenues ended the year approximately \$315,000 below estimates. The primary factor contributing to this variance were two flood protection grants that were not completed during FY2017-18. Staff anticipates completing both projects during FY2018-19.

Other revenues exceeded estimates by approximately \$645,000 or four percent. Several factors contributing to this variance were greater than anticipated general fund update fees, high school officer reimbursements, and DUI reimbursements.

Prior Year Actual Comparison

Sales tax revenues decreased by \$1 million (2 percent) from FY2016-17 to FY2017-18. This decrease is due to the City not receiving its full disbursement of sales tax revenues as mentioned previously.

Property tax revenues increased by \$3.8 million (9.4 percent) from FY2016-17 to FY2017-18 due to rising assessed values.

Compared to FY2016-17, building permit revenues decreased by 11.5 percent and plan check fees fell by 17.6 percent. This reduction is due to the processing of more over-the-counter permits (which have lower fees than those for larger projects) and the leveling-off of the single-family housing market.

General Fund: Operating Expenditures & Transfers Out (page 7)

Budget to Actual Comparison

Operating expenditures and transfers out ended the year \$1.6 million, or 1 percent, under budget primarily due to lower than anticipated materials, services and supplies, as a result of continued aggressive cost control.

Prior Year Actual Comparison

The major operating departments (Police; Fire; Parks, Recreation & Libraries; Development Services; and Public Works) saw significant increases in actual expenditures, from FY2016-17 to FY2017-18, due to three General Fund services (IT, building maintenance, and janitorial) that were moved into internal service funds (ISFs) and now allocate their costs out to their customer departments. As a result, the General Fund operating departments saw their costs increase. Not only was this increase expected, but it was also part of the reason for creating these ISFs - to more clearly illustrate the actual costs of operating each department.

Conversely, the General Government departments (which include Human Resources, Finance, City Clerk, etc.) saw significant decreases in expenditures (\$19.4 million or 71.6 percent) due to three factors:

- (1) The change to indirect cost reimbursements - these reimbursements from other funds for support department services are now reported as expenditures reductions instead of as a transfer in, thus reducing total costs.
- (2) Expenses for services that moved into ISFs at the beginning of FY2017-18 (IT, building maintenance, and janitorial services) are no longer reported as General Government departments in the General Fund.
- (3) Expenses for utility billing services, which moved from Finance to Electric and Environmental Utilities, are no longer included in the General Fund.

Economic Development & Housing, which receives some indirect cost reimbursement, also shows a decrease in actual expenses from last year to this year due to the change in accounting for the reimbursement.

Enterprise Funds: Operating Revenue (page 8)

Budget to Actual Comparison

Water Operations and Solid Waste Operations both came in 10 percent above revenue estimates. Higher than anticipated utility sales contributed to a majority of this variance.

Transit revenue estimates came in \$1.1 million under budget estimates due to lower than anticipated grant revenues.

The Transportation fund shows a revenue shortfall of approximately \$14.9 million. A majority of this variance can be attributed to lower than anticipated federal grant funding.

The Youth Development Fund saw revenues come in 8 percent or \$511,000 above estimates due to increased participation including opening a new Adventure Club and preschool site at Orchard Ranch Elementary School.

Prior Year Actual Comparison

All of the EU operations funds had increases in actual revenue in FY2017-18 compared to FY2016-17:

- o Water: 16 percent
- o Wastewater: nearly 1 percent
- o Solid Waste: 5 percent

These increases are due to rate adjustments that took effect on July 1, 2017 (Water: 7 percent; Wastewater: 6 percent; Solid Waste: 2 percent) as well as increased water usage and increased tonnage being picked up by Solid Waste.

The Transit Fund shows a \$1.2 million decrease in actual revenue because project expenses varied significantly from the prior year resulting in fewer grant reimbursements.

The Transportation Fund realized more than \$1 million due to higher Transportation Development Act (TDA) allocations than the previous year.

Enterprise Funds: Operating Expenditures (page 9)

Budget to Actual Comparison

Enterprise Fund operating expenditures came in 13 percent below budget estimates overall. The primary contributing factor was lower than anticipated materials, supplies, and services spending.

Prior Year Actual Comparison

Like the General Fund departments, the enterprise funds also had increased actual expenditures when comparing FY2016-17 to FY2017-18 because of the change to indirect cost reimbursement and the initiation of the new ISFs. For Electric and EU operations funds, there was an additional increase since those funds now pay for utility billing services directly instead of via indirect cost transfers to the General Fund.

Other Revenue (page 10)

Budget to Actual Comparison

Fire Facilities Fund, Public Facilities Fund, Strategic Improvement Fund revenues all exceeded revenue estimates due to higher than anticipated development activity.

Prior Year Actual Comparison

The Public Facilities Fund realized an increase of \$167,000 (4.5%) and the Strategic Improvement Fund realized an increase of \$500,000 (48%). As mentioned previously, these increases are due to increased levels of development activity compared to the prior year.

Conclusion

The General Fund ended FY2017-18 with nearly \$2.0 million more in operating revenue than operating expenses. After taking into account non-operating activity and carryforward amounts for operating and capital appropriations, and after the one-time deferred collection of sales tax revenue from CDTFA, the General Fund ended the fiscal year \$344 thousand lower than the amended budget. The City anticipates collecting \$2-3 million of deferred sales tax in FY2018-19.

General Fund: Operating Revenue & Transfers In

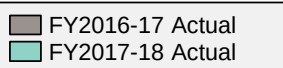
FY2017-18 Year End

July 1, 2017 - June 30, 2018

Budget to Actual Comparison:

	FY2017-18					
	Amended Budget		Actual		Variance	
					\$	%
Sales Tax	\$	54,671,200	\$	51,642,443	\$ (3,028,757)	-6%
Property Tax	\$	43,614,181	\$	44,250,221	\$ 636,040	1%
Parks, Recreation & Libraries Programs	\$	4,174,959	\$	3,789,976	\$ (384,983)	-9%
Building Permits	\$	1,935,000	\$	2,377,841	\$ 442,841	23%
Plan Check Fees	\$	2,048,458	\$	2,105,830	\$ 57,372	3%
Engineering Inspection Fees	\$	99,600	\$	167,902	\$ 68,302	69%
Grants	\$	491,217	\$	176,069	\$ (315,148)	-64%
Other Revenue	\$	17,473,405	\$	18,116,062	\$ 642,657	4%
Franchise Fee Transfers In	\$	7,847,583	\$	7,847,583	\$ -	0%
Operating Transfers In	\$	3,459,037	\$	3,254,603	\$ (204,434)	-6%
Indirect Cost Reimbursement (Transfer In)	\$	-	\$	-	\$ -	0%
Prior Year Encumbrance Carryover*	\$	963,728	\$	963,728	\$ -	0%
Total:	\$	136,778,368	\$	134,692,258	\$ (2,086,110)	-2%

Prior Year Actual Comparison:



* Prior Year Operating Carryover is included here since it represents the reserve set aside to cover carryover expenses.

General Fund: Operating Expenditures & Transfers Out

FY2017-18 Year End

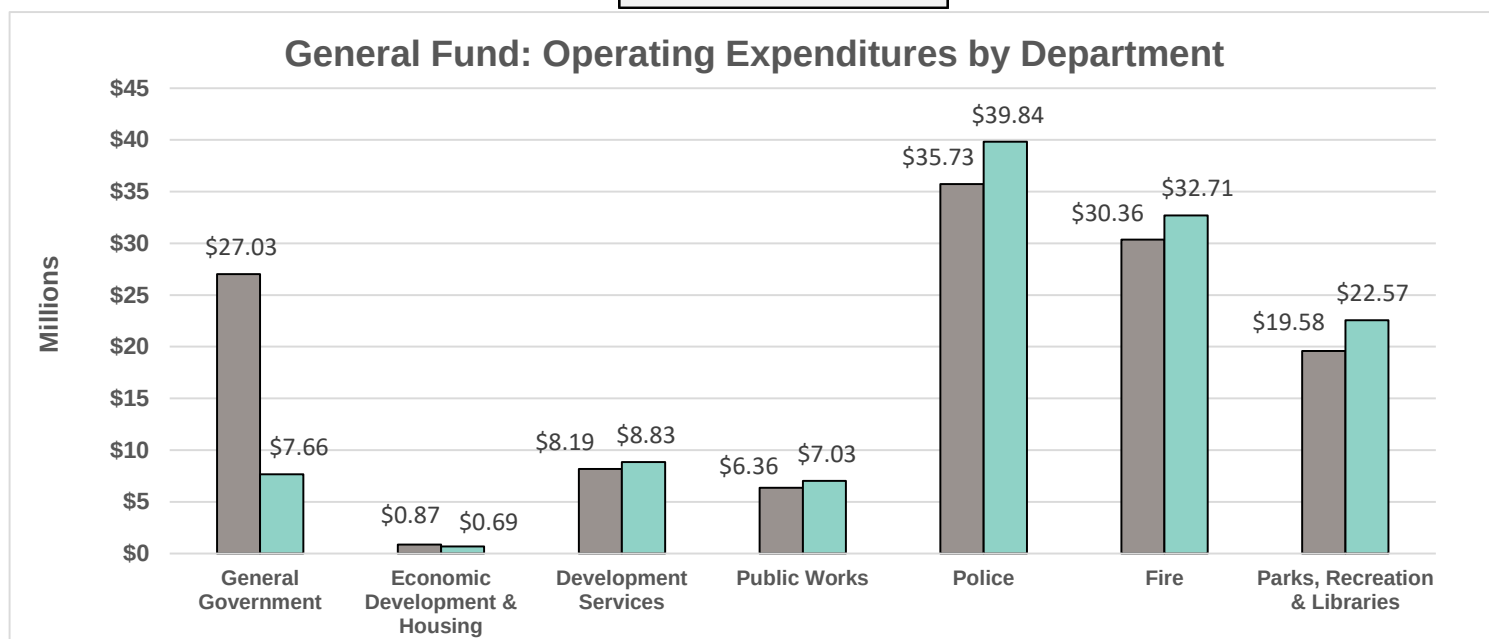
July 1, 2017 - June 30, 2018

Budget to Actual Comparison:

	FY2017-18				
	Amended Budget	Actual	Variance		
			\$	%	
General Government	\$ 8,194,903	\$ 7,664,172	\$ (530,731)	-6%	
Economic Development & Housing	\$ 697,442	\$ 691,349	\$ (6,093)	-1%	
Development Services	\$ 9,103,073	\$ 8,834,844	\$ (268,229)	-3%	
Public Works	\$ 7,173,796	\$ 7,034,175	\$ (139,621)	-2%	
Police	\$ 40,009,003	\$ 39,840,852	\$ (168,151)	0%	
Fire	\$ 32,833,754	\$ 32,707,018	\$ (126,736)	0%	
Parks, Recreation & Libraries	\$ 23,025,944	\$ 22,571,302	\$ (454,642)	-2%	
Annexation Payments	\$ 5,775,037	\$ 5,775,035	\$ (2)	0%	
City Special Assessments	\$ 139,581	\$ 130,321	\$ (9,260)	-7%	
Other Operating Expenses	\$ 1,141,453	\$ 1,136,623	\$ (4,830)	0%	
Post-Retirement Transfer Out	\$ 5,363,884	\$ 5,605,493	\$ 241,609	5%	
Other Operating Transfers Out	\$ 694,213	\$ 705,457	\$ 11,244	2%	
General Fund Contingency	\$ 190,985	\$ -	\$ (190,985)	-100%	
Total:	\$ 134,343,068	\$ 132,696,641	\$ (1,646,427)	-1%	

Prior Year Actual Comparison:

FY2016-17 Actual
 FY2017-18 Actual



Enterprise Funds: Operating Revenue

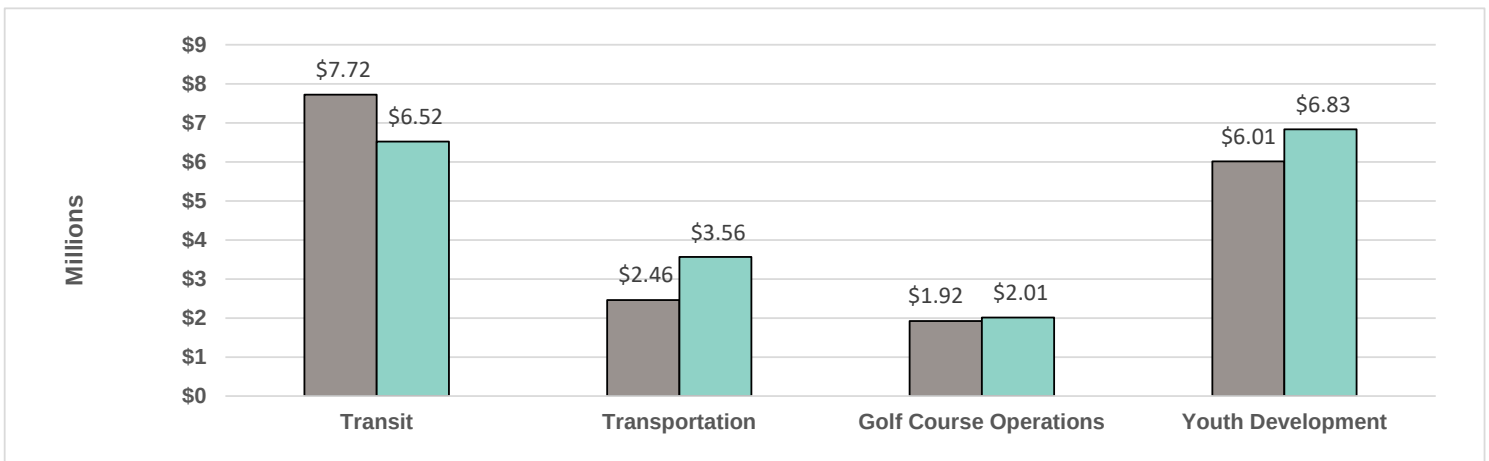
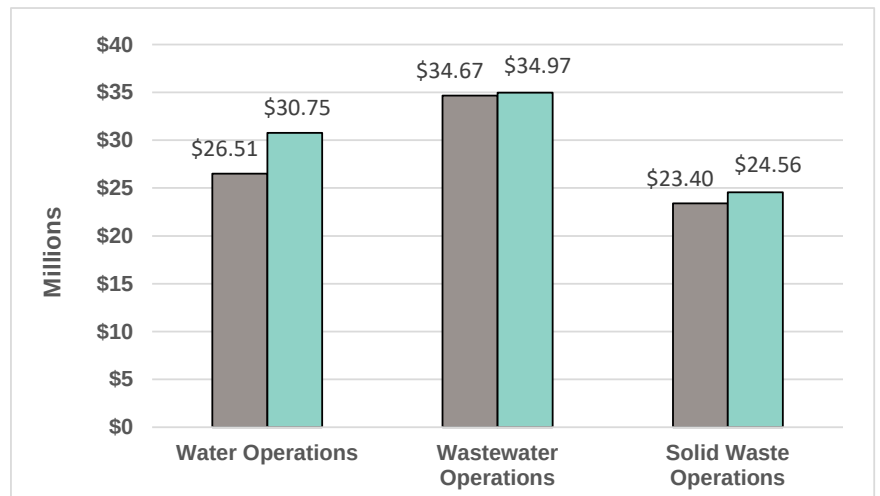
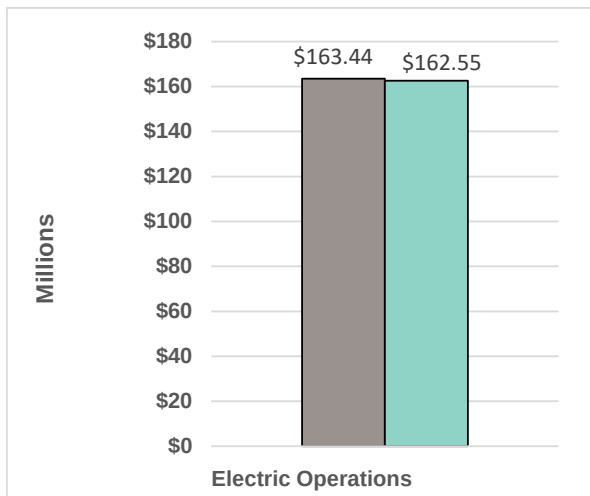
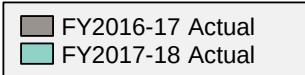
FY2017-18 Year End

July 1, 2017 - June 30, 2018

Budget to Actual Comparison:

	FY2017-18					
	Amended Budget		Actual		Variance	
					\$	%
Electric Operations	\$	163,378,306	\$	162,547,606	\$ (830,700)	-1%
Water Operations	\$	27,983,606	\$	30,753,432	\$ 2,769,826	10%
Wastewater Operations	\$	36,097,290	\$	34,967,826	\$ (1,129,464)	-3%
Solid Waste Operations	\$	22,425,188	\$	24,562,323	\$ 2,137,135	10%
Transit	\$	7,654,172	\$	6,520,121	\$ (1,134,051)	-15%
Transportation	\$	18,476,703	\$	3,561,143	\$ (14,915,560)	-81%
Golf Course Operations	\$	2,177,221	\$	2,013,655	\$ (163,566)	-8%
Youth Development	\$	6,319,409	\$	6,831,160	\$ 511,751	8%

Prior Year Actual Comparison:



Enterprise Funds: Operating Expenditures

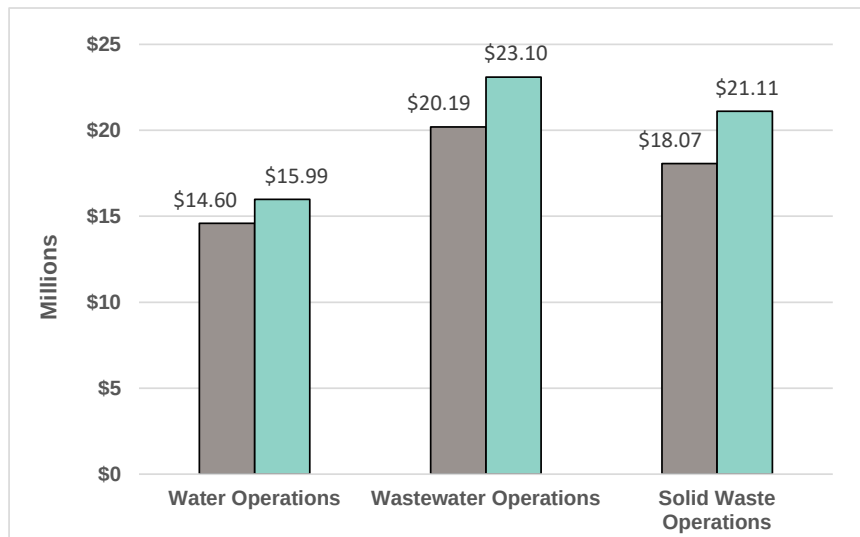
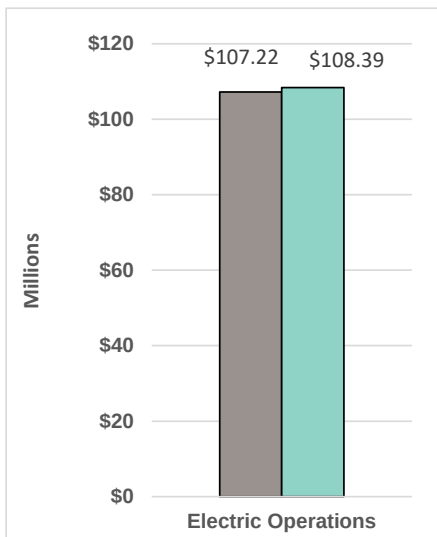
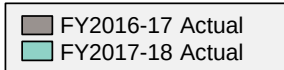
FY2017-18 Year End

July 1, 2017 - June 30, 2018

Budget to Actual Comparison:

	FY2017-18				
	Amended Budget		Actual	Variance	
				\$	%
Electric Operations	\$	121,957,897	\$	108,386,913	\$ (13,570,984) -11%
Water Operations		19,874,698		15,986,293	(3,888,405) -20%
Wastewater Operations		28,158,365		23,100,543	(5,057,822) -18%
Solid Waste Operations		23,774,978		21,108,390	(2,666,588) -11%
Transit		6,387,959		5,491,778	(896,181) -14%
Transportation		1,353,190		1,096,768	(256,422) -19%
Golf Course Operations		2,106,490		1,964,542	(141,948) -7%
Youth Development		6,413,510		6,489,073	75,563 1%

Prior Year Actual Comparison:



Other Revenue

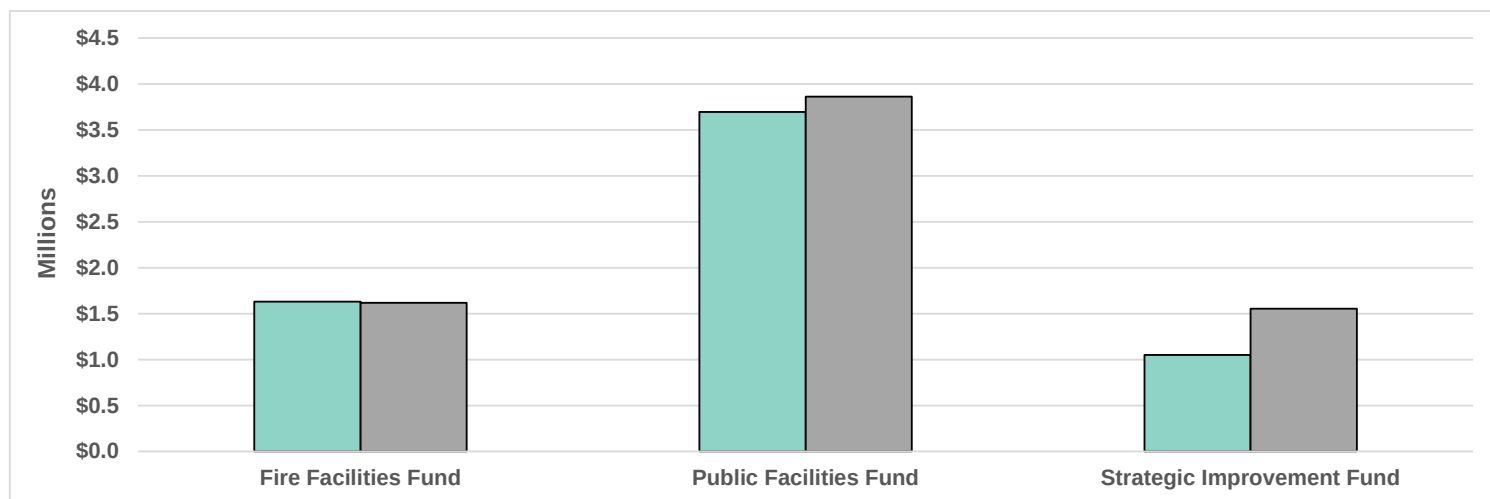
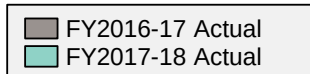
FY2017-18 Year End

July 1, 2017 - June 30, 2018

Budget to Actual Comparison:

	FY2017-18				
	Amended Budget		Actual	Variance	
				\$	%
Fire Facilities Fund	\$	960,626	\$ 1,616,108	\$ 655,482	68%
Public Facilities Fund		1,961,859	3,861,843	1,899,984	97%
Strategic Improvement Fund		935,990	1,554,389	618,399	66%

Prior Year Actual Comparison:





COUNCIL COMMUNICATION

CC #: 9756

File #: 0206-03-01

Title: The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities) - Resolution of Formation

Contact: Jeannine Thrash 916-774-5473 jthrash@roseville.ca.us
Dennis Kauffman 916-774-5313 dkauffman@roseville.ca.us

Meeting Date: 1/16/2019

Item #: 8.1.

RECOMMENDATION TO COUNCIL

It is requested that City Council adopt the following resolutions and ordinance (attached):

- A Resolution of Formation of the City Council of the City of Roseville to Form The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities) and Future Annexation Area
- A Resolution Determining Necessity to Incur Bonded Indebtedness of the City Council of the City of Roseville for The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities)
- A Resolution Calling Special Election of the City Council of the City of Roseville Regarding The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities)
- A Resolution Declaring Results of Special Election and Directing Recording of Notice of Special Tax Lien Regarding The City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities)
- Ordinance of the City Council of the City of Roseville Levying Special Taxes Within the City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities)

BACKGROUND

The landowner, Sierra Vista Communities, LLC., has requested the City form a Community Facilities District (CFD) under the Mello-Roos Community Facilities Act of 1982 to provide funding for certain authorized public facilities as well as authorized services within the property, as detailed in the List of Authorized Facilities and Services attachment in the Resolution of Formation. The property within the boundaries of the CFD will be assessed special taxes as described in the Rate and Method of Apportionment, also included in the Resolution of Formation.

The objective of establishing this CFD is to create a land-secured funding mechanism to be used to fund construction of authorized facilities of the CFD. With consideration of the anticipated phasing of development, the CFD boundary initially is proposed to include a subset of The Ranch

at Sierra Vista project area reflecting the anticipated first phase of development. The remainder of The Ranch at Sierra Vista project area has been designated as future annexation area with the ability to annex into the CFD as subsequent phases of development proceed.

The initial CFD boundary includes all of the Phase 1 property and is anticipated to include approximately 554 low-density residential units over 100 acres. There are 3 phases planned for The Ranch at Sierra Vista project area, with expected land uses for the remaining phases (future annexation areas) to include an additional 155 low-density residential units and 454 medium-density residential units. The total acreage of the project spans 215 acres of property.

On November 28, 2018, the City Council adopted Resolution of Intention 18-471, to Form a Community Facilities District and Future Annexation Area, and Levy a Special Tax in the City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities), and set Wednesday, January 16, 2019 at 7:00 p.m. as the time and place to conduct the public hearing.

FISCAL IMPACT

The CFD will generate special taxes that will be paid by property owners sufficient to pay the costs for debt service, CFD administration, authorized pay-as-you-go facilities, and future maintenance/replacement of constructed facilities. The formation and administration of the CFD will not impact the City's General Fund.

ECONOMIC DEVELOPMENT / JOBS CREATED

The formation of the public infrastructure CFD will ultimately help the local economy in the construction industry by creating new jobs for infrastructure and home construction.

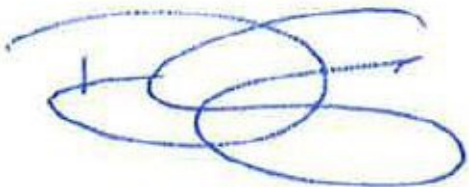
ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change to the environment (CEQA Guidelines §15061(b)(3)). This formation of a public facilities CFD does not include the potential for a significant environmental effect, and therefore is not subject to CEQA.

Respectfully Submitted,

Jeannine Thrash, Administrative Analyst

Dennis Kauffman, Chief Financial Officer

A handwritten signature in blue ink, consisting of several overlapping loops and a final horizontal stroke.

Dominick Casey, City Manager

ATTACHMENTS:

Description

Resolution No. 19-30

Resolution No. 19-31

Resolution No. 19-32

Resolution No. 19-33

Ordinance

Notice of Special Tax Lien

Notice of Public Hearing

Hearing Report

CITY COUNCIL OF THE CITY OF ROSEVILLE

RESOLUTION NO. 19-30

A RESOLUTION OF FORMATION OF THE CITY COUNCIL OF THE CITY OF ROSEVILLE TO FORM THE CITY OF ROSEVILLE THE RANCH AT SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES) AND FUTURE ANNEXATION AREA

WHEREAS, on November 28, 2018, the City Council (the "City Council") of the City of Roseville (the "City") adopted a resolution entitled "A Resolution of Intention of the City Council of the City of Roseville to Form a Community Facilities District and Future Annexation Area, and Levy a Special Tax in the City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities) to Finance Public Services and the Acquisition and Construction of Certain Public Facilities in and for Such Community Facilities District" (the "Resolution of Intention"), stating its intention to form "City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities)" (the "CFD"), and "City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities) (Future Annexation Area)" (the "Future Annexation Area"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"); said resolution, at the request of the owner of the land proposed to be included in the CFD, restarted the proceedings for the CFD and replaced Resolution No. 18-346 in order to modify certain of the authorizations for the CFD; and

WHEREAS, the Resolution of Intention, describing a map of the proposed boundaries of the CFD and the Future Annexation Area, and stating the facilities and services to be provided, the cost of providing such facilities and services, and the rate and method of apportionment of the special tax to be levied within the CFD to pay the principal and interest on bonds proposed to be issued with respect to the CFD, is on file with the City Clerk and the provisions thereof are incorporated herein by this reference as if fully set forth herein; and

WHEREAS, on this date, this City Council held a noticed public hearing as required by the Act and the Resolution of Intention relative to the proposed formation of the CFD and the Future Annexation Area; and

WHEREAS, at the hearing all interested persons desiring to be heard on all matters pertaining to the formation of the CFD and the Future Annexation Area, the facilities and services to be provided therein and the levy of said special tax were heard and a full and fair hearing was held; and

WHEREAS, at the hearing evidence was presented to this City Council on said matters before it, including a report caused to be prepared by the Finance Director of the City (the "Report") as to the facilities and services to be provided through the CFD and the costs thereof, a copy of which is on file with the City Clerk, and this City Council at the conclusion of said hearing is fully advised in the premises; and

WHEREAS, written protests with respect to the proposed formation of the CFD, the furnishing of specified types of facilities and services and the rate and method of apportionment of the special taxes have not been filed with the City Clerk by 50% or more of the registered voters residing within the territory of the CFD or property owners of one-half or more of the area of land within the CFD and not exempt from the proposed special tax; and

WHEREAS, written protests against the proposed establishment of the Future Annexation Area and future annexation of parcels therein to the CFD have not been filed with the City Clerk by (i) 50% of more of the registered voters, or six registered voters, whichever is more, residing in the proposed boundaries of the CFD, or (ii) 50% or more of the registered voters, or six registered voters, whichever is more, residing in the Future Annexation Area, (iii) owners of one-half or more of the area of land in the proposed CFD or (iv) owners of one-half or more of the area of land in the Future Annexation Area; and

WHEREAS, the special tax proposed to be levied in the CFD to pay for the proposed facilities and services to be provided therein, as set forth in Exhibit B hereto, has not been eliminated by protest by 50% or more of the registered voters residing within the territory of the CFD or the owners of one-half or more of the area of land within the CFD and not exempt from the special tax.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ROSEVILLE RESOLVES AS FOLLOWS:

1. **Recitals Correct.** The foregoing recitals are true and correct.
2. **No Majority Protest.** The proposed special tax to be levied within the CFD has not been precluded by majority protest pursuant to section 53324 of the Act.
3. **Prior Proceedings Valid.** All prior proceedings taken by this City Council in connection with the establishment of the CFD and the Future Annexation Area, and the levy of the special tax have been duly considered and are hereby found and determined to be valid and in conformity with the Act.
4. **Name of CFD and Future Annexation Area.** The community facilities district designated "City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities)" is hereby established pursuant to the Act.

The Future Annexation Area to the CFD designated "City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities) (Future Annexation Area)" is hereby established pursuant to the Act.

5. **Boundaries of CFD and Future Annexation Area.** The boundaries of the CFD and the Future Annexation Area, as set forth in the map of the CFD heretofore recorded in the Placer County Recorder's Office on September 10, 2018 in Book 3 at Page 80, as Document No. 2018-0065145 of Maps of Assessment and Community Facilities Districts, are hereby approved, are incorporated herein by reference and shall be the boundaries of the CFD and the Future Annexation Area, respectively.

Parcels within the Future Annexation Area shall be annexed to the CFD only with the unanimous approval (each, a "Unanimous Approval") of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed to the CFD, without any requirement for further public hearings or additional proceedings. The City Council hereby determines that any property for which the owner or owners execute a Unanimous Approval shall be added to the CFD and the City Clerk shall record an amendment to the notice of special tax lien for the CFD pursuant to Section 3117.5 of the Streets and Highways Code.

6. **Description of Facilities and Services.** The type of public facilities and services proposed to be financed by the CFD and pursuant to the Act shall consist of those items listed as facilities and services in Exhibit B hereto and by this reference incorporated herein (the “Facilities” and “Services”), which list of facilities and services has not been amended since the Resolution of Intention. The financing of the costs of Facilities and Services may include, without limitation, the payment of principal of and interest on bonds together with all direct, indirect periodic, and/or other related costs (including, without limitation, costs of administering the CFD, levying the Special Tax and administering the bonds, and establishing and replenishing reserve funds).

7. **Special Tax.**

a. Except to the extent that funds are otherwise available to the CFD to pay for the Facilities and Services and/or the principal and interest as it becomes due on bonds of the CFD issued to finance the Facilities, a special tax (the “Special Tax”) sufficient to pay the costs thereof, secured by the recordation of a continuing lien against all non-exempt real property in the CFD, is intended to be levied annually within the CFD, and collected in the same manner as ordinary *ad valorem* property taxes or in such other manner as may be prescribed by this City Council.

b. The proposed rate and method of apportionment of the Special Tax among the parcels of real property within the CFD, in sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay, are shown in Exhibit A attached hereto and hereby incorporated herein. Said rate and method has a non-substantive change from that presented in connection with the Resolution of Intention to clarify the termination date of the facilities component of the Special Tax; all of the landowners in the CFD have consented to such change.

c. The Special Tax shall not be levied in the CFD after fiscal year 2082-83, except that a Special Tax that was lawfully levied in or before the final tax year and that remains delinquent may be collected in subsequent years. Under no circumstances shall the Special Tax levied against any parcel in the CFD to be used for private residential purposes be increased as a consequence of delinquency or default by the owner of any other parcel or parcels within the CFD by more than 10%.

d. Territory in the Future Annexation Area will be annexed into the CFD and a special tax will be levied on such territory only with the Unanimous Approval of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed into the CFD. Except to the extent that funds are otherwise available to the CFD to pay for the Facilities and Services, a Special Tax sufficient to pay the costs thereof, secured by the recordation of a continuing lien against all non-exempt real property in the Future Annexation Area, is intended to be levied annually within the Future Annexation Area, and collected in the same manner as ordinary *ad valorem* property taxes or in such other manner as may be prescribed by this City Council. In connection with such annexation, the City may designate a parcel or parcels as an improvement area (each, a “Future Improvement Area”) within the CFD without additional hearings or procedures, and thereafter all proceedings for approval of the appropriations limit, the rate and method of apportionment and manner of collection of special taxes, and the authorization to incur bonded indebtedness for the improvement, which may be different from other areas of the CFD, shall apply only to the Future Improvement Area.

e. A special tax shall not be levied in a Future Improvement Area after the fiscal year identified in the rate and method for the Future Improvement Area, except that a special tax that was lawfully levied in or before the final tax year and that remains delinquent may be collected in subsequent years. Under no circumstances shall the special tax levied against any parcel in the Future Improvement Area for private residential purposes be increased as a consequence of delinquency or default by the owner of any other parcel or parcels within the CFD in contravention of the Act, including Section 53321(d) of the Act.

f. As required by Section 53339.3(d) of the Act, the City Council hereby determines that the special tax proposed to pay for Facilities financed with bonds that have already been issued and that are secured by the existing CFD shall be the same as the tax levied in the existing CFD for that purpose, except that a higher special tax may be levied for that purpose within the territory proposed to be annexed or to be annexed in the future to compensate for the interest and principal previously paid by the existing CFD, less any depreciation allocable to the public facility. In so finding, the City Council does not intend to limit its ability to levy a special tax within territory to be annexed or to be annexed in the future to pay for new or additional Facilities, with or without bond financing.

8. **Increased Demands.** It is hereby found and determined that the Facilities and Services are necessary to meet increased demands placed upon local agencies as the result of development occurring in the CFD.

9. **Responsible Official.** The Director of Finance of the City of Roseville, 311 Vernon Street, Roseville, CA 95678, (916) 774-5313, is the officer of the City who will be responsible for preparing annually a current roll of special tax levy obligations by assessor's parcel number and who will be responsible for estimating future special tax levies pursuant to the Act.

10. **Tax Lien.** Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the Streets and Highways Code of California, a continuing lien to secure each levy of the special tax shall attach to all nonexempt real property in the CFD and this lien shall continue in force and effect until the special tax obligation is prepaid and permanently satisfied and the lien canceled in accordance with law or until collection of the tax by the City ceases.

11. **Appropriations Limit.** In accordance with the Act, the annual appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, of the CFD is hereby preliminarily established at \$21,000,000, and said appropriations limit shall be submitted to the voters of the CFD as hereafter provided. The proposition establishing said annual appropriations limit shall become effective if approved by the qualified electors voting thereon and shall be adjusted in accordance with the applicable provisions of the Act.

The designation as an improvement area of any territory annexing to the CFD, the rate and method of apportionment of special tax for such improvement area and the appropriations limit for such improvement area shall be identified and approved in the Unanimous Approval executed by property owners in connection with their annexation to the CFD.

12. **Election.** Pursuant to the provisions of the Act, the proposition of the levy of the special tax and the proposition of the establishment of the appropriations limit specified above shall be submitted to the qualified electors of the CFD at an election. The time, place and conditions of the election shall be as specified by a separate resolution of this City Council.

13. **Effective Date.** This resolution shall take effect upon its adoption.

The foregoing Resolution was adopted by the City Council of the City of Roseville on the _____ day of _____, 2019, on the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

Mayor

ATTEST:

City Clerk

EXHIBIT A

City of Roseville
The Ranch at Sierra Vista Community Facilities District No. 1
(Public Facilities)
Placer County, California

RATE, METHOD OF APPORTIONMENT, AND
MANNER OF COLLECTION OF SPECIAL TAX

1. Basis of Special Tax Levy

A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 (Act) applicable to the land in The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities) (CFD) of the City of Roseville (City) shall be levied and collected according to the tax liability determined by the City through the application of the appropriate amount or rate, as described below.

2. Definitions

"Acre" or **"Acreage"** means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map or other Development Plan.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311 and following of the California Government Code.

"Administrative Expenses" means the actual or reasonably estimated costs related to the administration of the CFD, including, but not limited to, these:

- a. Costs of computing Special Taxes and preparing annual Special Tax collection schedules (whether by the City or any designee thereof or both).
- b. Costs of collecting the Special Taxes (whether by the County, the City, or otherwise).
- c. Costs of remitting the Special Taxes to the Trustee.
- d. Costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Bond Indenture.
- e. Costs to the City, CFD, or any designee thereof of complying with arbitrage rebate requirements.
- f. Costs to the City, CFD, or any designee thereof of complying with City, CFD, or obligated persons disclosure requirements.

- g. Costs associated with preparing Special Tax disclosure statements.
- h. Costs incurred in responding to public inquiries regarding the Special Taxes.
- i. Costs to the City, CFD, or designee thereof related to any appeal of the Special Taxes.
- j. Costs associated with the release of funds from an escrow account, if any.
- k. Costs to the City for the issuance of Bonds authorized by the CFD that are not recovered through the Bond sale proceeds.
- l. Amounts estimated to be advanced or already advanced by the City for any other administrative purposes, including attorney's fees and other costs related to collection of the Special Taxes and commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

"Administrator" means a City official in the Finance Department, or their designee responsible for determining or overseeing the levy and collection of the Special Taxes.

"Affordable Housing Director" means, at any point in time, the person in the City who serves as head of the department that is in charge of the City's affordable housing program.

"Affordable Unit" means a Unit built on a Residential Use Parcel for which an Affordable Unit agreement has been entered into for the property designating the Unit as affordable. A Multifamily Parcel may have only a portion of the Units assigned as Affordable Units. The City Manager, or his or her designee, shall determine which Units are designated as Affordable Units and maintain an Affordable Unit listing, which shall contain all designated buildable parcels by tract and lot number, and in the case of Large Lot Parcels remaining before May 1 of the preceding Fiscal Year, the number of designated Affordable Units for each such Large Lot Parcel; all entries shall indicate the effective date of designation. The Affordable Unit listing also shall be updated to reflect those Units no longer qualifying as Affordable Units, also known as Market-Rate Units. The Affordable Unit listing, which shall contain all qualifying Affordable Units as of April 30, shall be made available to the Administrator by July 1 of each year for purposes of determining the Maximum Annual Special Tax for Parcels pursuant to **Section 4**.

"Annexation Parcels" means a Parcel or Parcels annexed to the CFD after formation. The Maximum Annual Special Tax will be assigned to such Parcels using the provisions of **Section 4**. Annexation Parcels may be assigned a different Maximum Annual Special Tax Rate or Maximum Annual Special Tax per Parcel using a methodology different from the other Parcels in the CFD and may be placed in an area designated as a separate zone or improvement area of the CFD, all of which shall be set forth in revised attachments hereto as needed, without further CFD proceedings.

"Annual Facilities Costs" means, for any Fiscal Year, the total of these:

- a. Debt Service to be paid from Facilities Special Taxes.
- b. The amount needed to replenish the reserve fund for the Bonds to the level required under the Bond Indenture, to the extent not included in a computation of Annual Facilities Costs in a previous Fiscal Year.

- c. Administrative Expenses for such Fiscal Year.
- d. The amount needed to (1) cure any delinquencies in the payment of principal or interest on Bonds, which have occurred in the prior Fiscal Year, to the extent not otherwise included in a computation of Annual Facilities Costs in the current or any previous Fiscal Year, and (2) to fund any foreseeable deficiency of the amount to be available for the payment of principal or interest on Bonds, which are expected to occur in such Fiscal Year, to the extent not included in a computation of Annual Facilities Costs in the current or any previous Fiscal Year.
- e. The amount needed to (1) cure any delinquencies in the payment of the Facilities Special Tax in the prior Fiscal Year, to the extent not otherwise included in a computation of Annual Facilities Costs in the current or any previous Fiscal Year, and (2) to fund any foreseeable deficiency in the payment of the Facilities Special Tax for that Fiscal Year which is expected to occur in such Fiscal Year, to the extent not included in a computation of Annual Facilities Costs in the current or any previous Fiscal Year.
- f. Authorized Pay-As-You-Go Costs.
- g. During the Deferral Bonding Period, the amount needed to pay Development Impact Fee Deferrals not financed by Bonds.
- h. Less any available earnings on any reserve fund or Facilities Special Tax funds, available capitalized interest or any other available revenues of the CFD or the City that may be used to fund Annual Facilities Costs.

"Annual Maintenance Costs" means, for any Fiscal Year, the total of these:

- a. Authorized Services costs to be paid from Maintenance Special Taxes.
- b. Administrative Expenses for such Fiscal Year.
- c. The amount needed to (1) cure any delinquencies in the payment of the Maintenance Special Tax in the prior Fiscal Year, to the extent not otherwise included in a computation of Annual Maintenance Costs in the current or any previous Fiscal Year, and (2) to fund any foreseeable deficiency in the payment of the Maintenance Special Tax for that Fiscal Year which is expected to occur in such Fiscal Year, to the extent not included in a computation of Annual Maintenance Costs in the current or any previous Fiscal Year.
- d. Less any available earnings on any reserve fund, Maintenance Special Tax funds or any other available revenues of the CFD or the City that may be used to fund Annual Maintenance Costs.

"Assessor's Parcel" means a lot or Parcel with an assigned Assessor's Parcel Number in the maps used by the County Assessor in preparing the tax roll.

"Assessor's Parcel Map" means an official map of the County Assessor designating Parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" means the Parcel and Parcel Number as assigned by the County Assessor on the equalized tax roll.

“Assigned Maximum Annual Special Tax” means the maximum Facilities Special Tax or Maintenance Special Tax assigned to each Large Lot Parcel that is an Original Parcel based on the Expected Land Uses at CFD formation, or at annexation, as shown in **Attachment 1**.

“Authorized Facilities” means those facilities and fees to be financed, as identified in the resolution forming the CFD.

“Authorized Services” means those services authorized to be funded, as defined in the resolution forming the CFD.

“Base Year” means the Fiscal Year beginning July 1, 2018, and ending June 30, 2019.

“Bond(s)” means any bond(s) issued by the City for the CFD under the Act and any other debt, as defined in the Act, the City incurs to further the CFD’s purposes.

“Bond Indenture” means the indenture, resolution, fiscal agent agreement, or other financing document pursuant to which any Bonds are issued.

“Building Permit” means a permit issued by the City for the construction of a Residential Use or Nonresidential Use structure.

“Business Professional” means a Parcel or Parcels zoned to provide for office uses and other uses that are related to and supportive of office uses.

“CFD” means The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities) of the City of Roseville, Placer County, California.

“City” means the City of Roseville in Placer County, California.

“Community Commercial” means a Parcel or Parcels zoned to serve the principal retail shopping needs of the entire community by providing areas for shopping centers, and other retail and service uses.

“Council” means the City Council of the City acting for the CFD under the Act.

“County” means the County of Placer, California.

“Debt Service” means the total annual amount of Bond principal, interest, and the scheduled sinking fund payments of the Bonds in a calendar year.

“Deferral Bonding Period” means the period after the Initial Bonding Period has ended and during which the City finances the Development Impact Fee Deferral.

“Developed Parcel” means, in any Fiscal Year:

- a. For Single-Family Parcels: All Parcels for which a Final Small Lot Subdivision Map was recorded before May 1 of the preceding Fiscal Year.
- b. For Multifamily Parcels: All Parcels for which a Building Permit for new construction of a Residential Use structure was issued before May 1 of the preceding Fiscal Year.

- c. For all Nonresidential Use Parcels: All Parcels for which a Building Permit for new construction of a Nonresidential Use structure was issued before May 1 of the preceding Fiscal Year.

“Development Agreement” means the Development Agreement By and Between the City of Roseville and Baseline P&R, LLC, relative to the Sierra Vista Specific Plan dated April 28, 2010 and the Development Agreement By and Between the City of Roseville and Baybrook Limited Partnership, Relative to the Sierra Vista Specific Plan dated April 28, 2010.

“Development Impact Fee Deferral” means the deferred payment of development impact fees due to the City or the South Placer Regional Transportation Authority (SPRTA) for Developed Parcels, using the approach and amounts identified in the Development Agreement, which may be amended from time to time.

“Development Plan” means a condominium plan, apartment plan, site plan, or other development plan that identifies such information as the type of structure, acreage, square footage, or number of Units that are approved to be developed on Single-Family Parcels, Multifamily Parcels, and Nonresidential Parcels.

“Expected Land Use(s)” means the total number of Units or Acres of each land use type by Tax Category expected in each Large Lot Parcel and Original Parcel at CFD formation as identified in **Attachment 3** of this RMA.

“Facilities Special Tax” means the Special Tax authorized to fund Annual Facilities Cost. Facilities Special Taxes are shown in **Attachments 2 and 3**.

“Final Use Small Lot Parcel” means a Parcel designated for development as a single-family residence, which is part of a Final Small Lot Subdivision Map.

“Final Small Lot Subdivision Map” means a recorded map designating the final Parcel subdivision for individual Single-Family Parcels.

“Finance Director” means the Finance Director for the City, or their designee.

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

“Full Prepayment” means the complete fulfillment of a Parcel’s Facilities Special Tax obligation, as determined by following the procedures in **Section 8**.

“High Density Residential” means, per the Sierra Vista Specific Plan, a land use designation that primarily accommodates attached housing, but depending on the unit type, could also include detached housing, within the density range of 13.0 or greater dwelling units per gross developable acre. Typical housing product types include, but shall not be limited to, detached townhomes, courtyard townhomes/condominiums, garden-style apartments, and podium design apartments/condominiums.

“Initial Bonding Period” means the period in which Bonds are outstanding or refunded which financed Authorized Facilities costs other than the Development Impact Fee Deferral.

“Large Lot Parcel” means a Parcel created by a Large Lot Subdivision Map.

"Large Lot Subdivision Map" means a recorded subdivision map creating Parcels by land use. However, the Large Lot Subdivision Map does not delineate Single-Family Parcels. A Final Small Lot Subdivision Map will create individual Single-Family Parcels.

"Low Density Residential" means, per the Sierra Vista Specific Plan, a land use designation that supports single-family detached homes on conventional lots within the density range of up to 6.9 dwelling units per gross developable acre. Typical housing product types include, but shall not be limited to, standard, alley-loaded, or clustered, single-family detached units.

"Maintenance Special Tax" means the Special Tax authorized to fund Annual Maintenance Costs. The Maintenance Special Tax will be levied and collected beginning with the Transition Year. Maintenance Special Taxes are shown in **Attachment 4**.

"Market-Rate Unit" means a Unit that is not an Affordable Unit.

"Maximum Annual Special Tax" means the greatest amount of Facilities Special Tax or Maintenance Special Tax that can be levied against a Parcel in a given Fiscal Year, as shown in **Attachments 2, 3, and 4**.

"Maximum Annual Facilities Special Tax" means the greatest amount of Facilities Special Tax that can be levied against a Parcel in a given Fiscal Year, as shown in **Attachments 2, 3, or 4**.

"Maximum Annual Maintenance Special Tax" means the greatest amount of Maintenance Special Tax that can be levied against a Parcel in a given Fiscal Year, as shown in **Attachments 2, 3, or 4**.

"Maximum Annual Special Tax Rate" means the rate of Facilities Special Tax or Maintenance Special Tax charged per Unit or per Taxable Acre, as shown in **Attachments 2, 3, and 4**.

"Maximum Annual Facilities Special Tax Revenue" means the greatest amount of Facilities Special Tax revenue that can be collected in total from a group of Parcels (such as Developed Parcels) by levying the Maximum Annual Facilities Special Tax.

"Maximum Annual Maintenance Special Tax Revenue" means the greatest amount of Maintenance Special Tax revenue that can be collected in total from a group of Parcels (such as Developed Parcels) by levying the Maximum Annual Maintenance Special Tax.

"Maximum Annual CFD Special Tax Revenue" means the sum of the Maximum Annual Special Tax levied on all Taxable Parcels in the CFD in a Fiscal Year.

"Medium Density Residential" means, per the Sierra Vista Specific Plan, a land use designation that accommodates both single-family detached homes and attached homes within the density range of 7.0 to 12.9 dwelling units per gross developable acre. Typical housing product types include, but shall not be limited to, standard or alley-loaded lots, courtyard lots, green court lots, auto courts, alley clusters, zero-lot lines, or z-shaped lots. In addition, duet/half-plex homes, townhomes, or condominiums may be accommodated in Medium Density Residential areas.

"Mixed Use Parcel" means a Parcel or Parcels designated for a combination of Residential Uses and Nonresidential Uses.

"Multifamily For-Rent" or **"Multifamily For-Rent Parcel"** means any Parcel designated or developed for more than one residential dwelling Unit per Parcel and where such units are initially offered for rent to the general public and cannot be purchased by individual homeowners. Such uses may consist of apartments or structures such as duplexes or triplexes, including land uses defined as High Density Residential. Each residential dwelling Unit within Multifamily For-Rent or Multifamily For-Rent Parcels is not expected to have its own distinct Assessor's Parcel Number.

"Multifamily For-Sale" or **"Multifamily For-Sale Parcel"** means any Parcel designated or developed for more than one residential dwelling Unit within a single building or structure and that may share at least one common wall where such units are not initially offered for rent to the general public and initially may be offered for sale to individual homeowners. Such uses may consist of condominiums or buildings such as half-plexes or time-share units, including land uses defined as High Density Residential. Multifamily For-Sale Parcels are anticipated to have their own distinct Assessor's Parcel Number as is the case in residential condominium projects. Once designated as Multifamily For-Sale or Multifamily For-Sale Parcel, the Parcel shall remain so designated unless the original structures are demolished.

"Nonresidential Use" means a Taxable Parcel zoned for land uses other than Residential Uses which may include Business Professional, Community Commercial and Mixed Use.

"Original Parcel" means a Taxable Parcel identified in **Attachment 1** at formation of the CFD.

"Parcel" means any Assessor's Parcel in the CFD based on the equalized tax rolls of the County as of January 1 of each Fiscal Year.

"Partial Prepayment" means the partial fulfillment of a Parcel's Facilities Special Tax obligation, as determined by following the procedures in **Section 8**.

"Pay-As-You-Go Costs" means that portion of costs of acquisition, construction, and improvement of Authorized Facilities not financed by Bonds.

"Prepayment" means the full or partial fulfillment of a Parcel's Facilities Special Tax obligation, as determined by following the procedures in **Section 8**.

"Proportionately" means that the ratio of the actual Special Tax levy to the Maximum Annual Special Tax is equal for all Developed Parcels. For Small Lot Tentative Map Parcels, Proportionately means that the ratio of the actual Special Tax levy to the Maximum Annual Special Tax is equal for all Small Lot Tentative Map Parcels. For Large Lot Parcels, Proportionately means that the ratio of the actual Special Tax levy to the Maximum Annual Special Tax is equal for all Large Lot Parcels. For Undeveloped Parcels, Proportionately means that the ratio of the actual Special Tax levy to the Maximum Annual Special Tax is equal for all Undeveloped Parcels.

"Public Parcel" means any Parcel that is or is intended to be publicly owned, as designated in any final map, that is normally exempt from the levy of general ad valorem property taxes under California law, including, but not limited to, public streets, schools, parks, and public drainageways, landscaping, wetlands, greenbelts, and open space.

"Remainder Parcel" means a portion of a unit of land that is created as a result of the recording of a Large Lot Parcel Map or Final Small Lot Subdivision Map, which results in a designated remainder as defined in Government Code Section 66424.6(a) (Remainder Parcel). Such a Remainder Parcel may contain taxable and tax-exempt uses, such as Residential Uses, and Public Parcels, such as park sites. Once designated as a Remainder Parcel, such Parcel will be considered a Large Lot Parcel for the purposes of future Subdivisions and for the provisions of **Sections 4** through **6**.

"Residential Use" means a Parcel designated for residential use, such as single-family residential Units, residential condominiums, townhouses, or apartments that would be included in the definitions of Low-Density Residential, Medium Density Residential or High Density Residential.

"RMA" means this Rate and Method of Apportionment, and Manner of Collection of Special Tax, as it may be amended from time to time in connection with Annexation Parcels or otherwise.

"Single-Family Parcel" means, in any Fiscal Year, all Parcels in the CFD for which a building permit was issued or may be issued for construction of a Unit that is a single-family residential, residential condominium, or townhouse Unit.

"Small Lot Tentative Map" means a map that is approved by the City for the purpose of showing the design of a proposed Subdivision, including the individual buildable lots expected in the Subdivision, as well as the conditions pertaining thereto. A Small Lot Tentative Map is not based on a detailed survey of the property in the map and is not recorded at the County Recorder's Office to create legal lots.

"Small Lot Tentative Map Parcel" means, in any Fiscal Year, all Parcels included in a Small Lot Tentative Map that was approved before May 1 of the prior Fiscal Year and which have not yet become a Developed Parcel.

"Special Tax(es)" mean(s) any tax levy under the Act in the CFD.

"Subdivision" or **"Subdivided"** means a division of a Parcel into two or more Parcels through Parcel reconfiguration, lot-line adjustments, or the Subdivision Map Act process. A Subdivision also may include the merging of two or more Parcels to create new Parcels.

"Successor Parcel" means a Parcel created by the Subdivision of an Original Parcel or a Successor Parcel.

"Tax Category" means the categories of taxable land uses shown in **Attachments 2** and **4**.

"Tax Collection Schedule" means the document prepared by the Administrator for the County Auditor-Controller to use in levying and collecting the Special Taxes each Fiscal Year.

"Tax Escalation Factor" means a factor of 2 percent by which the Maximum Annual Facilities Special Tax, Maximum Annual Maintenance Special Tax and related Maximum Annual Special Tax Rates shall be increased annually until the Transition Event. After the Transition Event, the Maximum Annual Maintenance Special Tax may be increased up to 2 percent annually at the City's discretion. The Administrator should refer to Section 4a for application of the Tax Escalation Factor.

"Taxable Acreage" means that area of a Parcel determined by the Administrator to become a Taxable Parcel or Parcels upon further Subdivision. An example might be that a Large Lot Parcel Map creates a Remainder Parcel that, according to **Attachment 1**, contains both taxable uses and tax-exempt uses.

"Taxable Parcel" means any Parcel that is not a Tax-Exempt Parcel.

"Tax-Exempt Parcel" means a Parcel not subject to the Annual Special Tax. Tax-Exempt Parcels include (a) Public Parcels, and (b) Parcels owned by the City, school districts, special districts, or the state or federal government. A Taxable Parcel that is acquired by a public agency, the Parcel shall remain a Taxable Parcel as per the provisions of **Section 4.h**.

Certain privately-owned Parcels also may be exempt from the levy of Annual Special Taxes, including common areas owned by homeowner's associations or property owner associations, wetlands, detention basins, water quality ponds, and open space, as determined by the Administrator.

"Transition Event" means the earlier of (a) after the Initial Bonding period, the Fiscal Year in which the Administrator determines the Development Impact Fee Deferral has been repaid in full to the City and City determines funding is no longer needed for Annual Facilities Costs, or (b) Fiscal Year 2083-84.

"Transition Year" means the first Fiscal Year following the Fiscal Year in which the Transition Event occurred.

"Trustee" means a national banking association organized and existing under the laws of the United States acting as a trustee or fiscal agent for Bonds.

"Undeveloped Parcel" means a Taxable Parcel that is not a Developed Parcel, Small Lot Tentative Map Parcel, or a Large Lot Parcel.

"Unit" means, for a Single-Family Parcel, the individual residential unit on such Parcel, or for a Multifamily For-Rent Parcel or Multifamily For-Sale Parcel, an individual residential unit in a multifamily building.

3. Duration of the Special Tax

The Facilities Special Tax will be levied and collected until the earlier of (i) the Transition Year or (ii) Fiscal Year 2082-83. The Maintenance Special Tax will be levied and collected beginning in the Transition Year. The Maintenance Special Tax will be collected in perpetuity.

4. Administrative Tasks for the Facilities Special Tax

Tasks required of the Administrator are discussed below:

- a. **Annual Special Tax Escalation.** Until the Transition Event, the Administrator shall increase the Maximum Annual Facilities Special Tax, the Maximum Annual Maintenance Special Tax and Maximum Annual Special Tax Rates by the Tax Escalation Factor in all Fiscal Years following the Base Year. After the Transition Event, the City, in its sole discretion, may

determine whether to apply the Tax Escalation Factor to the Maximum Annual Maintenance Special Tax in any Fiscal Year.

- b. Assignment of the Maximum Annual Facilities Special Tax to Original Parcels. **Attachment 3** identifies the Assigned Maximum Annual Facilities Special Tax for each Original Parcel at CFD formation, which is determined for each Large Lot Parcel based on the Expected Land Uses in each Large Lot Parcel at CFD Formation. The Assigned Maximum Annual Facilities Special Tax shall continue to apply to the geographic area to which it was assigned. If, before further Subdivision, the Administrator determines there are multiple Assessor's Parcels in a Large Lot Parcel, the Administrator shall assign the Maximum Annual Facilities Special Tax to each Assessor's Parcel on a pro rata basis to all Assessor's Parcels in that Large Lot Parcel based on the percentage share of Taxable Acreage identified for each Assessor's Parcel. Similarly, if the Administrator determines there are multiple Large Lot Parcels in an Assessor's Parcel, the Maximum Annual Facilities Special Tax shall equal the sum of the Assigned Maximum Annual Facilities Special Tax for all Large Lot Parcels in that Assessor's Parcel.
- c. Assignment of the Maximum Annual Facilities Special Tax to Annexation Parcels. If Parcels are annexed to the CFD after formation, the Maximum Annual Facilities Special Tax shall be assigned to these Annexation Parcels using the definitions in **Section 2** and the Maximum Annual Facilities Special Tax per Unit or Acre shown in **Attachment 2** as adjusted by the Tax Escalation Factor applied by the Administrator, unless the Annexation Parcels are annexed with a new set of Maximum Annual Facilities Special Taxes. **Attachment 1** or **2** shall be amended, or a new attachment created, to include the Annexation Parcels and, if necessary, the applicable tax rates. If new Maximum Annual Facilities Special Taxes are created, **Attachments 1, 2, and 3** should be amended to reflect the Maximum Annual Facilities Special Taxes for the Annexation Parcels. Once annexed, these annexed Parcels shall be considered Original and Successor Parcels and will be subject to the same procedures for assignment of the Maximum Annual Facilities Special Tax to Successor Parcels described in **Section 4.d**. The owner of the Annexation Parcels shall be responsible for paying all costs associated with annexing the Annexation Parcels to the CFD, but otherwise shall not be required to pay any other charge, fee or catch-up special tax in connection with or as a condition of such annexation unless otherwise agreed to by the owner of the Annexation Parcel in connection with the annexation.
- d. Assignment of the Maximum Annual Facilities Special Tax to Successor Parcels. As Original Parcels and Successor Parcels are Subdivided through creation of Final Small Lot Subdivision Maps, lot line adjustments or other Parcel amendments through the Subdivision Map Act process, the Administrator shall use the following steps to assign the Maximum Annual Facilities Special Tax to new Successor Parcels. As a result of each assignment of the Maximum Annual Facilities Special Tax upon Subdivision of an Original Parcel or Successor Parcel, the sum of the Maximum Annual Facilities Special Taxes assigned to the newly created Taxable Parcels shall never be less, but may be greater, than the Assigned Maximum Annual Facilities Special Tax for that Original Parcel or Successor Parcel.
 - 1. If an Original Parcel or Successor Parcel is Fully Subdivided into Single-Family Parcels with No Remainder Parcel(s). There shall be no net loss of Maximum CFD Special Tax Revenue as a result of the assignment of the Maximum Annual Facilities Special Tax to

Single-Family Parcels. The Administrator shall use the following procedures to assign the Maximum Annual Facilities Special Tax to Single-Family Parcels. All references to Maximum Annual Facilities Special Taxes in the attachments are subject to application by the Tax Escalation Factor by the Administrator:

- A. Multiply the Maximum Annual Facilities Special Tax per Unit by Tax Category from **Attachment 2** by the number of Units for each Single-Family Parcel created by the Subdivision. Sum the Maximum Annual Facilities Special Taxes for all Single-Family Parcels created by the Subdivision.
 - B. If the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.1.A above is equal to or greater than the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided, assign the Maximum Annual Facilities Special Tax per Unit by Tax Category as calculated in Step 4.1.d.A above to each Single-Family Parcel created by the Subdivision.
 - C. If the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.1.A above is less than the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided, unless 100 percent of the Units are designated Affordable Units, (i) assign the Maximum Annual Facilities Special Tax for Affordable Units shown in **Attachment 2** to each Affordable Unit (if any) and, (ii) Proportionately increase the Maximum Annual Facilities Special Tax per Unit for all Units that are not Affordable Units until the sum of resulting Maximum Annual Facilities Special Taxes from all Units (including Affordable Units) equals the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided. Assign the Maximum Annual Facilities Special Tax calculated in this step to each new Single-Family Parcel created by the Subdivision.
 - D. If the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.1.A above is less than the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided **and** if 100 percent of the Single-Family Parcels created by Subdivision are designated as Affordable Units, increase Proportionately the Maximum Annual Facilities Special Tax per Unit for each Affordable Unit until the sum of Maximum Annual Facilities Special Taxes from all Affordable Units on the new Single-Family Parcels created by the Subdivision equal the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided. Assign the Maximum Annual Facilities Special Tax calculated in this step to each new Single-Family Parcel created by the Subdivision.
2. If Original or Successor Parcel Is Subdivided into Single-Family Parcels and One or More Remainder Parcels. When an Original or Successor Parcel is Subdivided into Single-Family Parcels and one or more Large Lot Parcels (or Remainder Parcels), the Assigned Maximum Annual Facilities Special Tax is apportioned to the Single-Family Parcels and Large Lot Parcels created by the Subdivision in the following manner:
- A. Apportion the Assigned Maximum Annual Facilities Special Tax to the area(s) that is/are being Subdivided into Single-Family Parcels and to the area(s) that will be Remainder Parcel(s) on a pro rata basis, based on the percentage share of Taxable

Acreage represented by each such area as compared to the total area of the Original or Successor Parcel.

- B. For each area Subdivided into Single-Family Parcels, multiply the Maximum Annual Facilities Special Tax per Unit by Tax Category from **Attachment 2** by the number of Units for each Single-Family Parcel created by the Subdivision. Sum the Maximum Annual Facilities Special Taxes for all Single-Family Parcels created by the Subdivision.
- C. For each area Subdivided into Single-Family Parcels, if the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.2.B above is equal to or greater than the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels, assign the Maximum Annual Facilities Special Tax per Unit by Tax Category as calculated in Step 4.d.2.B above to each Single-Family Parcel created by the Subdivision.
- D. For each area Subdivided into Single-Family Parcels, if the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.2.B above is less than the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels, unless 100 percent of the Units are designated Affordable Units, (i) assign the Maximum Annual Facilities Special Tax for Affordable Units shown in **Attachment 2** to each Affordable Unit (if any) and, (ii) Proportionately increase the Maximum Annual Facilities Special Tax per Unit for all Units that are not Affordable Units until the sum of resulting Maximum Annual Facilities Special Taxes from all Units (including Affordable Units) equals the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels. Assign the Maximum Annual Facilities Special Tax calculated in this step to each new Single-Family Parcel created by the Subdivision.
- E. For each area Subdivided into Single-Family Parcels, if the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.2.B above is less than the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels **and** if 100 percent of the Single-Family Parcels created by Subdivision are designated as Affordable Units, increase Proportionately the Maximum Annual Facilities Special Tax per Unit for each Affordable Unit until the sum of Maximum Annual Facilities Special Taxes from all Affordable Units on the new Single-Family Parcels created by the Subdivision equal the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels. Assign the Maximum Annual Facilities Special Tax calculated in this step to each new Single-Family Parcel created by the Subdivision.
- F. For the Remainder Parcel or Parcels, identify the Maximum Annual Facilities Special Tax for the entire Original or Successor Parcel that has been Subdivided. Sum the Maximum Annual Facilities Special Tax for all Single-Family Parcels created by the Subdivision, including Single-Family Parcels with Affordable Units. Subtract the sum of the Maximum Annual Facilities Special Tax for all Single-Family Parcels from the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel

being subdivided and compare it to the Maximum Annual Facilities Special Tax assigned to the Remainder Parcel or Parcels in Step 4.d.2.A. Assign to each Remainder Parcel, the lesser of the calculations in this step or in Step 4.d.2.A, but in no event less than the difference between the previously Assigned Maximum Annual Facilities Special Tax for the Original Parcel or Successor Parcel being Subdivided and the total of the Maximum Annual Facilities Special Tax for all Single-Family Parcels created by such Subdivision.

Once designated as a Remainder Parcel, such Parcel will be considered a Large Lot Parcel for the purposes of future Subdivisions and for the provisions of **Sections 4** through **6**.

3. If an Original or Successor Parcel is Subdivided creating multiple land uses and Tax Categories or for any rezones of land uses on Original or Successor Parcels:
 - A. Identify the Assigned Maximum Annual Facilities Special Tax for the Original Parcel or Successor Parcel that is being Subdivided or rezoned.
 - B. For each Taxable Parcel subject to rezone or created by Subdivision multiply the Maximum Annual Facilities Special Tax per Unit or per Acre by the number of Units or by the number of Acres by the appropriate Tax Category. For each Taxable Parcel created by Subdivision that includes Affordable Units, multiply the number of Affordable Units by the Tax per Unit for such Affordable Units.
 - C. Sum the Maximum Annual Facilities Special Tax for each Taxable Parcel and compare it to the Assigned Maximum Annual Facilities Special Tax of the Original or Successor Parcel that is subject to rezone or is being Subdivided. If the sum of Maximum Annual Facilities Special Tax for each Taxable Parcel is greater than the Assigned Maximum Annual Facilities Special Tax for the Original Parcel, the Administrator shall apply the Maximum Annual Facilities Special Tax calculated above for each Taxable Parcel.
 - D. If the Assigned Maximum Annual Facilities Special Tax for the Original Parcel or Successor Parcel subject to rezone or that is being subdivided is greater than the sum of Maximum Annual Facilities Special Tax for each Successor Parcel being created, increase Proportionately the Maximum Annual Facilities Special Tax per Unit or per Acre for all Tax Categories on each Taxable Parcel such that the sum of Maximum Annual Facilities Special Tax for all Taxable Parcels equals the Assigned Maximum Annual Facilities Special Tax for the Original Parcel.
- e. Affordable Units that Become Market-Rate Units. If, in any Fiscal Year, the City Manager, or his or her designee, determines that a Unit that previously had been designated as an Affordable Unit no longer qualifies as such, the Affordable Housing Director shall update the Affordable Unit listing by denoting the change in status of the Unit, together with the effective date thereof. For all Affordable Units that are converted to Market-Rate Units, such Units shall be assigned the Maximum Annual Facilities Special Tax per Unit based on their Tax Category as shown in **Attachment 2**, as adjusted by the Tax Escalation Factor.
- f. Transfer of the Assigned Maximum Annual Facilities Special Tax from One Large Lot Parcel to Another. The Maximum Annual Facilities Special Taxes shown in **Attachment 3** were determined based on the Expected Land Uses for each Large Lot Parcel shown in

Attachment 1. If the number of planned residential Units or Nonresidential Acreage is transferred from one Large Lot Parcel to another before recording of a Final Small Lot Subdivision Map in any portion of the Large Lot Parcel, the City may, in its sole discretion, allow for a transfer of the Maximum Annual Facilities Special Tax from one Large Lot Parcel to another. Such a transfer shall be allowed only if (1) all adjustments are agreed to in writing by the affected property owners and the Finance Director, and (2) there is no reduction in the Maximum Annual CFD Special Tax Revenues as a result of the transfer. Should a transfer result in an amendment to **Attachment 1, 2, or 3** of the Notice of Special Tax Lien, the requesting property owner shall bear the costs to effect the transfer in the CFD records and prepare the required amendments to the Notice of Special Tax Lien and **Attachments 1, 2, or 3**. Before the transfer, the City may require a deposit from the requesting property owner for such costs.

- g. Conversion of a Tax-Exempt Parcel to a Taxable Parcel. If a Tax-Exempt Parcel is not needed for public use and is converted to a taxable use or transferred to a private owner, it shall become subject to the Facilities Special Tax. The Maximum Annual Facilities Special Tax for the newly Taxable Parcel will be determined using the provisions of **Sections 4 and 5** of the RMA.
- h. Taxable Parcels Acquired by a Public Agency. A Taxable Parcel that is acquired by a public agency after the CFD is formed will remain subject to the applicable Special Tax unless the Special Tax obligation is satisfied pursuant to Section 53317.5 of the Government Code. An exception to this may be made if a Public Parcel, such as a park site, is relocated to a Taxable Parcel, in which case the previously Tax-Exempt Parcel of comparable acreage becomes a Taxable Parcel and the Maximum Annual Facilities Special Tax from the previously Taxable Parcel is transferred to the new Taxable Parcel. This trading of a Parcel from a Taxable Parcel to a Public Parcel will be permitted to the extent there is no net loss in Maximum Annual CFD Special Tax Revenue and the transfer is agreed to by the owners of the Parcels involved in the transfer and the Finance Director.

5. Administrative Tasks for the Maintenance Special Tax

This section discusses the administrative tasks for the Maintenance Special Tax, which shall be applicable after the Transition Event.

Tasks required of the Administrator are discussed below:

- a. Assignment of the Maximum Annual Maintenance Special Tax to Developed Parcels. After the Transition Event, the Administrator shall assign the Maximum Annual Maintenance Special Tax to all Developed Parcels using the Maximum Annual Special Tax Rates for the Maintenance Special Tax by Tax Category shown in **Attachment 4**, as adjusted by the Tax Escalation Factor.
- b. Assignment of the Maximum Annual Maintenance Special Tax to Successor Parcels. After the Transition Event, if Original Parcels and Successor Parcels are Subdivided through creation of Final Small Lot Subdivision Maps, lot line adjustments or other Parcel amendments through the Subdivision Map Act process, the Administrator shall use the steps in **Section 4.d** to assign the Maximum Annual Maintenance Special Tax to new Successor Parcels. **When**

applying Section 4.d after the Transition Event, the Administrator shall substitute Maintenance Special Tax for Facilities Special Tax and shall substitute Maximum Annual Maintenance Special Tax for Maximum Annual Facilities Special Tax.

- c. Assignment of the Maximum Annual Maintenance Special Tax to Annexation Parcels. If Parcels are annexed to the CFD after formation, the Maximum Annual Maintenance Special Tax shall be assigned to these Annexation Parcels using the definitions in Section 2 and the Maximum Annual Maintenance Special Tax per Unit or Acre shown in **Attachment 4** as adjusted by the Tax Escalation Factor applied by the Administrator, unless the Annexation Parcels are annexed with a new set of Maximum Annual Maintenance Special Taxes. **Attachment 1** may be amended, or a new attachment created, to include the Annexation Parcels and, if necessary, the applicable tax rates. If new Maximum Annual Maintenance Special Taxes are created, **Attachment 4** should be amended to reflect the Maximum Annual Maintenance Special Taxes for the Annexation Parcels. Once annexed, these annexed Parcels shall be considered Original and Successor Parcels and will be subject to the same procedures for assignment of the Maximum Annual Maintenance Special Tax to Successor Parcels described in this section. The owner of the Annexation Parcels shall be responsible for paying all costs associated with annexing the Annexation Parcels to the CFD, but otherwise shall not be required to pay any other charge, fee or catch-up special tax in connection with or as a condition of such annexation unless otherwise agreed to by the owner of the Annexation Parcel in connection with the annexation.
- d. Affordable Units that Become Market-Rate Units. If, in any Fiscal Year, the City Manager, or his or her designee, determines that a Unit that previously had been designated as an Affordable Unit no longer qualifies as such, the Affordable Housing Director shall update the Affordable Unit listing by denoting the change in status of the Unit, together with the effective date thereof. For all Affordable Units that are converted to Market-Rate Units, such Units shall be assigned the Maximum Annual Maintenance Special Tax per Unit based on their Tax Category as shown in **Attachment 4**, as adjusted by the Tax Escalation Factor.
- e. Conversion of a Tax-Exempt Parcel to a Taxable Parcel. If a Tax-Exempt Parcel is not needed for public use and is converted to a taxable use or transferred to a private owner, it shall become subject to the Maintenance Special Tax. The Maximum Annual Maintenance Special Tax for the newly Taxable Parcel will be determined using the provisions of **Sections 5 and 6** of the RMA.
- f. Taxable Parcels Acquired by a Public Agency. A Taxable Parcel that is acquired by a public agency after the CFD is formed will remain subject to the applicable Special Tax unless the Special Tax obligation is satisfied pursuant to Section 53317.5 of the Government Code. An exception to this may be made if a Public Parcel, such as a park site, is relocated to a Taxable Parcel, in which case the previously Tax-Exempt Parcel of comparable acreage becomes a Taxable Parcel and the Maximum Annual Maintenance Special Tax from the previously Taxable Parcel is transferred to the new Taxable Parcel. This trading of a Parcel from a Taxable Parcel to a Public Parcel will be permitted to the extent there is no net loss in Maximum Annual CFD Special Tax Revenue and the transfer is agreed to by the owners of the Parcels involved in the transfer and the Finance Director

6. Assignment of the Maximum Annual Special Tax

- a. Classification of Parcels. For purposes of the next Fiscal Year tax levy, by June 30 of each Fiscal Year, using the Definitions in **Section 2**, the Parcel records of the Assessor's secured tax roll as of January 1, and other City development approval records, the Administrator shall cause:
 1. Each Parcel to be classified as a Taxable Parcel or Tax-Exempt Parcel.
 2. Each Parcel to be classified as a Developed Parcel, a Small Lot Tentative Map Parcel, a Large Lot Parcel (including Remainder Parcels), or an Undeveloped Parcel.
- b. Assignment of the Maximum Annual Facilities Special Tax to Taxable Parcels. The Maximum Annual Facilities Special Tax will be assigned to each Taxable Parcel each Fiscal Year using the procedures (not all steps may be applicable for each such Parcel) in **Section 4**.
- c. Assignment of the Maximum Annual Maintenance Special Tax to Taxable Parcels. The Maximum Annual Maintenance Special Tax will be assigned to each Taxable Parcel each Fiscal Year using the procedures (not all steps may be applicable for each such Parcel) in **Sections 4 and 5**.

7. Calculating Annual Special Taxes

This section discusses the levy of the Facilities Special Tax and the Maintenance Special Tax. Collectively, these Special Taxes are included in the discussion of the assignment of the Maximum Annual Special Taxes. For the period following CFD formation until the Transition Event, the Maximum Annual Special Tax shall refer to the Facilities Special Tax. Beginning with the Transition Year, the Maximum Annual Special Tax shall refer to the Maintenance Special Tax.

The Administrator will compute the Annual Facilities Costs or Annual Maintenance Costs and determine the annual Special Tax levy for each Taxable Parcel based on the assignment of the Special Tax in **Sections 4, 5, and 6**. The Administrator then will determine the tax levy for each Taxable Parcel using the following process:

Facilities Special Tax Levy

- a. Compute the Annual Facilities Costs using the definition of Annual Facilities Costs in **Section 2**.
- b. For all Taxable Parcels, calculate the Facilities Special Tax levy for each using the following steps:
 - Step 7.b.1. The Facilities Special Tax shall be levied proportionately on all Developed Parcels up to the amount of Annual Facilities Cost or up to 100 percent of the Maximum Annual Facilities Special Tax Revenue for all Developed Parcels, whichever is less.
 - Step 7.b.2. If additional revenue is needed after *Step 7.b.1.*, the Facilities Special Tax shall be levied proportionately on each Small Lot Tentative Map Parcel until the revenue from the Facilities Special Tax levy in this step, when added to the levy amount computed in *Step 7.b.1.*, equals the Annual Facilities Costs, or up to

100 percent of the Maximum Annual Facilities Special Tax Revenue for all Small Lot Tentative Map Parcels. As necessary, the Facilities Special Tax shall be levied on Small Lot Tentative Map Parcels for the entire portion of Annual Facilities Costs, excluding Pay-As-You-Go Costs.

Step 7.b.3. If additional revenue is needed after *Step 7.b.2.*, the Facilities Special Tax shall be levied proportionately on each Large Lot Parcel until the revenue from the Facilities Special Tax levy in this step, when added to the levy amount computed through *Step 7.b.2.*, equals the Annual Facilities Costs, or up to 100 percent of the Maximum Annual Facilities Special Tax Revenue for all Large Lot Parcels. As necessary, the Facilities Special Tax shall be levied on Large Lot Parcels for the entire portion of Annual Facilities Costs, excluding Pay-As-You-Go Costs.

Step 7.b.4. If additional revenue is needed after *Step 7.b.3.*, the Facilities Special Tax shall be levied on each Undeveloped Parcel until the revenue from the Facilities Special Tax levy in this step, when added to the levy amounts computed through *Step 7.b.3.*, equals the Annual Facilities Costs, or up to 100 percent of the Maximum Annual Facilities Special Tax Revenue for all Undeveloped Parcels. As necessary, the Facilities Special Tax shall be levied on Undeveloped Parcels for the entire portion of Annual Facilities Costs, excluding Pay-As-You-Go Costs.

Maintenance Special Tax Levy

c. Beginning in the Transition Year, compute the Annual Maintenance Cost using the definition of Annual Maintenance Costs in **Section 2**.

d. For all Taxable Parcels, calculate the Maintenance Special Tax levy for each using the following steps:

Step 7.d.1. The Maintenance Special Tax shall be levied proportionately on all Developed Parcels up to the amount of Annual Maintenance Cost or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Developed Parcels, whichever is less.

Step 7.d.2. If additional revenue is needed after *Step 7.d.1.*, the Maintenance Special Tax shall be levied proportionately on each Small Lot Tentative Map Parcel until the revenue from the Maintenance Special Tax levy in this step, when added to the levy amount computed in *Step 7.d.1.*, equals the Annual Maintenance Costs, or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Small Lot Tentative Map Parcels.

Step 7.d.3. If additional revenue is needed after *Step 7.d.2.*, the Maintenance Special Tax shall be levied proportionately on each Large Lot Parcel until the revenue from the Maintenance Special Tax levy in this step, when added to the levy amount computed through *Step 7.d.2.*, equals the Annual Maintenance Costs, or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Large Lot Parcels.

Step 7.d.4. If additional revenue is needed after *Step 7.d.3.*, the Maintenance Special Tax shall be levied on each Undeveloped Parcel until the revenue from the Maintenance Special Tax levy in this step, when added to the levy amounts computed through *Step 7.d.3.*, equals the Annual Maintenance Costs, or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Undeveloped Parcels.

- e. Levy on each Taxable Parcel the amount calculated above.
- f. Prepare the Tax Collection Schedule and, unless an alternative method of collection has been selected pursuant to **Section 9**, send it to the County Auditor requesting that it be placed on the general, secured property tax roll for the Fiscal Year. The Tax Collection Schedule will be sent no later than the date required by the County Auditor for such inclusion.

The Administrator will make every effort to calculate the Special Tax correctly for each Parcel. It will be the burden of the taxpayer to identify any errors in determining which Parcels are subject to the tax and their Special Tax assignments.

8. Prepayment of the Facilities Special Tax Obligation

A property owner may at any time prepay 50 percent, but not more or less than 50 percent of the Maximum Annual Facilities Special Tax. For Nonresidential Use Parcels, Full Prepayment is permissible at any time. Full Prepayment is not allowable for Residential Use Parcels.

In addition to the conditions above, the City may allow a Full or Partial Prepayment if the City determines that the Prepayment will not jeopardize its ability to make timely payments of Debt Service and maintain a 110-percent annual Debt Service coverage based on Maximum Annual Special Tax Revenues in all years where there will be Outstanding Bonds. Prepayments must be made by May 1 to have the Prepayment reflected in the following Fiscal Year's Special Tax levy. Prepayment is permitted only under the following conditions:

- The landowner prepaying the Facilities Special Tax on a Parcel has paid any delinquent Facilities Special Tax and penalties on that Parcel before Prepayment.
- Following Prepayment, amounts in the reserve fund are equal to or greater than the reserve fund requirement.
- The City determines that the Prepayment will not jeopardize its ability to make timely payments of Debt Service and maintain a 110-percent annual Debt Service coverage based on Maximum Annual Special Tax Revenues in all years in which issued Bonds will be outstanding.
- The portion of the Prepayment for the Development Impact Fee Deferral shall only be used to pay for the Development Impact Fee Deferral whether it was or is to be funded through annual special tax payments or through bonded indebtedness.

When permitted, the Administrator shall calculate Prepayments using the following steps:

a. The Full Prepayment amount shall be established by following the steps below:

- Step 8.a.1: Determine the Facilities Special Tax for the Taxable Parcel for which the Facilities Special Tax is to be prepaid using the provisions of **Sections 4, 5, and 6**. If the Parcel is not designated as a Developed Parcel, determine the applicable Facilities Special Tax for the Parcel assuming it is a Developed Parcel.
- Step 8.a.2: Increase the Facilities Special Tax by 2 percent per annum for the longer of (i) 30 years from the year in which the Parcel was first subject to the Facilities Special Tax as a Developed Parcel, or (ii) the end of the then-remaining Initial Bonding Period.
- Step 8.a.3: Using a discounted rate equal to the most current yield for the 30-Year Treasury Constant Maturity, calculate the net present value of the revenue stream determined *Step 8.a.2*. If this yield is no longer available, the Administrator will select a yield rate from the most comparable type of security.
- Step 8.a.4: Add to the amount calculated in *Step 8.a.3* interest on the Bonds being redeemed to the next redemption date.
- Step 8.a.5: Add to the amount calculated in *Step 8.a.4* a redemption premium on the Bonds being redeemed (if any).
- Step 8.a.6: Add to the amount calculated in *Step 8.a.5* the Development Impact Fee Deferral amount applicable to the Parcel, as adjusted for inflation. If Bonds have been issued to finance the Development Impact Fee Deferral, follow *Step 8.a.2* and *8.a.3*, using for *Step 8.a.2* the longer of (i) 30 years from the year in which the Parcel was first subject to the Facilities Special Tax during the Deferral Bonding Period, or (ii) the end of the then-remaining Deferral Bonding Period.
- Step 8.a.7: Add the administrative cost of processing the Prepayment to the amount calculated in *Step 8.a.6*.
- Step 8.a.8: The amount in *Step 8.a.7* is the amount of the Full Prepayment of the Maximum Annual Special Tax for the Taxable Parcel.

b. Partial Prepayments will be calculated as described below:

The amount of any Partial Prepayment is limited to 50 percent of the Full Prepayment amount determined in *Step 8.a.8*. A Partial Prepayment may only be made in an amount equal 50 percent of the Full Prepayment desired by the party making a Partial Prepayment, except that the full amount of Administrative fees and expenses determined in *Step 8.a.7* shall be included in the Partial Prepayment. The Facilities Special Tax that can be levied on a Parcel after a Partial Prepayment is made is equal to one-half of the Facilities Special Tax that could have been levied before the Partial Prepayment.

9. Interpretation, Application, and Appeal of Special Tax Formula and Procedures

Any taxpayer who feels the amount of the Special Tax assigned to a Parcel is in error may file a notice with the Finance Director appealing the levy of the Special Tax. The Finance Director then will promptly review the appeal and, if necessary, will meet with the applicant. If the Finance Director verifies that the tax should be modified or changed, the Special Tax levy will be corrected and, if applicable in any case, a credit or refund will be granted.

Interpretations may be made by the City, without Resolution or Ordinance of the Council, for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax rate, the method of apportionment, the classification of properties, or any definition applicable to the CFD.

Without Council approval, the Finance Director may make minor, non-substantive administrative and technical changes to the provisions of this RMA that do not materially affect the rate, method of apportionment, or manner of collection of the Special Tax for purposes of administrative efficiency or convenience or to comply with new applicable federal, state, or local law.

The City, upon request of an owner of land in the CFD that is not a Developed Parcel, also may amend this RMA in any manner acceptable to the City, without Resolution or Ordinance of the Council, upon the affirmative vote of such owner and without the vote of owners of any other land in the CFD, provided such amendment is only applicable to such owner's land and does not reduce the total Maximum Annual CFD Special Tax Revenue.

10. Manner of Collection

The Special Tax will be collected in the same manner and at the same time as ad valorem property taxes, provided, however, the Administrator or its designee may directly bill the Special Tax and may collect the Special Tax at a different time, such as on a monthly or other periodic basis, or in a different manner, if necessary, to meet the City's financial obligations.

ATTACHMENT 1

LARGE LOT MAP

The Ranch at Sierra Vista
Community Facilities District No. 1
(Public Facilities)

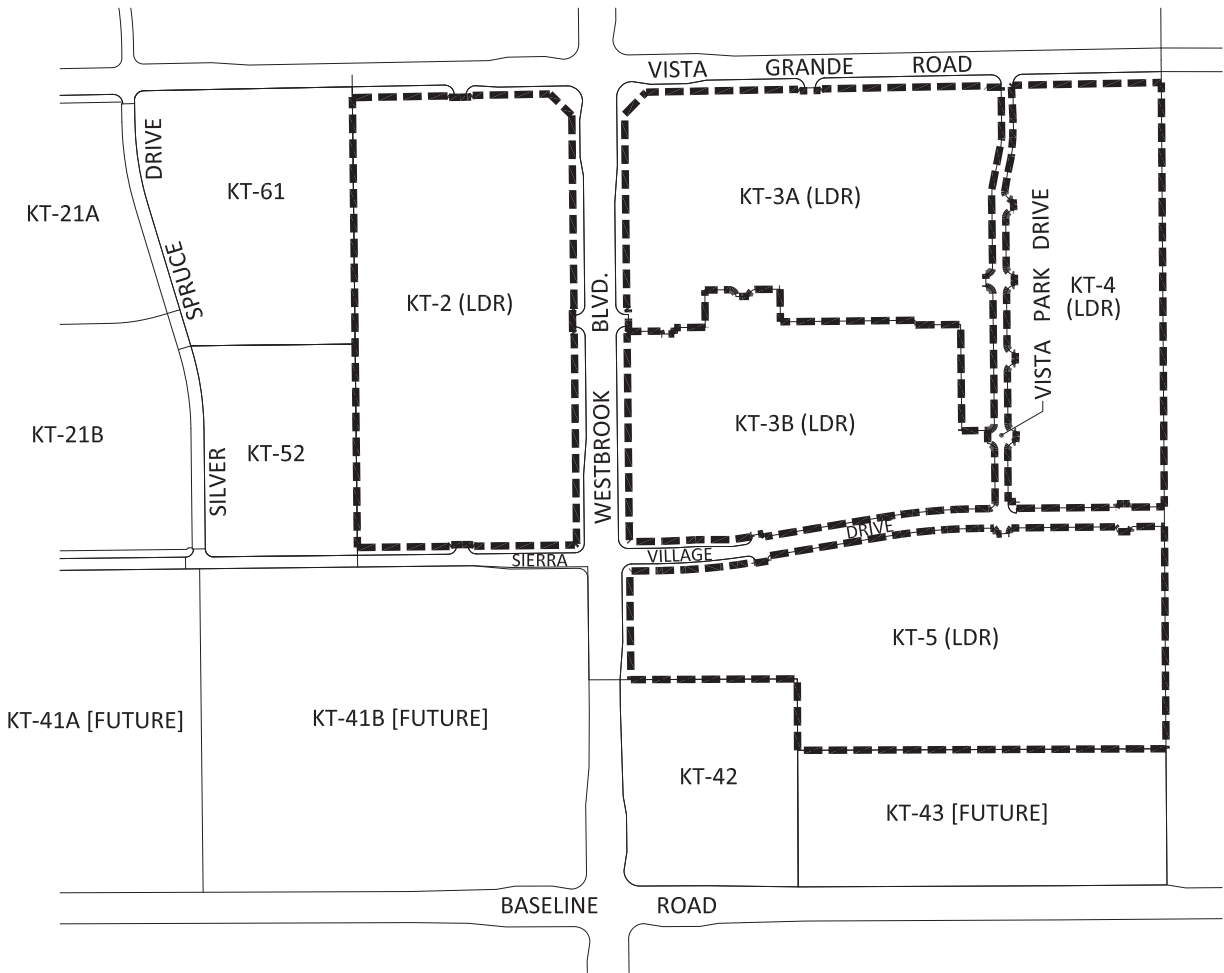
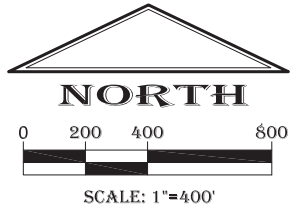
City of Roseville, County of Placer, State of California
Scale 1"=400' Sheet 2 of 2

IDENTIFICATION OF LARGE LOTS

LOT #	APN	SVSP ID	LU	ACREAGE	APPROVED UNITS
KT-2	499-010-019	KT-2	LDR	25.37±	125
KT-3A	499-010-033	KT-3A	LDR	22.31±	110
KT-3B	499-010-033	KT-3B	LDR	18.15±	97
KT-4	499-010-033	KT-4	LDR	15.86±	83
KT-5	499-010-033	KT-5	LDR	23.94±	139
TOTAL				105.63±	554

LEGEND

 PROPOSED CFD
BOUNDARY



Attachment 2
The Ranch at Sierra Vista CFD No. 1 (Public Facilities)
Maximum Annual Facilities Special Taxes by Tax Category
for the Base Year of FY 2018-19 [1]

Expected Land Uses (Tax Category)	Facilities Special Tax per Unit/Taxable Acre	
	Before Transition Event [1]	After Transition Event
Residential Uses	<u>per Unit</u>	<u>per Unit</u>
Low Density Residential (LDR)	\$1,836.00	\$0.00
Medium Density Residential (MDR)	\$1,632.00	\$0.00
High Density Residential (HDR) [2]		
High Density Residential (HDR) For-Sale [2]	\$0.00	\$0.00
High Density Residential (HDR) For-Rent [2]	\$0.00	\$0.00
Affordable Medium Density Residential	\$816.00	\$0.00
Affordable High Density Residential [2]	\$0.00	\$0.00
Nonresidential Uses [2]	<u>per Taxable Acre</u>	<u>per Taxable Acre</u>
Mixed Use (MU) [2]	\$0.00	\$0.00
Business Professional (BP) [2]	\$0.00	\$0.00
Community Commercial (CC) [2]	\$0.00	\$0.00
Undeveloped Property	\$12,735.00	\$0.00

"att2"

- [1] This amount is subject to increase by the Tax Escalation Factor in each Fiscal Year following the Base Year as described in this RMA.
- [2] If a Low Density Residential, Medium Density Residential or Affordable Medium Density Residential Parcel with a Special Tax is rezoned to a use with an identified Special Tax of \$0 in this attachment, the Special Tax would be assigned to the Parcel using the provisions of Section 4 of this RMA.

Attachment 3

The Ranch at Sierra Vista CFD No. 1 (Public Facilities)

Assigned Maximum Annual Facilities Special Tax for Original Parcels (Base Year of FY 2018-19) [1] [2]

Original Parcel	Village Number	Large Lot Map Number	Expected Land Uses				Facilities Special Tax per Unit [1] [2]	Maximum Annual Special Tax Revenue per Village [1] [2]
			Tax Category	Acres	Planned Units	Planned Units per Acre		
499-010-019 (portion) [1]	KT-2, Phase 1	Lot 5	LDR	23.7	125	5.3	\$1,836.00	\$229,500
499-010-033	KT-3A, Phase 1	Lot 4	LDR	19.2	110	5.7	\$1,836.00	\$201,960
499-010-033	KT-3B, Phase 1	Lot 2	LDR	19.4	97	5.0	\$1,836.00	\$178,092
499-010-033	KT-4, Phase 1	Lot 3	LDR	14.3	83	5.8	\$1,836.00	\$152,388
499-010-033	KT-5, Phase 1	Lot 1	LDR	23.5	139	5.9	\$1,836.00	\$255,204
CFD Totals				100.1	554			\$1,017,144

"att3"

[1] This amount is subject to increase by the Tax Escalation Factor in each Fiscal Year following the Base Year as described in this RMA.

[2] If amended to include Annexation Parcels, the Maximum Annual Special Tax for Annexation Parcels would also be subject to the Tax Escalation Factor.

Attachment 4
The Ranch at Sierra Vista CFD No. 1 (Public Facilities)
Maximum Annual Maintenance Special Taxes by Tax Category
for the Base Year of FY 2018-19 [1]

Expected Land Uses (Tax Category)	Maintenance Special Tax per Unit/Taxable Acre	
	Before Transition Event [1]	After Transition Event [1]
Residential Uses	<u>per Unit</u>	<u>per Unit</u>
Low Density Residential (LDR)	\$0.00	\$918.00
Medium Density Residential (MDR)	\$0.00	\$816.00
High Density Residential (HDR) [2]		
High Density Residential (HDR) For-Sale	\$0.00	\$0.00
High Density Residential (HDR) For-Rent	\$0.00	\$0.00
Affordable Medium Density Residential	\$0.00	\$408.00
Affordable High Density Residential [2]	\$0.00	\$0.00
Nonresidential Uses [2]	<u>per Taxable Acre</u>	
Mixed Use (MU) [2]	\$0.00	\$0.00
Business Professional (BP) [2]	\$0.00	\$0.00
Community Commercial (CC) [2]	\$0.00	\$0.00
Undeveloped Property	\$0.00	\$6,367.50

"att4"

[1] This amount is subject to increase by the Tax Escalation Factor in each Fiscal Year following the Base Year as described in this RMA.

[2] If a Low Density Residential, Medium Density Residential or Affordable Medium Density Residential Parcel with a Special Tax is rezoned to a use with an identified Special Tax of \$0 in this attachment, the Special Tax would be assigned to the Parcel using the provisions of Section 4 of this RMA.

CITY CLERK'S STATEMENT:

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA THIS 15 DAY OF August, 2018.

Sonia Orozco
SONIA OROZCO, CITY CLERK
CITY OF ROSEVILLE
PLACER COUNTY, CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF THE RANCH AT SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES). CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF ROSEVILLE, AT A REGULAR MEETING THEREOF HELD ON THE 15 DAY OF August, 2018. BY ITS RESOLUTION NUMBER 18-346

Sonia Orozco
SONIA OROZCO, CITY CLERK
CITY OF ROSEVILLE
PLACER COUNTY, CALIFORNIA

RECORDER'S STATEMENT:

FILED THIS 10TH DAY OF SEPTEMBER, 2018, AT THE HOUR OF 9:49 O'CLOCK A.M., IN BOOK 3 OF MAPS OF COMMUNITY FACILITIES DISTRICT, AT PAGE 80, IN THE OFFICE OF THE RECORDER OF THE COUNTY OF PLACER, STATE OF CALIFORNIA.

DOC NO 2018-0065145

RYAN RONCO
PLACER COUNTY RECORDER

FEE: \$8.00

BY: *S. Ronco*
DEPUTY

LEGEND



PROPOSED CFD
BOUNDARY



AREAS OF FUTURE
ANNEXATION

PROPOSED BOUNDARY OF The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities)

City of Roseville, County of Placer, State of California
Scale 1"=350' Sheet 1 of 1

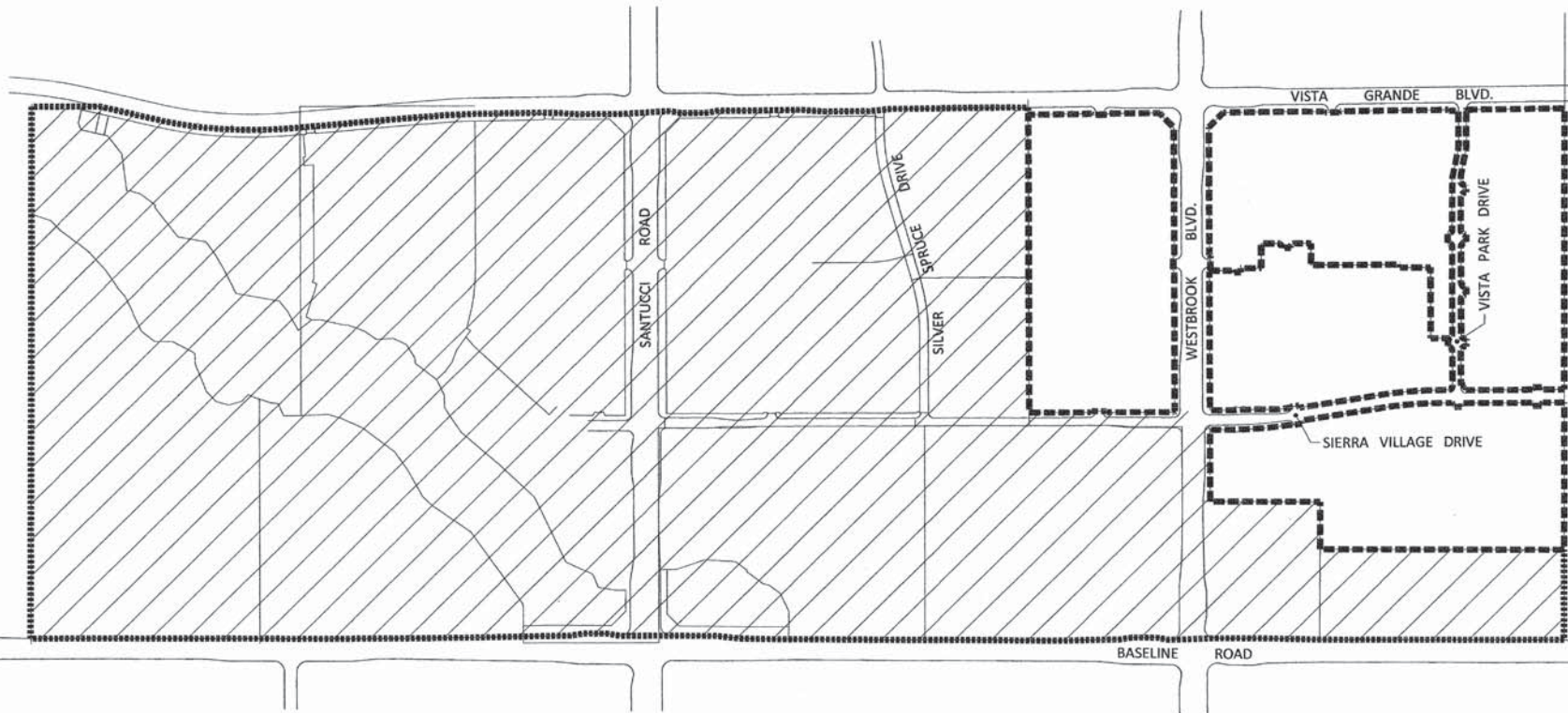
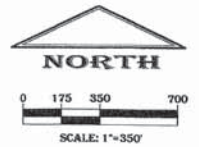


EXHIBIT B

CITY OF ROSEVILLE THE RANCH AT SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)

LIST OF AUTHORIZED FACILITIES AND SERVICES

A. Transportation Improvements

Public roadway improvements designed to meet the needs of the project, including those improvements identified in the project Development Agreement (DA) Sections 3.5.17 and 3.5.18, including but not limited to;

- Westbrook Boulevard.
- Santucci Boulevard.
- Vista Grande Drive.
- Silver Spruce Drive.
- Sierra Village Drive.
- Vista Park Drive.
- Market Street.

Eligible roadway improvements include the following items: acquisition of land and easements; roadway design; project management; geotechnical engineering, testing and observations; bridge crossings and culverts; clearing, grubbing, and demolition; grading, soil import/export, paving (including slurry seal), and decorative/enhanced pavement concrete or pavers; power pole relocations; joint trenches, underground utilities, and undergrounding of existing utilities; dry utilities and appurtenances; curbs, gutters, sidewalks, bike trails (including on- and off-site), park and ride facilities, bus rapid transit improvements, including transfer stations and regional public transit improvements; retaining walls, sound walls, 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; masonry walls; traffic control and agency fees; and other improvements related thereto. Eligible improvements for the roads listed above also include any and all necessary underground potable and non-potable water, sanitary sewer, and storm drainage system improvements.

B. Potable and Non-Potable Water System Improvements

Authorized facilities include any and all on- and off-site backbone water facilities designed to meet the needs of development of the project. These facilities include potable and non-potable mains, valves, services, and appurtenances; wells; and water treatment and storage facilities, and related improvements, including but not limited to: site clearing, grading, and paving; curbs and gutters; recycled water storage tanks, booster pump stations, and all appurtenances thereto; wells; water treatment; stand-by generator; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates and fencing; striping and signage; and the following:

- Water lines in/associated with authorized facility roads.

- Recycled water lines in/associated with authorized facility roads.
- Well construction or financial contributions thereto on, but not limited to, Specific Plan Parcels FD-63 or JM-60.
- Water Tank Site Improvements (DA Section 3.8.2).
- Recycled Water Storage Tank Facility
- Reimbursement obligation for the Baseline Road 24" water line (DA Section 3.8.3).
- CFD obligations for RW tank(s) required by DA Section 3.9.

C. Drainage System Improvements

Authorized facilities include any and all on- and off-site backbone drainage and storm drainage improvements designed to meet the needs of development of the project. These facilities include mains, pipelines and appurtenances, outfalls and water quality measures, temporary drainage facilities, detention/retention basins, and drainage pretreatment facilities; drainage ways/channels, pump stations, landscaping, and irrigation; access roads, gates, and fencing; striping and signage; and the following:

- All storm drain lines and facilities in/associated with authorized facility roadways.
- Retention, detention, hydro-modification, and other drainage facilities.

D. Wastewater System Improvements

Authorized facilities include any and all on- and off-site backbone wastewater facilities designed to meet the needs of development of the project. These facilities include pipelines and all appurtenances thereto; manholes; tie-in to existing main line; force mains; lift stations; odor-control facilities; sewer treatment plant improvements and permitting related thereto; and related sewer system improvements, including but not limited to:

- All wastewater facilities in/associated with authorized facility roadways.

E. Solid Waste Improvements

Authorized facilities include any and all backbone solid waste improvements designed to meet the needs of development of the project. Eligible improvements also include the project's pro-rata contribution, as described in the project DA, to the Sierra Vista Specific Plan (SVSP) Solid Waste Recycling Center (DA Section 3.14.7).

F. Park, Landscape Corridor and Paseo Improvements

Authorized facilities include any and all improvements to parks, landscape corridors and paseos located in the project, including but not limited to:

- Construction of Park Sites planned on Specific Plan Parcels KT-51, KT-52.
- Construction of Paseos.

G. Open Space Improvements

Authorized facilities include any and all open space improvements designed to meet the needs of development of the project, including bike trails, bike/pedestrian bridges, storm drain crossings, storm drain detention/retention, wetland mitigation, tree mitigation, on-and off-site hawk/raptor mitigation, agricultural mitigation or wetland mitigation, property acquisition, endowment payments for open space management, landscaping and irrigation, access gates and fencing, and related open space improvements, including but not limited to:

- Improvements related to Specific Plan Parcels KT-80A, KT-80B, KT-81 and KT-82.

- Wetland creation mitigation, fencing, etc.

H. Utilities

Authorized facilities include any and all on- and off-site utility improvements designed to meet the needs of development of the project. All utility improvements, easement payments, and land acquisition not located under or alongside transportation improvements are considered authorized facilities. Authorized facilities also shall include costs related to the acquisition of the off-site electric substation site; site clearing; grading; street frontage improvements, including curbs, gutters, and paving; and construction of an all-weather access road to the site from the nearest public street or extension of temporary 12kV overhead lines as described in the project DA, including but not limited to:

- SVSP Electric Substation site acquisition, and improvements required by DA Section 3.11.3.
- Temporary overhead 12kV lines to loop SVSP substation to line in WRSP Phase 3 and 4.

I. Other Public Facilities

Authorized facilities includes any and all public facilities or infrastructure, including the project's pro-rata contribution to the land acquisition of the off-site fire station site, site clearing, grading, and street frontage improvements including curbs, gutters, and paving, including but not limited to:

- Fire Station site reimbursement obligations in DA Section 3.23

J. Development Impact Fees

Authorized facilities include development impact fees paid and not otherwise reimbursed, whether standard City or County fees levied at the time of the issuance of a building permit or required as part of the DA for the property. Fees include, but are not limited to, the South Placer Regional Transportation Authority Tier II Traffic Fee, City of Roseville City Wide Park Fee, City of Roseville Public Facilities Fee, and Public Benefit Fee (as defined in Section 3.14.3 of the DA for the property).

K. Formation, Administrative, and Incidental Expenses

In addition to the above facilities, other expenses incidental to the above and authorized by the Mello-Roos Community Facilities Act of 1982, including but not limited to: the cost of planning, permitting, and designing the facilities (including the cost of environmental evaluation, orthophotography, environmental remediation/mitigation, and preparation of an overarching Operation and Maintenance Plan for the City of Roseville Open Space Preserves); land acquisition and easement payments for the facilities; project management; construction staking; engineering studies and reports; utility relocation and demolition costs incidental to construction of the facilities, wetland/Species mitigation purchase; reimbursements to other areas for infrastructure facilities or planning serving development in the CFD; Sierra Vista Specific Plan planning, legal, engineering, technical studies costs related to the facilities and any other expenses incidental to the construction, completion, and inspection of the facilities.

In addition, costs eligible to be financed by the CFD shall include all costs associated with the formation and ongoing administration of the CFD and issuance of bonds; determination of the amount of taxes and collection of taxes; inspection, plan check and other costs related to acceptance of the facilities by the City, payment of taxes; and any other costs incurred to carry out the authorized purposes of the CFD.

AUTHORIZED SERVICES

Authorized services to be funded from the levy and collection of annual maintenance special taxes are the provision of public services, maintenance and operation related to any facilities authorized to be funded by the CFD with a useful life of five or more years, including but not limited to performance by employees of functions and repair activities. Maintenance as used herein includes replacement and the

creation and funding of a reserve fund to pay for replacement of such facilities. The maintenance special taxes shall only fund authorized services to the extent that they are in addition to those provided to land within the CFD prior to the creation of the CFD.

CITY COUNCIL OF THE CITY OF ROSEVILLE

RESOLUTION NO. 19-31

**A RESOLUTION DETERMINING NECESSITY TO INCUR BONDED INDEBTEDNESS
OF THE CITY COUNCIL OF THE CITY OF ROSEVILLE FOR THE CITY OF ROSEVILLE THE
RANCH AT SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)**

WHEREAS, on November 28, 2018, the City Council (the "City Council") of the City of Roseville (the "City") adopted a resolution entitled "A Resolution of Intention to of the City Council of the City of Roseville to Form a Community Facilities District and Levy a Special Tax in The City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities) to Finance the Acquisition and Construction of Certain Public Facilities in and for Such Community Facilities District" (the "Resolution of Intention"), stating its intention to form "City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities)" (the "CFD"), pursuant to the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act");

WHEREAS, on November 28, 2018, this City Council also adopted a resolution entitled "A Resolution of the City Council of the City of Roseville of Intention to Incur Bonded Indebtedness to Finance the Acquisition and Construction of Certain Public Facilities in and for The City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities)" (the "Resolution of Intention to Incur Indebtedness") stating its intention to incur bonded indebtedness within the boundaries of the CFD for the purpose of financing the costs of certain facilities specified in the Resolution of Intention;

WHEREAS, this City Council has held a noticed public hearing as required by the Act about the determination to proceed with the formation of the CFD, the provision of certain public facilities by the CFD and the rate and method of apportionment of the special tax to be levied within the CFD to pay the principal and interest on the proposed bonded indebtedness in the CFD and the administrative costs of the City relative to the CFD;

WHEREAS, subsequent to the public hearing, this City Council adopted a resolution entitled "A Resolution of Formation of the City Council of the City of Roseville to Form the City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities) and Future Annexation Area" (the "Resolution of Formation");

WHEREAS, this City Council has also held a noticed public hearing as required by the Act relative to the matters material to the questions set forth in the Resolution of Intention to Incur Indebtedness; and

WHEREAS, no written protests with respect to the matters material to the questions set forth in the Resolution of Intention to Incur Indebtedness have been filed with the City Clerk.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ROSEVILLE RESOLVES
AS FOLLOWS:**

1. **Recitals.** The foregoing recitals are true and correct.

2. **Necessity.** This City Council deems it necessary to incur bonded indebtedness in the maximum aggregate principal amount of \$210,000,000 within the boundaries of the CFD for the purpose of financing the costs of all or a portion of the facilities defined in the Resolution of Formation (the "Facilities"), including, but not limited to, the costs of issuing and selling bonds to finance all or a portion of the Facilities and the costs of the City in establishing and administering the CFD.

3. **Bonds.** Bonds in the maximum amount of \$210,000,000 are hereby authorized subject to voter approval. Indebtedness subject to this limit shall only include indebtedness evidenced by bonds or notes and shall not include bonds described in Section 53364.2(e) of the Act. The bonds may be issued in one or more series and mature and bear interest at such rate or rates, payable semiannually or in such other manner, all as the Council or its designee shall determine, at the time or times of sale of such bonds; provided, however, that the interest rate or rates shall not to exceed the maximum interest rate permitted by applicable law at the time of sale of the bonds and the bonds or any series thereof shall have a maximum term of not to exceed forty (40) years. Such maximum amount shall not include any amount established for an improvement area created from the Future Annexation Area.

4. **Future Annexation Area.** In connection with annexation from the Future Annexation Area established for the CFD, the City may designate a parcel or parcels as an improvement area within the CFD without additional hearings or procedures, and thereafter all proceedings for approval of the appropriations limit, the rate and method of apportionment and manner of collection of special taxes, and the authorization to incur bonded indebtedness for the improvement area, to the extent such limitations differ from the CFD or any other improvement area, shall apply only to the improvement area.

5. **Election.** The proposition of incurring the bonded indebtedness herein authorized shall be submitted to the qualified electors of the CFD and shall be consolidated with elections on the proposition of levying special taxes within the CFD and the establishment of an appropriations limit for the CFD pursuant to Section 53353.5 of the Act. The time, place and further particulars and conditions of such election shall be as specified by separate resolution of this City Council.

6. **Effective Date.** This Resolution shall take effect upon its adoption.

* * * * *

The foregoing Resolution was adopted by the City Council of the City of Roseville on the ____ day of _____, 2019, on the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

Mayor

ATTEST:

City Clerk

CITY COUNCIL OF THE CITY OF ROSEVILLE

RESOLUTION NO. 19-32

A RESOLUTION CALLING SPECIAL ELECTION OF THE CITY COUNCIL OF THE CITY OF ROSEVILLE REGARDING THE CITY OF ROSEVILLE THE RANCH AT SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)

WHEREAS, the City Council (the "City Council") of the City of Roseville (the "City") has adopted a resolution entitled "A Resolution of Formation of the City Council of the City of Roseville to Form the City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities) and Future Annexation Area" (the "Resolution of Formation"), ordering the formation of the "City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities)" (the "CFD") and "City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities) (Future Annexation Area)", authorizing the levy of a special tax on property within the CFD and preliminarily establishing an appropriations limit for the CFD, all pursuant to the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"); and

WHEREAS, this City Council has also adopted a resolution entitled "A Resolution Determining Necessity to Incur Bonded Indebtedness of the City Council of the City of Roseville for The City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities)" (the "Resolution Determining Necessity"), determining the necessity to incur bonded indebtedness in the maximum aggregate principal amount of \$210,000,000 upon the security of the special tax to be levied within the CFD pursuant to the Act; and

WHEREAS, pursuant to the provisions of the Resolution of Formation and the Resolution Determining Necessity, the propositions of the levy of the special tax, the establishment of the appropriations limit and the incurring of the bonded indebtedness shall be submitted to the qualified electors of the CFD as required by the provisions of the Act;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ROSEVILLE RESOLVES AS FOLLOWS:

1. **Issues Submitted.** Pursuant to Sections 53326, 53351 and 53325.7 of the Act, the issues of the levy of the special tax, the incurring of bonded indebtedness and the establishment of the appropriations limit shall be submitted to the qualified electors (as defined below) of the CFD at an election called therefor as provided below.

2. **Qualified Electors.** This City Council hereby finds that fewer than 12 persons have been registered to vote within the territory of the CFD for each of the 90 days preceding the close of the public hearings heretofore conducted and concluded by this Council for the purposes of these proceedings. Accordingly, and pursuant to Section 53326 of the Act, this City Council finds that, for these proceedings, the qualified electors are the landowners within the CFD and that the vote shall be by such landowners or their authorized representatives, each having one vote for each acre or portion thereof such landowner owns in the CFD as of the close of the public hearings.

3. **Conduct of Election.** This City Council hereby calls a special election to consider the measures described in section 1 above, which election shall be held on January 16, 2019,

and the results thereof canvassed at the meeting of this City Council on January 16, 2019. The City Clerk is hereby designated as the official to conduct the election and to receive all ballots until 7:00 p.m. on the election date. It is hereby acknowledged that the City Clerk has on file the Resolution of Formation, a certified map of the boundaries of the CFD, and a sufficient description to allow the City Clerk to determine the electors of the CFD. Pursuant to Section 53327 of the Act, the election shall be conducted by messenger or mail-delivered ballot pursuant to Section 4000 of the California Elections Code. This City Council hereby finds that paragraphs (a), (b), and (c) (1) of Section 4000 and Section 4108 are applicable to this special election, except that Sections 53326 and 53327 of the Act shall govern for purposes of determining the date of the election.

4. **Ballot.** As authorized by Section 53353.5 of the Act, the three propositions described in section 1 above shall be combined into a single ballot measure, the form of which is attached hereto as Exhibit "A" and by this reference incorporated herein and the form of ballot is hereby approved. The City Clerk is hereby authorized and directed to cause a ballot, in substantially the form of Exhibit "A," to be delivered to each of the qualified electors of the CFD. Each ballot shall indicate the number of votes to be voted by the respective landowner to which the ballot pertains. Each ballot shall be accompanied by all supplies and written instructions necessary for the use and return of the ballot. The envelope to be used to return the ballot was enclosed with the ballot, had the return postage prepaid, and contained the following: (a) the name and address of the landowner, (b) a declaration, under penalty of perjury, stating that the voter is the owner of record or authorized representative of the landowner entitled to vote and is the person whose name appears on the envelope, (c) the printed name, signature and address of the voter, (d) the date of signing and place of execution of the declaration pursuant to clause (b) above, and (e) a notice that the envelope contains an official ballot and is to be opened only by the election official.

5. **Waivers.** This Council hereby further finds that the provisions of Section 53326 of the Act requiring a minimum of 90 days following the adoption of the Resolution of Formation to elapse before the special election are for the protection of the qualified electors of the CFD. There is on file with the City Clerk a written waiver executed by all of the qualified electors of the CFD allowing for a shortening of the time for the special election to expedite the process of formation of the CFD and waiving any requirement for notice, analysis and arguments in connection with the election. Accordingly, this Council finds and determines that the qualified electors have been fully apprised of and have agreed to the shortened time for the election and waiver of analysis and arguments, and have thereby been fully protected in these proceedings. This Council also finds and determines that the City Clerk has concurred in the shortened time for the election. Analysis and arguments with respect to the ballot measures are hereby waived, as provided in Section 53327 of the Act.

6. **Accountability.** The City Council hereby finds that the proposed debt issuance constitutes a "local bond measure" within the meaning of Sections 53410, et seq. of the California Government Code. As a result, the bond measure shall include the propositions set forth above and the following: (a) the specific purpose of the bonds shall be as set forth in the propositions; (b) any proceeds received from the sale of any bonds shall be applied only to the purposes set forth in the propositions; (c) the proceeds of any bonds shall be deposited into special accounts to be created therefor as part of the issuance of the bonds; and (d) the City shall cause a report to be prepared annually under Section 53411 of the Government Code.

7. **Effective Date.** This Resolution shall take effect upon its adoption.

* * * * *

The foregoing Resolution was adopted by the City Council of the City of Roseville on the _____ day of _____, 2019, on the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

Mayor

ATTEST:

City Clerk

EXHIBIT A

**CITY OF ROSEVILLE
THE RANCH AT SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)**

**OFFICIAL BALLOT
SPECIAL TAX ELECTION**

This ballot is for a special, landowner election. You must return this ballot in the enclosed postage paid envelope to the office of the City Clerk of the City of Roseville no later than the hour of 7:00 p.m. on January 16, 2019, either by mail or in person. The City Clerk's office is located at 311 Vernon Street, Roseville, California 95678.

To vote, mark a cross (X) on the voting line after the word "YES" or after the word "NO". All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void. If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Roseville and obtain another.

The amount of money to be raised annually by the special tax within the initial boundary of the CFD is \$1,017,144 in the base year (and subject to escalation annually), the duration of the special tax is perpetual, and the rate of the special tax shall be determined in accordance with the rate, method of apportionment, and manner of collection of special tax for the CFD.

BALLOT MEASURE: Shall the measure pursuant to which (i) the City of Roseville shall incur an indebtedness and issue bonds in the maximum aggregate principal amount of not to exceed \$210,000,000 (excluding bonds described in Section 53364.2(e) of the California Government Code) with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of such bonds on behalf of the City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities) (the "CFD"), the proceeds of which bonds will be used to acquire and/or construct certain facilities and pay for the costs of issuing the bonds and related expenses; (ii) a special tax payable solely from lands within the CFD shall be levied annually, commencing in the City's fiscal year 2019-20, upon lands within the CFD to pay for the principal and interest upon such bonds, to pay the costs of the City in administering the CFD, and to pay for the costs of acquiring and/or constructing certain facilities; and (iii) the annual appropriations limit of the CFD shall be established in the amount of \$21,000,000 be adopted?	YES: _____ NO: _____
---	---

By execution in the space provided below, you also indicate your waiver of (i) the time limit pertaining to the conduct of the election, (ii) any requirement for analysis and arguments with respect to the ballot measure, and (iii) any irregularity in the proceedings that may be claimed as a result of the application of such waivers.

Number of Votes: _____

Property Owner: _____

CITY COUNCIL OF THE CITY OF ROSEVILLE

RESOLUTION NO. 19-33

**A RESOLUTION DECLARING RESULTS OF SPECIAL ELECTION AND DIRECTING
RECORDING OF NOTICE OF SPECIAL TAX LIEN REGARDING CITY OF ROSEVILLE THE
RANCH AT SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)**

WHEREAS, the City Council (the "City Council") of the City of Roseville (the "City") has adopted a resolution entitled "A Resolution of Formation of the City Council of the City of Roseville to Form the City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities) and Future Annexation Area" (the "Resolution of Formation"), ordering the formation of the "City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities)" (the "CFD") and "City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities) (Future Annexation Area)", authorizing the levy of a special tax on property within the CFD and preliminarily establishing an appropriations limit for the CFD, all pursuant to the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"); and

WHEREAS, this City Council has also adopted a resolution entitled "A Resolution Determining Necessity to Incur Bonded Indebtedness of the City Council of the City of Roseville for the City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities)" (the "Resolution of Necessity"), determining the necessity to incur bonded indebtedness in the maximum aggregate principal amount of \$210,000,000 upon the security of the special tax to be levied within the CFD pursuant to the Act; and

WHEREAS, under the provisions of the Resolution of Formation and the Resolution Necessity and pursuant to "A Resolution Calling Special Election of the City Council of the City of Roseville Regarding The City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities)" (the "Election Resolution") heretofore adopted by this City Council the propositions of the levy of the special tax, the establishment of the appropriations limit and the incurring of the bonded indebtedness were submitted to the qualified electors of the CFD as required by the provisions of the Act; and

WHEREAS, pursuant to the terms of the Election Resolution, which are by this reference incorporated herein, the special election has been held and the City Clerk has on file a Canvass and Statement of Results of Election (the "Canvass"), a copy of which is attached hereto as Exhibit A; and

WHEREAS, this City Council has reviewed the Canvass, finds it appropriate and wishes to complete its proceedings for the CFD.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ROSEVILLE RESOLVES
AS FOLLOWS:**

1. **Recitals.** The foregoing recitals are all true and correct.
2. **Issues Presented.** The issues presented at the special election were the levy of a special tax within the CFD, the incurring of a bonded indebtedness in the maximum aggregate

principal amount of \$210,000,000, and the approval of an annual appropriations limit of not to exceed \$21,000,000, all pursuant to the Resolution of Formation and the Resolution of Necessity.

3. **Canvass and Issues Approved.** The Council hereby approves the Canvass and finds that it shall be a permanent part of the record of its proceedings for the CFD. Pursuant to the Canvass, the issues presented at the special election were approved by the qualified electors of the CFD by more than two-thirds (2/3) of the votes cast at the special election.

4. **Proceedings Approved.** Pursuant to the voter approval, the CFD is hereby declared to be fully formed with the authority to levy the special taxes, to incur the approved bonded indebtedness and to have the established appropriations limit, all as heretofore provided in these proceedings and in the Act. It is hereby found that all prior proceedings and actions taken by this City Council with respect to the CFD were valid and in conformity with the Act.

5. **Notice of Tax Lien.** The City Clerk is hereby directed to complete, execute and cause to be recorded in the office of the County Recorder of the County of Placer a notice of special tax lien in the form required by the Act, such recording to occur no later than fifteen (15) days following adoption by the Council of this Resolution.

6. **Effective Date.** This Resolution shall take effect upon its adoption.

* * * * *

The foregoing Resolution was adopted by the City Council of the City of Roseville on the _____ day of _____, 2019, on the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

Mayor

ATTEST:

City Clerk

CANVASS AND STATEMENT OF RESULT OF ELECTION

**CITY OF ROSEVILLE
THE RANCH AT SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)**

I hereby certify that on _____, 2019, I canvassed the returns of the election held on _____, 2019, in the City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities) and the total number of ballots cast in said election and the total number of votes cast for and against the measure are as follows and the totals as shown for and against the measure are full, true and correct:

	Qualified Landowner <u>Votes</u>	Votes <u>Cast</u>	<u>YES</u>	<u>NO</u>
City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities), Special Tax Election, _____, 2019				

BALLOT MEASURE: Shall the measure pursuant to which (i) the City of Roseville shall incur an indebtedness and issue bonds in the maximum aggregate principal amount of not to exceed \$210,000,000 (excluding bonds described in Section 53364.2(e) of the California Government Code) with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of such bonds on behalf of the City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities) (the "CFD"), the proceeds of which bonds will be used to acquire and/or construct certain facilities and pay for the costs of issuing the bonds and related expenses; (ii) a special tax payable solely from lands within the CFD shall be levied annually, commencing in the City's fiscal year 2019-20, upon lands within the CFD to pay for the principal and interest upon such bonds, to pay the costs of the City in administering the CFD, and to pay for the costs of acquiring and/or constructing certain facilities; and (iii) the annual appropriations limit of the CFD shall be established in the amount of \$21,000,000 **be adopted?**

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND this ____ day of _____, 2019.

By: _____
City Clerk

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ROSEVILLE LEVYING
SPECIAL TAXES WITHIN CITY OF ROSEVILLE THE RANCH AT SIERRA VISTA
COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)**

WHEREAS, on November 28, 2018, this City Council (the "City Council") of the City of Roseville (the "City"), adopted a resolution stating its intention to establish "City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities)" (the "CFD") and "City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities) (Future Annexation Area)" (the "Future Annexation Area") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, sections 53311, *et. seq.*, of the California Government Code (the "Act"), to finance the acquisition and construction of certain facilities;

WHEREAS, notice was published as required by the Act relative to the intention of this City Council to form the CFD and the Future Annexation Area, to provide for certain facilities and to incur bonded indebtedness for the CFD in an amount not to exceed \$210,000,000;

WHEREAS, this City Council has held noticed public hearings as required by the Act relative to (i) the determination to proceed with the formation of the CFD and the Future Annexation Area, and the rate and method of apportionment of the special tax to be levied within the CFD to finance a portion of the costs of the facilities and (ii) the issuance of not to exceed \$210,000,000 of bonded indebtedness (excluding bonds described in Section 53364.2(e) of the California Government Code) for the CFD;

WHEREAS, at said hearing all persons desiring to be heard on all matters pertaining to the formation of the CFD and the Future Annexation Area, and the levy of said special taxes within the CFD were heard, substantial evidence was presented and considered by this City Council and a full and fair hearing was held;

WHEREAS, subsequent to the hearing, this City Council adopted resolutions entitled "A Resolution of the City Council of the City of Roseville to Form the City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities) and Future Annexation Area" (the "Resolution of Formation"), "A Resolution Determining Necessity to Incur Bonded Indebtedness of the City Council of the City of Roseville for the City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities)" (the "Resolution of Necessity") and "A Resolution Calling Special Election of the City Council of the City of Roseville Regarding the City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities)," which resolutions defined the public facilities to be financed by the CFD (the "Facilities"), established the CFD and the Future Annexation Area, authorized the levy of a special tax with the CFD, determined the necessity to incur bonded indebtedness in the CFD and called an election within the CFD on the propositions of incurring indebtedness, levying a special tax, and establishing an appropriations limit within the CFD, respectively; and

WHEREAS, parcels within the Future Annexation Area shall be annexed to the CFD only with the unanimous approval (each, a "Unanimous Approval") of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed to the CFD, without any requirement for further public hearings or additional proceedings; and

WHEREAS, on January 16, 2019 a special election was held within the CFD at which the eligible landowner-electors approved such propositions by the two-thirds vote required by the Act.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROSEVILLE, as follows:

Section 1. By the passage of this Ordinance, the City Council hereby authorizes and levies special taxes within the CFD (including any parcels in the Future Annexation Area that annex into the CFD) pursuant to the Act, at the rate and in accordance with the formula (the "Rate and Method") set forth in the Resolution of Formation, which Resolution of Formation is by this reference incorporated herein, or the applicable Unanimous Approval which rate and method is by this reference incorporated herein. The special taxes are hereby levied commencing in fiscal year 2019-20 and in each fiscal year thereafter until payment in full of any bonds issued by the City for the CFD (the "Bonds") or such longer period provided in the Rate and Method, as contemplated by the Resolution of Formation and the Resolution of Necessity, and all costs of administering the CFD. A special tax shall not be levied in one or more future improvement areas formed to include territory that annexes into the CFD from the Future Annexation Area (each, a "Future Improvement Area") to finance the Facilities after the fiscal year identified in the rate and method for the Future Improvement Area, except that a special tax that was lawfully levied in or before the final tax year and that remains delinquent may be collected in subsequent years. For Future Improvement Areas, a different rate and method may be adopted if the annexed territory is designated as a separate improvement area.

Section 2. The Finance Director of the City is hereby authorized and directed each fiscal year to determine the specific special tax rate and amount to be levied for the next ensuing fiscal year for each parcel of real property within the CFD, in the manner and as provided in the Resolution of Formation.

Section 3. Except as set forth in the Rate and Method, properties or entities of the State, federal or local governments shall be exempt from any levy of the special taxes. In no event shall the special taxes be levied on any parcel within the CFD (including any parcels in the Future Annexation Area that annex into the CFD) in excess of the maximum tax specified in the Resolution of Formation.

Section 4. All of the collections of the special tax shall be used as provided for in the Act, the Rate and Method and in the Resolution of Formation including, but not limited to, the payment of principal and interest on the Bonds, the replenishment of the reserve fund for the Bonds, the payment of the costs of the Facilities, the payment of the costs of the City in administering the CFD (including any parcels in the Future Annexation Area that annex into the CFD), and the costs of collecting and administering the special tax.

Section 5. The special taxes shall be collected in the same manner as ordinary ad valorem taxes are collected and shall have the same lien priority, and be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for ad valorem taxes; provided, however, that this City Council may provide for other appropriate methods of collection by resolutions of this City Council. In addition, the provisions of Section 53356.1 of the Act shall apply to delinquent special tax payments. The Finance Director of the City is hereby authorized and directed to provide all necessary information to the auditor/tax collector of the County of Placer in order to effect proper billing and collection of the special tax, so that the special tax shall be included on the secured property tax roll of the County of Placer for fiscal year 2019-

20 and for each fiscal year thereafter until the Bonds are paid in full or such longer period of time provided in the Rate and Method.

Section 6. If for any reason any portion of this Ordinance is found to be invalid, or if the special tax is found inapplicable to any particular parcel within the CFD (including any parcels in the Future Annexation Area that annex into the CFD), by a court of competent jurisdiction, the balance of this Ordinance and the application of the special tax to the remaining parcels within the CFD shall not be affected.

Section 7. The Mayor shall sign this Ordinance and the City Clerk shall cause the same to be published within fifteen (15) days after its passage at least once in a newspaper of general circulation published and circulated in the City.

Section 8. This Ordinance shall take effect 30 days from the date of final passage.

* * * * *

The foregoing Ordinance was adopted by the City Council of the City of Roseville on the _____ day of _____, 2019, on the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

Mayor

ATTEST:

City Clerk

**RECORDING REQUESTED BY AND
WHEN RECORDED PLEASE RETURN TO:**

City Clerk Department
City of Roseville
311 Vernon Street, Suite 208
Roseville, CA 95678
Telephone: (916) 774-5263

SPACE ABOVE THIS LINE FOR RECORDER'S USE

NOTICE OF SPECIAL TAX LIEN

CITY OF ROSEVILLE
THE RANCH AT SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)
COUNTY OF PLACER, STATE OF CALIFORNIA

Pursuant to the requirements of Section 3114.5 of the Streets and Highways Code and Section 53328.3 of the Government Code, the undersigned, City Clerk of the City of Roseville, hereby gives notice that a lien to secure payment of a special tax which the City Council of the City of Roseville, County of Placer, State of California is authorized to levy is hereby imposed. The special tax secured by this lien is authorized to be levied for the purpose of: paying for the facilities and services described in **Exhibit A** attached hereto including paying principal and interest on bonds, the proceeds of which are being used to finance facilities, to pay the cost of administering the CFD (defined below) and the incidental expenses related thereto.

The special tax is authorized to be levied within City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities) (the "CFD") which has now been officially formed and the lien of the special tax is a continuing lien which shall secure each annual levy of the special tax and which shall continue in force and effect until the special tax obligation is prepaid, permanently satisfied, and canceled in accordance with law, or until the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with Section 53330.5 of the Government Code.

The rate and method of apportionment of the authorized special tax is shown on **Exhibit B** attached hereto and hereby incorporated herein by this reference. The special tax authorized to be levied in the CFD is comprised of a component to be used to finance facilities and component to be used to finance services. Conditions under which the obligation to pay the component of the special tax to be used to facilities may be prepaid and permanently satisfied is set forth in **Exhibit B**. The special tax proceeds to be used for services is not levied simultaneously with the levy of the special tax to be used for facilities, and may not be prepaid; the special tax to be used for services commences at the time the special tax for facilities is no longer levied on any property within the CFD.

Notice is further given that upon the recording of this notice in the office of the county recorder, the obligation to pay the special tax levy shall become a lien upon all nonexempt real property within the CFD in accordance with Section 3115.5 of the Streets and Highways Code.

The names of the owners and the assessor's parcel numbers of the real property included within this community facilities district and not exempt from the special tax are set forth on **Exhibit C** hereto.

Reference is made to the Boundary Map of the CFD recorded in the Placer County Recorder's Office on September 10, 2018 in Book 3 at Page 80, as Document No. 2018-0065145 of Maps of Assessment and Community Facilities Districts, which map is now the final boundary map of the CFD.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact the Finance Director, City of Roseville, 311 Vernon Street, Roseville, CA 95678.

Dated: _____, 2019

City Clerk of the City of Roseville

EXHIBIT A - Description of Authorized Facilities and Services
EXHIBIT B - Rate and Method of Apportionment
EXHIBIT C - Property Owners and Parcel Numbers

EXHIBIT A

LIST OF AUTHORIZED FACILITIES AND SERVICES

A. TRANSPORTATION IMPROVEMENTS

Public roadway improvements designed to meet the needs of the project, including those improvements identified in the project Development Agreement (DA) Sections 3.5.17 and 3.5.18, including but not limited to;

- Westbrook Boulevard.
- Santucci Boulevard.
- Vista Grande Drive.
- Silver Spruce Drive.
- Sierra Village Drive.
- Vista Park Drive.
- Market Street.

Eligible roadway improvements include the following items: acquisition of land and easements; roadway design; project management; geotechnical engineering, testing and observations; bridge crossings and culverts; clearing, grubbing, and demolition; grading, soil import/export, paving (including slurry seal), and decorative/enhanced pavement concrete or pavers; power pole relocations; joint trenches, underground utilities, and undergrounding of existing utilities; dry utilities and appurtenances; curbs, gutters, sidewalks, bike trails (including on- and off-site), park and ride facilities, bus rapid transit improvements, including transfer stations and regional public transit improvements; retaining walls, sound walls, 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; masonry walls; traffic control and agency fees; and other improvements related thereto. Eligible improvements for the roads listed above also include any and all necessary underground potable and non-potable water, sanitary sewer, and storm drainage system improvements.

B. POTABLE AND NON-POTABLE WATER SYSTEM IMPROVEMENTS

Authorized facilities include any and all on- and off-site backbone water facilities designed to meet the needs of development of the project. These facilities include potable and non-potable mains, valves, services, and appurtenances; wells; and water treatment and storage facilities, and related improvements, including but not limited to: site clearing, grading, and paving; curbs and gutters; recycled water storage tanks, booster pump stations, and all appurtenances thereto; wells; water treatment; stand-by generator; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates and fencing; striping and signage; and the following:

- Water lines in/associated with authorized facility roads.
- Recycled water lines in/associated with authorized facility roads.
- Well construction or financial contributions thereto on, but not limited to, Specific Plan Parcels FD-63 or JM-60.
- Water Tank Site Improvements (DA Section 3.8.2).

- Recycled Water Storage Tank Facility
- Reimbursement obligation for the Baseline Road 24" water line (DA Section 3.8.3).
- CFD obligations for RW tank(s) required by DA Section 3.9.

C. DRAINAGE SYSTEM IMPROVEMENTS

Authorized facilities include any and all on- and off-site backbone drainage and storm drainage improvements designed to meet the needs of development of the project. These facilities include mains, pipelines and appurtenances, outfalls and water quality measures, temporary drainage facilities, detention/retention basins, and drainage pretreatment facilities; drainage ways/channels, pump stations, landscaping, and irrigation; access roads, gates, and fencing; striping and signage; and the following:

- All storm drain lines and facilities in/associated with authorized facility roadways.
- Retention, detention, hydro-modification, and other drainage facilities.

D. WASTEWATER SYSTEM IMPROVEMENTS

Authorized facilities include any and all on- and off-site backbone wastewater facilities designed to meet the needs of development of the project. These facilities include pipelines and all appurtenances thereto; manholes; tie-in to existing main line; force mains; lift stations; odor-control facilities; sewer treatment plant improvements and permitting related thereto; and related sewer system improvements, including but not limited to:

- All wastewater facilities in/associated with authorized facility roadways.

E. SOLID WASTE IMPROVEMENTS

Authorized facilities include any and all backbone solid waste improvements designed to meet the needs of development of the project. Eligible improvements also include the project's pro-rata contribution, as described in the project DA, to the Sierra Vista Specific Plan (SVSP) Solid Waste Recycling Center (DA Section 3.14.7).

F. PARK, LANDSCAPE CORRIDOR AND PASEO IMPROVEMENTS

Authorized facilities include any and all improvements to parks, landscape corridors and paseos located in the project, including but not limited to:

- Construction of Park Sites planned on Specific Plan Parcels KT-51, KT-52.
- Construction of Paseos.

G. OPEN SPACE IMPROVEMENTS

Authorized facilities include any and all open space improvements designed to meet the needs of development of the project, including bike trails, bike/pedestrian bridges, storm drain crossings, storm drain detention/retention, wetland mitigation, tree mitigation, on-and off-site hawk/raptor mitigation, agricultural mitigation or wetland mitigation, property acquisition, endowment payments for open space management, landscaping and irrigation, access gates and fencing, and related open space improvements, including but not limited to:

- Improvements related to Specific Plan Parcels KT-80A, KT-80B, KT-81 and KT-82.
- Wetland creation mitigation, fencing, etc.

H. UTILITIES

Authorized facilities include any and all on- and off-site utility improvements designed to meet the needs of development of the project. All utility improvements, easement payments, and land acquisition not located

under or alongside transportation improvements are considered authorized facilities. Authorized facilities also shall include costs related to the acquisition of the off-site electric substation site; site clearing; grading; street frontage improvements, including curbs, gutters, and paving; and construction of an all-weather access road to the site from the nearest public street or extension of temporary 12kV overhead lines as described in the project DA, including but not limited to:

- SVSP Electric Substation site acquisition, and improvements required by DA Section 3.11.3.
- Temporary overhead 12kV lines to loop SVSP substation to line in WRSP Phase 3 and 4.

I. OTHER PUBLIC FACILITIES

Authorized facilities includes any and all public facilities or infrastructure, including the project's pro-rata contribution to the land acquisition of the off-site fire station site, site clearing, grading, and street frontage improvements including curbs, gutters, and paving, including but not limited to:

- Fire Station site reimbursement obligations in DA Section 3.23

J. DEVELOPMENT IMPACT FEES

Authorized facilities include development impact fees paid and not otherwise reimbursed, whether standard City or County fees levied at the time of the issuance of a building permit or required as part of the DA for the property. Fees include, but are not limited to, the South Placer Regional Transportation Authority Tier II Traffic Fee, City of Roseville City Wide Park Fee, City of Roseville Public Facilities Fee, and Public Benefit Fee (as defined in Section 3.14.3 of the DA for the property).

K. FORMATION, ADMINISTRATIVE, AND INCIDENTAL EXPENSES

In addition to the above facilities, other expenses incidental to the above and authorized by the Mello-Roos Community Facilities Act of 1982, including but not limited to: the cost of planning, permitting, and designing the facilities (including the cost of environmental evaluation, orthophotography, environmental remediation/mitigation, and preparation of an overarching Operation and Maintenance Plan for the City of Roseville Open Space Preserves); land acquisition and easement payments for the facilities; project management; construction staking; engineering studies and reports; utility relocation and demolition costs incidental to construction of the facilities, wetland/Species mitigation purchase; reimbursements to other areas for infrastructure facilities or planning serving development in the CFD; Sierra Vista Specific Plan planning, legal, engineering, technical studies costs related to the facilities and any other expenses incidental to the construction, completion, and inspection of the facilities.

In addition, costs eligible to be financed by the CFD shall include all costs associated with the formation and ongoing administration of the CFD and issuance of bonds; determination of the amount of taxes and collection of taxes; inspection, plan check and other costs related to acceptance of the facilities by the City, payment of taxes; and any other costs incurred to carry out the authorized purposes of the CFD.

AUTHORIZED SERVICES

Authorized services to be funded from the levy and collection of annual maintenance special taxes are the provision of public services, maintenance and operation related to any facilities authorized to be funded by the CFD with a useful life of five or more years, including but not limited to performance by employees of functions and repair activities. Maintenance as used herein includes replacement and the creation and funding of a reserve fund to pay for replacement of such facilities. The maintenance special taxes shall only fund authorized services to the extent that they are in addition to those provided to land within the CFD prior to the creation of the CFD.

EXHIBIT B

City of Roseville
The Ranch at Sierra Vista Community Facilities District No. 1
(Public Facilities)
Placer County, California

RATE, METHOD OF APPORTIONMENT, AND MANNER OF COLLECTION OF SPECIAL TAX

1. Basis of Special Tax Levy

A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 (Act) applicable to the land in The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities) (CFD) of the City of Roseville (City) shall be levied and collected according to the tax liability determined by the City through the application of the appropriate amount or rate, as described below.

2. Definitions

"Acre" or **"Acreage"** means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map or other Development Plan.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311 and following of the California Government Code.

"Administrative Expenses" means the actual or reasonably estimated costs related to the administration of the CFD, including, but not limited to, these:

- a. Costs of computing Special Taxes and preparing annual Special Tax collection schedules (whether by the City or any designee thereof or both).
- b. Costs of collecting the Special Taxes (whether by the County, the City, or otherwise).
- c. Costs of remitting the Special Taxes to the Trustee.
- d. Costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Bond Indenture.
- e. Costs to the City, CFD, or any designee thereof of complying with arbitrage rebate requirements.
- f. Costs to the City, CFD, or any designee thereof of complying with City, CFD, or obligated persons disclosure requirements.

- g. Costs associated with preparing Special Tax disclosure statements.
- h. Costs incurred in responding to public inquiries regarding the Special Taxes.
- i. Costs to the City, CFD, or designee thereof related to any appeal of the Special Taxes.
- j. Costs associated with the release of funds from an escrow account, if any.
- k. Costs to the City for the issuance of Bonds authorized by the CFD that are not recovered through the Bond sale proceeds.
- l. Amounts estimated to be advanced or already advanced by the City for any other administrative purposes, including attorney's fees and other costs related to collection of the Special Taxes and commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

"Administrator" means a City official in the Finance Department, or their designee responsible for determining or overseeing the levy and collection of the Special Taxes.

"Affordable Housing Director" means, at any point in time, the person in the City who serves as head of the department that is in charge of the City's affordable housing program.

"Affordable Unit" means a Unit built on a Residential Use Parcel for which an Affordable Unit agreement has been entered into for the property designating the Unit as affordable. A Multifamily Parcel may have only a portion of the Units assigned as Affordable Units. The City Manager, or his or her designee, shall determine which Units are designated as Affordable Units and maintain an Affordable Unit listing, which shall contain all designated buildable parcels by tract and lot number, and in the case of Large Lot Parcels remaining before May 1 of the preceding Fiscal Year, the number of designated Affordable Units for each such Large Lot Parcel; all entries shall indicate the effective date of designation. The Affordable Unit listing also shall be updated to reflect those Units no longer qualifying as Affordable Units, also known as Market-Rate Units. The Affordable Unit listing, which shall contain all qualifying Affordable Units as of April 30, shall be made available to the Administrator by July 1 of each year for purposes of determining the Maximum Annual Special Tax for Parcels pursuant to **Section 4**.

"Annexation Parcels" means a Parcel or Parcels annexed to the CFD after formation. The Maximum Annual Special Tax will be assigned to such Parcels using the provisions of **Section 4**. Annexation Parcels may be assigned a different Maximum Annual Special Tax Rate or Maximum Annual Special Tax per Parcel using a methodology different from the other Parcels in the CFD and may be placed in an area designated as a separate zone or improvement area of the CFD, all of which shall be set forth in revised attachments hereto as needed, without further CFD proceedings.

"Annual Facilities Costs" means, for any Fiscal Year, the total of these:

- a. Debt Service to be paid from Facilities Special Taxes.
- b. The amount needed to replenish the reserve fund for the Bonds to the level required under the Bond Indenture, to the extent not included in a computation of Annual Facilities Costs in a previous Fiscal Year.

- c. Administrative Expenses for such Fiscal Year.
- d. The amount needed to (1) cure any delinquencies in the payment of principal or interest on Bonds, which have occurred in the prior Fiscal Year, to the extent not otherwise included in a computation of Annual Facilities Costs in the current or any previous Fiscal Year, and (2) to fund any foreseeable deficiency of the amount to be available for the payment of principal or interest on Bonds, which are expected to occur in such Fiscal Year, to the extent not included in a computation of Annual Facilities Costs in the current or any previous Fiscal Year.
- e. The amount needed to (1) cure any delinquencies in the payment of the Facilities Special Tax in the prior Fiscal Year, to the extent not otherwise included in a computation of Annual Facilities Costs in the current or any previous Fiscal Year, and (2) to fund any foreseeable deficiency in the payment of the Facilities Special Tax for that Fiscal Year which is expected to occur in such Fiscal Year, to the extent not included in a computation of Annual Facilities Costs in the current or any previous Fiscal Year.
- f. Authorized Pay-As-You-Go Costs.
- g. During the Deferral Bonding Period, the amount needed to pay Development Impact Fee Deferrals not financed by Bonds.
- h. Less any available earnings on any reserve fund or Facilities Special Tax funds, available capitalized interest or any other available revenues of the CFD or the City that may be used to fund Annual Facilities Costs.

"Annual Maintenance Costs" means, for any Fiscal Year, the total of these:

- a. Authorized Services costs to be paid from Maintenance Special Taxes.
- b. Administrative Expenses for such Fiscal Year.
- c. The amount needed to (1) cure any delinquencies in the payment of the Maintenance Special Tax in the prior Fiscal Year, to the extent not otherwise included in a computation of Annual Maintenance Costs in the current or any previous Fiscal Year, and (2) to fund any foreseeable deficiency in the payment of the Maintenance Special Tax for that Fiscal Year which is expected to occur in such Fiscal Year, to the extent not included in a computation of Annual Maintenance Costs in the current or any previous Fiscal Year.
- d. Less any available earnings on any reserve fund, Maintenance Special Tax funds or any other available revenues of the CFD or the City that may be used to fund Annual Maintenance Costs.

"Assessor's Parcel" means a lot or Parcel with an assigned Assessor's Parcel Number in the maps used by the County Assessor in preparing the tax roll.

"Assessor's Parcel Map" means an official map of the County Assessor designating Parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" means the Parcel and Parcel Number as assigned by the County Assessor on the equalized tax roll.

“Assigned Maximum Annual Special Tax” means the maximum Facilities Special Tax or Maintenance Special Tax assigned to each Large Lot Parcel that is an Original Parcel based on the Expected Land Uses at CFD formation, or at annexation, as shown in **Attachment 1**.

“Authorized Facilities” means those facilities and fees to be financed, as identified in the resolution forming the CFD.

“Authorized Services” means those services authorized to be funded, as defined in the resolution forming the CFD.

“Base Year” means the Fiscal Year beginning July 1, 2018, and ending June 30, 2019.

“Bond(s)” means any bond(s) issued by the City for the CFD under the Act and any other debt, as defined in the Act, the City incurs to further the CFD’s purposes.

“Bond Indenture” means the indenture, resolution, fiscal agent agreement, or other financing document pursuant to which any Bonds are issued.

“Building Permit” means a permit issued by the City for the construction of a Residential Use or Nonresidential Use structure.

“Business Professional” means a Parcel or Parcels zoned to provide for office uses and other uses that are related to and supportive of office uses.

“CFD” means The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities) of the City of Roseville, Placer County, California.

“City” means the City of Roseville in Placer County, California.

“Community Commercial” means a Parcel or Parcels zoned to serve the principal retail shopping needs of the entire community by providing areas for shopping centers, and other retail and service uses.

“Council” means the City Council of the City acting for the CFD under the Act.

“County” means the County of Placer, California.

“Debt Service” means the total annual amount of Bond principal, interest, and the scheduled sinking fund payments of the Bonds in a calendar year.

“Deferral Bonding Period” means the period after the Initial Bonding Period has ended and during which the City finances the Development Impact Fee Deferral.

“Developed Parcel” means, in any Fiscal Year:

- a. For Single-Family Parcels: All Parcels for which a Final Small Lot Subdivision Map was recorded before May 1 of the preceding Fiscal Year.
- b. For Multifamily Parcels: All Parcels for which a Building Permit for new construction of a Residential Use structure was issued before May 1 of the preceding Fiscal Year.

- c. For all Nonresidential Use Parcels: All Parcels for which a Building Permit for new construction of a Nonresidential Use structure was issued before May 1 of the preceding Fiscal Year.

“Development Agreement” means the Development Agreement By and Between the City of Roseville and Baseline P&R, LLC, relative to the Sierra Vista Specific Plan dated April 28, 2010 and the Development Agreement By and Between the City of Roseville and Baybrook Limited Partnership, Relative to the Sierra Vista Specific Plan dated April 28, 2010.

“Development Impact Fee Deferral” means the deferred payment of development impact fees due to the City or the South Placer Regional Transportation Authority (SPRTA) for Developed Parcels, using the approach and amounts identified in the Development Agreement, which may be amended from time to time.

“Development Plan” means a condominium plan, apartment plan, site plan, or other development plan that identifies such information as the type of structure, acreage, square footage, or number of Units that are approved to be developed on Single-Family Parcels, Multifamily Parcels, and Nonresidential Parcels.

“Expected Land Use(s)” means the total number of Units or Acres of each land use type by Tax Category expected in each Large Lot Parcel and Original Parcel at CFD formation as identified in **Attachment 3** of this RMA.

“Facilities Special Tax” means the Special Tax authorized to fund Annual Facilities Cost. Facilities Special Taxes are shown in **Attachments 2 and 3**.

“Final Use Small Lot Parcel” means a Parcel designated for development as a single-family residence, which is part of a Final Small Lot Subdivision Map.

“Final Small Lot Subdivision Map” means a recorded map designating the final Parcel subdivision for individual Single-Family Parcels.

“Finance Director” means the Finance Director for the City, or their designee.

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

“Full Prepayment” means the complete fulfillment of a Parcel’s Facilities Special Tax obligation, as determined by following the procedures in **Section 8**.

“High Density Residential” means, per the Sierra Vista Specific Plan, a land use designation that primarily accommodates attached housing, but depending on the unit type, could also include detached housing, within the density range of 13.0 or greater dwelling units per gross developable acre. Typical housing product types include, but shall not be limited to, detached townhomes, courtyard townhomes/condominiums, garden-style apartments, and podium design apartments/condominiums.

“Initial Bonding Period” means the period in which Bonds are outstanding or refunded which financed Authorized Facilities costs other than the Development Impact Fee Deferral.

“Large Lot Parcel” means a Parcel created by a Large Lot Subdivision Map.

"Large Lot Subdivision Map" means a recorded subdivision map creating Parcels by land use. However, the Large Lot Subdivision Map does not delineate Single-Family Parcels. A Final Small Lot Subdivision Map will create individual Single-Family Parcels.

"Low Density Residential" means, per the Sierra Vista Specific Plan, a land use designation that supports single-family detached homes on conventional lots within the density range of up to 6.9 dwelling units per gross developable acre. Typical housing product types include, but shall not be limited to, standard, alley-loaded, or clustered, single-family detached units.

"Maintenance Special Tax" means the Special Tax authorized to fund Annual Maintenance Costs. The Maintenance Special Tax will be levied and collected beginning with the Transition Year. Maintenance Special Taxes are shown in **Attachment 4**.

"Market-Rate Unit" means a Unit that is not an Affordable Unit.

"Maximum Annual Special Tax" means the greatest amount of Facilities Special Tax or Maintenance Special Tax that can be levied against a Parcel in a given Fiscal Year, as shown in **Attachments 2, 3, and 4**.

"Maximum Annual Facilities Special Tax" means the greatest amount of Facilities Special Tax that can be levied against a Parcel in a given Fiscal Year, as shown in **Attachments 2, 3, or 4**.

"Maximum Annual Maintenance Special Tax" means the greatest amount of Maintenance Special Tax that can be levied against a Parcel in a given Fiscal Year, as shown in **Attachments 2, 3, or 4**.

"Maximum Annual Special Tax Rate" means the rate of Facilities Special Tax or Maintenance Special Tax charged per Unit or per Taxable Acre, as shown in **Attachments 2, 3, and 4**.

"Maximum Annual Facilities Special Tax Revenue" means the greatest amount of Facilities Special Tax revenue that can be collected in total from a group of Parcels (such as Developed Parcels) by levying the Maximum Annual Facilities Special Tax.

"Maximum Annual Maintenance Special Tax Revenue" means the greatest amount of Maintenance Special Tax revenue that can be collected in total from a group of Parcels (such as Developed Parcels) by levying the Maximum Annual Maintenance Special Tax.

"Maximum Annual CFD Special Tax Revenue" means the sum of the Maximum Annual Special Tax levied on all Taxable Parcels in the CFD in a Fiscal Year.

"Medium Density Residential" means, per the Sierra Vista Specific Plan, a land use designation that accommodates both single-family detached homes and attached homes within the density range of 7.0 to 12.9 dwelling units per gross developable acre. Typical housing product types include, but shall not be limited to, standard or alley-loaded lots, courtyard lots, green court lots, auto courts, alley clusters, zero-lot lines, or z-shaped lots. In addition, duet/half-plex homes, townhomes, or condominiums may be accommodated in Medium Density Residential areas.

"Mixed Use Parcel" means a Parcel or Parcels designated for a combination of Residential Uses and Nonresidential Uses.

"Multifamily For-Rent" or **"Multifamily For-Rent Parcel"** means any Parcel designated or developed for more than one residential dwelling Unit per Parcel and where such units are initially offered for rent to the general public and cannot be purchased by individual homeowners. Such uses may consist of apartments or structures such as duplexes or triplexes, including land uses defined as High Density Residential. Each residential dwelling Unit within Multifamily For-Rent or Multifamily For-Rent Parcels is not expected to have its own distinct Assessor's Parcel Number.

"Multifamily For-Sale" or **"Multifamily For-Sale Parcel"** means any Parcel designated or developed for more than one residential dwelling Unit within a single building or structure and that may share at least one common wall where such units are not initially offered for rent to the general public and initially may be offered for sale to individual homeowners. Such uses may consist of condominiums or buildings such as half-plexes or time-share units, including land uses defined as High Density Residential. Multifamily For-Sale Parcels are anticipated to have their own distinct Assessor's Parcel Number as is the case in residential condominium projects. Once designated as Multifamily For-Sale or Multifamily For-Sale Parcel, the Parcel shall remain so designated unless the original structures are demolished.

"Nonresidential Use" means a Taxable Parcel zoned for land uses other than Residential Uses which may include Business Professional, Community Commercial and Mixed Use.

"Original Parcel" means a Taxable Parcel identified in **Attachment 1** at formation of the CFD.

"Parcel" means any Assessor's Parcel in the CFD based on the equalized tax rolls of the County as of January 1 of each Fiscal Year.

"Partial Prepayment" means the partial fulfillment of a Parcel's Facilities Special Tax obligation, as determined by following the procedures in **Section 8**.

"Pay-As-You-Go Costs" means that portion of costs of acquisition, construction, and improvement of Authorized Facilities not financed by Bonds.

"Prepayment" means the full or partial fulfillment of a Parcel's Facilities Special Tax obligation, as determined by following the procedures in **Section 8**.

"Proportionately" means that the ratio of the actual Special Tax levy to the Maximum Annual Special Tax is equal for all Developed Parcels. For Small Lot Tentative Map Parcels, Proportionately means that the ratio of the actual Special Tax levy to the Maximum Annual Special Tax is equal for all Small Lot Tentative Map Parcels. For Large Lot Parcels, Proportionately means that the ratio of the actual Special Tax levy to the Maximum Annual Special Tax is equal for all Large Lot Parcels. For Undeveloped Parcels, Proportionately means that the ratio of the actual Special Tax levy to the Maximum Annual Special Tax is equal for all Undeveloped Parcels.

"Public Parcel" means any Parcel that is or is intended to be publicly owned, as designated in any final map, that is normally exempt from the levy of general ad valorem property taxes under California law, including, but not limited to, public streets, schools, parks, and public drainageways, landscaping, wetlands, greenbelts, and open space.

“Remainder Parcel” means a portion of a unit of land that is created as a result of the recording of a Large Lot Parcel Map or Final Small Lot Subdivision Map, which results in a designated remainder as defined in Government Code Section 66424.6(a) (Remainder Parcel). Such a Remainder Parcel may contain taxable and tax-exempt uses, such as Residential Uses, and Public Parcels, such as park sites. Once designated as a Remainder Parcel, such Parcel will be considered a Large Lot Parcel for the purposes of future Subdivisions and for the provisions of **Sections 4** through **6**.

“Residential Use” means a Parcel designated for residential use, such as single-family residential Units, residential condominiums, townhouses, or apartments that would be included in the definitions of Low-Density Residential, Medium Density Residential or High Density Residential.

“RMA” means this Rate and Method of Apportionment, and Manner of Collection of Special Tax, as it may be amended from time to time in connection with Annexation Parcels or otherwise.

“Single-Family Parcel” means, in any Fiscal Year, all Parcels in the CFD for which a building permit was issued or may be issued for construction of a Unit that is a single-family residential, residential condominium, or townhouse Unit.

“Small Lot Tentative Map” means a map that is approved by the City for the purpose of showing the design of a proposed Subdivision, including the individual buildable lots expected in the Subdivision, as well as the conditions pertaining thereto. A Small Lot Tentative Map is not based on a detailed survey of the property in the map and is not recorded at the County Recorder’s Office to create legal lots.

“Small Lot Tentative Map Parcel” means, in any Fiscal Year, all Parcels included in a Small Lot Tentative Map that was approved before May 1 of the prior Fiscal Year and which have not yet become a Developed Parcel.

“Special Tax(es)” mean(s) any tax levy under the Act in the CFD.

“Subdivision” or **“Subdivided”** means a division of a Parcel into two or more Parcels through Parcel reconfiguration, lot-line adjustments, or the Subdivision Map Act process. A Subdivision also may include the merging of two or more Parcels to create new Parcels.

“Successor Parcel” means a Parcel created by the Subdivision of an Original Parcel or a Successor Parcel.

“Tax Category” means the categories of taxable land uses shown in **Attachments 2** and **4**.

“Tax Collection Schedule” means the document prepared by the Administrator for the County Auditor-Controller to use in levying and collecting the Special Taxes each Fiscal Year.

“Tax Escalation Factor” means a factor of 2 percent by which the Maximum Annual Facilities Special Tax, Maximum Annual Maintenance Special Tax and related Maximum Annual Special Tax Rates shall be increased annually until the Transition Event. After the Transition Event, the Maximum Annual Maintenance Special Tax may be increased up to 2 percent annually at the City’s discretion. The Administrator should refer to Section 4a for application of the Tax Escalation Factor.

"Taxable Acreage" means that area of a Parcel determined by the Administrator to become a Taxable Parcel or Parcels upon further Subdivision. An example might be that a Large Lot Parcel Map creates a Remainder Parcel that, according to **Attachment 1**, contains both taxable uses and tax-exempt uses.

"Taxable Parcel" means any Parcel that is not a Tax-Exempt Parcel.

"Tax-Exempt Parcel" means a Parcel not subject to the Annual Special Tax. Tax-Exempt Parcels include (a) Public Parcels, and (b) Parcels owned by the City, school districts, special districts, or the state or federal government. A Taxable Parcel that is acquired by a public agency, the Parcel shall remain a Taxable Parcel as per the provisions of **Section 4.h**.

Certain privately-owned Parcels also may be exempt from the levy of Annual Special Taxes, including common areas owned by homeowner's associations or property owner associations, wetlands, detention basins, water quality ponds, and open space, as determined by the Administrator.

"Transition Event" means the earlier of (a) after the Initial Bonding period, the Fiscal Year in which the Administrator determines the Development Impact Fee Deferral has been repaid in full to the City and City determines funding is no longer needed for Annual Facilities Costs, or (b) Fiscal Year 2083-84.

"Transition Year" means the first Fiscal Year following the Fiscal Year in which the Transition Event occurred.

"Trustee" means a national banking association organized and existing under the laws of the United States acting as a trustee or fiscal agent for Bonds.

"Undeveloped Parcel" means a Taxable Parcel that is not a Developed Parcel, Small Lot Tentative Map Parcel, or a Large Lot Parcel.

"Unit" means, for a Single-Family Parcel, the individual residential unit on such Parcel, or for a Multifamily For-Rent Parcel or Multifamily For-Sale Parcel, an individual residential unit in a multifamily building.

3. Duration of the Special Tax

The Facilities Special Tax will be levied and collected until the earlier of (i) the Transition Year or (ii) Fiscal Year 2082-83. The Maintenance Special Tax will be levied and collected beginning in the Transition Year. The Maintenance Special Tax will be collected in perpetuity.

4. Administrative Tasks for the Facilities Special Tax

Tasks required of the Administrator are discussed below:

- a. **Annual Special Tax Escalation.** Until the Transition Event, the Administrator shall increase the Maximum Annual Facilities Special Tax, the Maximum Annual Maintenance Special Tax and Maximum Annual Special Tax Rates by the Tax Escalation Factor in all Fiscal Years following the Base Year. After the Transition Event, the City, in its sole discretion, may

determine whether to apply the Tax Escalation Factor to the Maximum Annual Maintenance Special Tax in any Fiscal Year.

- b. Assignment of the Maximum Annual Facilities Special Tax to Original Parcels. **Attachment 3** identifies the Assigned Maximum Annual Facilities Special Tax for each Original Parcel at CFD formation, which is determined for each Large Lot Parcel based on the Expected Land Uses in each Large Lot Parcel at CFD Formation. The Assigned Maximum Annual Facilities Special Tax shall continue to apply to the geographic area to which it was assigned. If, before further Subdivision, the Administrator determines there are multiple Assessor's Parcels in a Large Lot Parcel, the Administrator shall assign the Maximum Annual Facilities Special Tax to each Assessor's Parcel on a pro rata basis to all Assessor's Parcels in that Large Lot Parcel based on the percentage share of Taxable Acreage identified for each Assessor's Parcel. Similarly, if the Administrator determines there are multiple Large Lot Parcels in an Assessor's Parcel, the Maximum Annual Facilities Special Tax shall equal the sum of the Assigned Maximum Annual Facilities Special Tax for all Large Lot Parcels in that Assessor's Parcel.
- c. Assignment of the Maximum Annual Facilities Special Tax to Annexation Parcels. If Parcels are annexed to the CFD after formation, the Maximum Annual Facilities Special Tax shall be assigned to these Annexation Parcels using the definitions in **Section 2** and the Maximum Annual Facilities Special Tax per Unit or Acre shown in **Attachment 2** as adjusted by the Tax Escalation Factor applied by the Administrator, unless the Annexation Parcels are annexed with a new set of Maximum Annual Facilities Special Taxes. **Attachment 1** or **2** shall be amended, or a new attachment created, to include the Annexation Parcels and, if necessary, the applicable tax rates. If new Maximum Annual Facilities Special Taxes are created, **Attachments 1, 2, and 3** should be amended to reflect the Maximum Annual Facilities Special Taxes for the Annexation Parcels. Once annexed, these annexed Parcels shall be considered Original and Successor Parcels and will be subject to the same procedures for assignment of the Maximum Annual Facilities Special Tax to Successor Parcels described in **Section 4.d**. The owner of the Annexation Parcels shall be responsible for paying all costs associated with annexing the Annexation Parcels to the CFD, but otherwise shall not be required to pay any other charge, fee or catch-up special tax in connection with or as a condition of such annexation unless otherwise agreed to by the owner of the Annexation Parcel in connection with the annexation.
- d. Assignment of the Maximum Annual Facilities Special Tax to Successor Parcels. As Original Parcels and Successor Parcels are Subdivided through creation of Final Small Lot Subdivision Maps, lot line adjustments or other Parcel amendments through the Subdivision Map Act process, the Administrator shall use the following steps to assign the Maximum Annual Facilities Special Tax to new Successor Parcels. As a result of each assignment of the Maximum Annual Facilities Special Tax upon Subdivision of an Original Parcel or Successor Parcel, the sum of the Maximum Annual Facilities Special Taxes assigned to the newly created Taxable Parcels shall never be less, but may be greater, than the Assigned Maximum Annual Facilities Special Tax for that Original Parcel or Successor Parcel.
 - 1. If an Original Parcel or Successor Parcel is Fully Subdivided into Single-Family Parcels with No Remainder Parcel(s). There shall be no net loss of Maximum CFD Special Tax Revenue as a result of the assignment of the Maximum Annual Facilities Special Tax to

Single-Family Parcels. The Administrator shall use the following procedures to assign the Maximum Annual Facilities Special Tax to Single-Family Parcels. All references to Maximum Annual Facilities Special Taxes in the attachments are subject to application by the Tax Escalation Factor by the Administrator:

- A. Multiply the Maximum Annual Facilities Special Tax per Unit by Tax Category from **Attachment 2** by the number of Units for each Single-Family Parcel created by the Subdivision. Sum the Maximum Annual Facilities Special Taxes for all Single-Family Parcels created by the Subdivision.
 - B. If the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.1.A above is equal to or greater than the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided, assign the Maximum Annual Facilities Special Tax per Unit by Tax Category as calculated in Step 4.1.d.A above to each Single-Family Parcel created by the Subdivision.
 - C. If the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.1.A above is less than the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided, unless 100 percent of the Units are designated Affordable Units, (i) assign the Maximum Annual Facilities Special Tax for Affordable Units shown in **Attachment 2** to each Affordable Unit (if any) and, (ii) Proportionately increase the Maximum Annual Facilities Special Tax per Unit for all Units that are not Affordable Units until the sum of resulting Maximum Annual Facilities Special Taxes from all Units (including Affordable Units) equals the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided. Assign the Maximum Annual Facilities Special Tax calculated in this step to each new Single-Family Parcel created by the Subdivision.
 - D. If the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.1.A above is less than the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided **and** if 100 percent of the Single-Family Parcels created by Subdivision are designated as Affordable Units, increase Proportionately the Maximum Annual Facilities Special Tax per Unit for each Affordable Unit until the sum of Maximum Annual Facilities Special Taxes from all Affordable Units on the new Single-Family Parcels created by the Subdivision equal the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided. Assign the Maximum Annual Facilities Special Tax calculated in this step to each new Single-Family Parcel created by the Subdivision.
2. If Original or Successor Parcel Is Subdivided into Single-Family Parcels and One or More Remainder Parcels. When an Original or Successor Parcel is Subdivided into Single-Family Parcels and one or more Large Lot Parcels (or Remainder Parcels), the Assigned Maximum Annual Facilities Special Tax is apportioned to the Single-Family Parcels and Large Lot Parcels created by the Subdivision in the following manner:
- A. Apportion the Assigned Maximum Annual Facilities Special Tax to the area(s) that is/are being Subdivided into Single-Family Parcels and to the area(s) that will be Remainder Parcel(s) on a pro rata basis, based on the percentage share of Taxable

Acreage represented by each such area as compared to the total area of the Original or Successor Parcel.

- B. For each area Subdivided into Single-Family Parcels, multiply the Maximum Annual Facilities Special Tax per Unit by Tax Category from **Attachment 2** by the number of Units for each Single-Family Parcel created by the Subdivision. Sum the Maximum Annual Facilities Special Taxes for all Single-Family Parcels created by the Subdivision.
- C. For each area Subdivided into Single-Family Parcels, if the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.2.B above is equal to or greater than the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels, assign the Maximum Annual Facilities Special Tax per Unit by Tax Category as calculated in Step 4.d.2.B above to each Single-Family Parcel created by the Subdivision.
- D. For each area Subdivided into Single-Family Parcels, if the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.2.B above is less than the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels, unless 100 percent of the Units are designated Affordable Units, (i) assign the Maximum Annual Facilities Special Tax for Affordable Units shown in **Attachment 2** to each Affordable Unit (if any) and, (ii) Proportionately increase the Maximum Annual Facilities Special Tax per Unit for all Units that are not Affordable Units until the sum of resulting Maximum Annual Facilities Special Taxes from all Units (including Affordable Units) equals the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels. Assign the Maximum Annual Facilities Special Tax calculated in this step to each new Single-Family Parcel created by the Subdivision.
- E. For each area Subdivided into Single-Family Parcels, if the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.2.B above is less than the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels **and** if 100 percent of the Single-Family Parcels created by Subdivision are designated as Affordable Units, increase Proportionately the Maximum Annual Facilities Special Tax per Unit for each Affordable Unit until the sum of Maximum Annual Facilities Special Taxes from all Affordable Units on the new Single-Family Parcels created by the Subdivision equal the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels. Assign the Maximum Annual Facilities Special Tax calculated in this step to each new Single-Family Parcel created by the Subdivision.
- F. For the Remainder Parcel or Parcels, identify the Maximum Annual Facilities Special Tax for the entire Original or Successor Parcel that has been Subdivided. Sum the Maximum Annual Facilities Special Tax for all Single-Family Parcels created by the Subdivision, including Single-Family Parcels with Affordable Units. Subtract the sum of the Maximum Annual Facilities Special Tax for all Single-Family Parcels from the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel

being subdivided and compare it to the Maximum Annual Facilities Special Tax assigned to the Remainder Parcel or Parcels in Step 4.d.2.A. Assign to each Remainder Parcel, the lesser of the calculations in this step or in Step 4.d.2.A, but in no event less than the difference between the previously Assigned Maximum Annual Facilities Special Tax for the Original Parcel or Successor Parcel being Subdivided and the total of the Maximum Annual Facilities Special Tax for all Single-Family Parcels created by such Subdivision.

Once designated as a Remainder Parcel, such Parcel will be considered a Large Lot Parcel for the purposes of future Subdivisions and for the provisions of **Sections 4** through **6**.

3. If an Original or Successor Parcel is Subdivided creating multiple land uses and Tax Categories or for any rezones of land uses on Original or Successor Parcels:
 - A. Identify the Assigned Maximum Annual Facilities Special Tax for the Original Parcel or Successor Parcel that is being Subdivided or rezoned.
 - B. For each Taxable Parcel subject to rezone or created by Subdivision multiply the Maximum Annual Facilities Special Tax per Unit or per Acre by the number of Units or by the number of Acres by the appropriate Tax Category. For each Taxable Parcel created by Subdivision that includes Affordable Units, multiply the number of Affordable Units by the Tax per Unit for such Affordable Units.
 - C. Sum the Maximum Annual Facilities Special Tax for each Taxable Parcel and compare it to the Assigned Maximum Annual Facilities Special Tax of the Original or Successor Parcel that is subject to rezone or is being Subdivided. If the sum of Maximum Annual Facilities Special Tax for each Taxable Parcel is greater than the Assigned Maximum Annual Facilities Special Tax for the Original Parcel, the Administrator shall apply the Maximum Annual Facilities Special Tax calculated above for each Taxable Parcel.
 - D. If the Assigned Maximum Annual Facilities Special Tax for the Original Parcel or Successor Parcel subject to rezone or that is being subdivided is greater than the sum of Maximum Annual Facilities Special Tax for each Successor Parcel being created, increase Proportionately the Maximum Annual Facilities Special Tax per Unit or per Acre for all Tax Categories on each Taxable Parcel such that the sum of Maximum Annual Facilities Special Tax for all Taxable Parcels equals the Assigned Maximum Annual Facilities Special Tax for the Original Parcel.
- e. Affordable Units that Become Market-Rate Units. If, in any Fiscal Year, the City Manager, or his or her designee, determines that a Unit that previously had been designated as an Affordable Unit no longer qualifies as such, the Affordable Housing Director shall update the Affordable Unit listing by denoting the change in status of the Unit, together with the effective date thereof. For all Affordable Units that are converted to Market-Rate Units, such Units shall be assigned the Maximum Annual Facilities Special Tax per Unit based on their Tax Category as shown in **Attachment 2**, as adjusted by the Tax Escalation Factor.
- f. Transfer of the Assigned Maximum Annual Facilities Special Tax from One Large Lot Parcel to Another. The Maximum Annual Facilities Special Taxes shown in **Attachment 3** were determined based on the Expected Land Uses for each Large Lot Parcel shown in

Attachment 1. If the number of planned residential Units or Nonresidential Acreage is transferred from one Large Lot Parcel to another before recording of a Final Small Lot Subdivision Map in any portion of the Large Lot Parcel, the City may, in its sole discretion, allow for a transfer of the Maximum Annual Facilities Special Tax from one Large Lot Parcel to another. Such a transfer shall be allowed only if (1) all adjustments are agreed to in writing by the affected property owners and the Finance Director, and (2) there is no reduction in the Maximum Annual CFD Special Tax Revenues as a result of the transfer. Should a transfer result in an amendment to **Attachment 1, 2, or 3** of the Notice of Special Tax Lien, the requesting property owner shall bear the costs to effect the transfer in the CFD records and prepare the required amendments to the Notice of Special Tax Lien and **Attachments 1, 2, or 3**. Before the transfer, the City may require a deposit from the requesting property owner for such costs.

- g. Conversion of a Tax-Exempt Parcel to a Taxable Parcel. If a Tax-Exempt Parcel is not needed for public use and is converted to a taxable use or transferred to a private owner, it shall become subject to the Facilities Special Tax. The Maximum Annual Facilities Special Tax for the newly Taxable Parcel will be determined using the provisions of **Sections 4 and 5** of the RMA.
- h. Taxable Parcels Acquired by a Public Agency. A Taxable Parcel that is acquired by a public agency after the CFD is formed will remain subject to the applicable Special Tax unless the Special Tax obligation is satisfied pursuant to Section 53317.5 of the Government Code. An exception to this may be made if a Public Parcel, such as a park site, is relocated to a Taxable Parcel, in which case the previously Tax-Exempt Parcel of comparable acreage becomes a Taxable Parcel and the Maximum Annual Facilities Special Tax from the previously Taxable Parcel is transferred to the new Taxable Parcel. This trading of a Parcel from a Taxable Parcel to a Public Parcel will be permitted to the extent there is no net loss in Maximum Annual CFD Special Tax Revenue and the transfer is agreed to by the owners of the Parcels involved in the transfer and the Finance Director.

5. Administrative Tasks for the Maintenance Special Tax

This section discusses the administrative tasks for the Maintenance Special Tax, which shall be applicable after the Transition Event.

Tasks required of the Administrator are discussed below:

- a. Assignment of the Maximum Annual Maintenance Special Tax to Developed Parcels. After the Transition Event, the Administrator shall assign the Maximum Annual Maintenance Special Tax to all Developed Parcels using the Maximum Annual Special Tax Rates for the Maintenance Special Tax by Tax Category shown in **Attachment 4**, as adjusted by the Tax Escalation Factor.
- b. Assignment of the Maximum Annual Maintenance Special Tax to Successor Parcels. After the Transition Event, if Original Parcels and Successor Parcels are Subdivided through creation of Final Small Lot Subdivision Maps, lot line adjustments or other Parcel amendments through the Subdivision Map Act process, the Administrator shall use the steps in **Section 4.d** to assign the Maximum Annual Maintenance Special Tax to new Successor Parcels. **When**

applying Section 4.d after the Transition Event, the Administrator shall substitute Maintenance Special Tax for Facilities Special Tax and shall substitute Maximum Annual Maintenance Special Tax for Maximum Annual Facilities Special Tax.

- c. Assignment of the Maximum Annual Maintenance Special Tax to Annexation Parcels. If Parcels are annexed to the CFD after formation, the Maximum Annual Maintenance Special Tax shall be assigned to these Annexation Parcels using the definitions in Section 2 and the Maximum Annual Maintenance Special Tax per Unit or Acre shown in **Attachment 4** as adjusted by the Tax Escalation Factor applied by the Administrator, unless the Annexation Parcels are annexed with a new set of Maximum Annual Maintenance Special Taxes. **Attachment 1** may be amended, or a new attachment created, to include the Annexation Parcels and, if necessary, the applicable tax rates. If new Maximum Annual Maintenance Special Taxes are created, **Attachment 4** should be amended to reflect the Maximum Annual Maintenance Special Taxes for the Annexation Parcels. Once annexed, these annexed Parcels shall be considered Original and Successor Parcels and will be subject to the same procedures for assignment of the Maximum Annual Maintenance Special Tax to Successor Parcels described in this section. The owner of the Annexation Parcels shall be responsible for paying all costs associated with annexing the Annexation Parcels to the CFD, but otherwise shall not be required to pay any other charge, fee or catch-up special tax in connection with or as a condition of such annexation unless otherwise agreed to by the owner of the Annexation Parcel in connection with the annexation.
- d. Affordable Units that Become Market-Rate Units. If, in any Fiscal Year, the City Manager, or his or her designee, determines that a Unit that previously had been designated as an Affordable Unit no longer qualifies as such, the Affordable Housing Director shall update the Affordable Unit listing by denoting the change in status of the Unit, together with the effective date thereof. For all Affordable Units that are converted to Market-Rate Units, such Units shall be assigned the Maximum Annual Maintenance Special Tax per Unit based on their Tax Category as shown in **Attachment 4**, as adjusted by the Tax Escalation Factor.
- e. Conversion of a Tax-Exempt Parcel to a Taxable Parcel. If a Tax-Exempt Parcel is not needed for public use and is converted to a taxable use or transferred to a private owner, it shall become subject to the Maintenance Special Tax. The Maximum Annual Maintenance Special Tax for the newly Taxable Parcel will be determined using the provisions of **Sections 5 and 6** of the RMA.
- f. Taxable Parcels Acquired by a Public Agency. A Taxable Parcel that is acquired by a public agency after the CFD is formed will remain subject to the applicable Special Tax unless the Special Tax obligation is satisfied pursuant to Section 53317.5 of the Government Code. An exception to this may be made if a Public Parcel, such as a park site, is relocated to a Taxable Parcel, in which case the previously Tax-Exempt Parcel of comparable acreage becomes a Taxable Parcel and the Maximum Annual Maintenance Special Tax from the previously Taxable Parcel is transferred to the new Taxable Parcel. This trading of a Parcel from a Taxable Parcel to a Public Parcel will be permitted to the extent there is no net loss in Maximum Annual CFD Special Tax Revenue and the transfer is agreed to by the owners of the Parcels involved in the transfer and the Finance Director

6. Assignment of the Maximum Annual Special Tax

- a. Classification of Parcels. For purposes of the next Fiscal Year tax levy, by June 30 of each Fiscal Year, using the Definitions in **Section 2**, the Parcel records of the Assessor's secured tax roll as of January 1, and other City development approval records, the Administrator shall cause:
 1. Each Parcel to be classified as a Taxable Parcel or Tax-Exempt Parcel.
 2. Each Parcel to be classified as a Developed Parcel, a Small Lot Tentative Map Parcel, a Large Lot Parcel (including Remainder Parcels), or an Undeveloped Parcel.
- b. Assignment of the Maximum Annual Facilities Special Tax to Taxable Parcels. The Maximum Annual Facilities Special Tax will be assigned to each Taxable Parcel each Fiscal Year using the procedures (not all steps may be applicable for each such Parcel) in **Section 4**.
- c. Assignment of the Maximum Annual Maintenance Special Tax to Taxable Parcels. The Maximum Annual Maintenance Special Tax will be assigned to each Taxable Parcel each Fiscal Year using the procedures (not all steps may be applicable for each such Parcel) in **Sections 4 and 5**.

7. Calculating Annual Special Taxes

This section discusses the levy of the Facilities Special Tax and the Maintenance Special Tax. Collectively, these Special Taxes are included in the discussion of the assignment of the Maximum Annual Special Taxes. For the period following CFD formation until the Transition Event, the Maximum Annual Special Tax shall refer to the Facilities Special Tax. Beginning with the Transition Year, the Maximum Annual Special Tax shall refer to the Maintenance Special Tax.

The Administrator will compute the Annual Facilities Costs or Annual Maintenance Costs and determine the annual Special Tax levy for each Taxable Parcel based on the assignment of the Special Tax in **Sections 4, 5, and 6**. The Administrator then will determine the tax levy for each Taxable Parcel using the following process:

Facilities Special Tax Levy

- a. Compute the Annual Facilities Costs using the definition of Annual Facilities Costs in **Section 2**.
- b. For all Taxable Parcels, calculate the Facilities Special Tax levy for each using the following steps:
 - Step 7.b.1. The Facilities Special Tax shall be levied proportionately on all Developed Parcels up to the amount of Annual Facilities Cost or up to 100 percent of the Maximum Annual Facilities Special Tax Revenue for all Developed Parcels, whichever is less.
 - Step 7.b.2. If additional revenue is needed after *Step 7.b.1.*, the Facilities Special Tax shall be levied proportionately on each Small Lot Tentative Map Parcel until the revenue from the Facilities Special Tax levy in this step, when added to the levy amount computed in *Step 7.b.1.*, equals the Annual Facilities Costs, or up to

100 percent of the Maximum Annual Facilities Special Tax Revenue for all Small Lot Tentative Map Parcels. As necessary, the Facilities Special Tax shall be levied on Small Lot Tentative Map Parcels for the entire portion of Annual Facilities Costs, excluding Pay-As-You-Go Costs.

Step 7.b.3. If additional revenue is needed after *Step 7.b.2.*, the Facilities Special Tax shall be levied proportionately on each Large Lot Parcel until the revenue from the Facilities Special Tax levy in this step, when added to the levy amount computed through *Step 7.b.2.*, equals the Annual Facilities Costs, or up to 100 percent of the Maximum Annual Facilities Special Tax Revenue for all Large Lot Parcels. As necessary, the Facilities Special Tax shall be levied on Large Lot Parcels for the entire portion of Annual Facilities Costs, excluding Pay-As-You-Go Costs.

Step 7.b.4. If additional revenue is needed after *Step 7.b.3.*, the Facilities Special Tax shall be levied on each Undeveloped Parcel until the revenue from the Facilities Special Tax levy in this step, when added to the levy amounts computed through *Step 7.b.3.*, equals the Annual Facilities Costs, or up to 100 percent of the Maximum Annual Facilities Special Tax Revenue for all Undeveloped Parcels. As necessary, the Facilities Special Tax shall be levied on Undeveloped Parcels for the entire portion of Annual Facilities Costs, excluding Pay-As-You-Go Costs.

Maintenance Special Tax Levy

c. Beginning in the Transition Year, compute the Annual Maintenance Cost using the definition of Annual Maintenance Costs in **Section 2**.

d. For all Taxable Parcels, calculate the Maintenance Special Tax levy for each using the following steps:

Step 7.d.1. The Maintenance Special Tax shall be levied proportionately on all Developed Parcels up to the amount of Annual Maintenance Cost or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Developed Parcels, whichever is less.

Step 7.d.2. If additional revenue is needed after *Step 7.d.1.*, the Maintenance Special Tax shall be levied proportionately on each Small Lot Tentative Map Parcel until the revenue from the Maintenance Special Tax levy in this step, when added to the levy amount computed in *Step 7.d.1.*, equals the Annual Maintenance Costs, or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Small Lot Tentative Map Parcels.

Step 7.d.3. If additional revenue is needed after *Step 7.d.2.*, the Maintenance Special Tax shall be levied proportionately on each Large Lot Parcel until the revenue from the Maintenance Special Tax levy in this step, when added to the levy amount computed through *Step 7.d.2.*, equals the Annual Maintenance Costs, or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Large Lot Parcels.

Step 7.d.4. If additional revenue is needed after *Step 7.d.3.*, the Maintenance Special Tax shall be levied on each Undeveloped Parcel until the revenue from the Maintenance Special Tax levy in this step, when added to the levy amounts computed through *Step 7.d.3.*, equals the Annual Maintenance Costs, or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Undeveloped Parcels.

- e. Levy on each Taxable Parcel the amount calculated above.
- f. Prepare the Tax Collection Schedule and, unless an alternative method of collection has been selected pursuant to **Section 9**, send it to the County Auditor requesting that it be placed on the general, secured property tax roll for the Fiscal Year. The Tax Collection Schedule will be sent no later than the date required by the County Auditor for such inclusion.

The Administrator will make every effort to calculate the Special Tax correctly for each Parcel. It will be the burden of the taxpayer to identify any errors in determining which Parcels are subject to the tax and their Special Tax assignments.

8. Prepayment of the Facilities Special Tax Obligation

A property owner may at any time prepay 50 percent, but not more or less than 50 percent of the Maximum Annual Facilities Special Tax. For Nonresidential Use Parcels, Full Prepayment is permissible at any time. Full Prepayment is not allowable for Residential Use Parcels.

In addition to the conditions above, the City may allow a Full or Partial Prepayment if the City determines that the Prepayment will not jeopardize its ability to make timely payments of Debt Service and maintain a 110-percent annual Debt Service coverage based on Maximum Annual Special Tax Revenues in all years where there will be Outstanding Bonds. Prepayments must be made by May 1 to have the Prepayment reflected in the following Fiscal Year's Special Tax levy. Prepayment is permitted only under the following conditions:

- The landowner prepaying the Facilities Special Tax on a Parcel has paid any delinquent Facilities Special Tax and penalties on that Parcel before Prepayment.
- Following Prepayment, amounts in the reserve fund are equal to or greater than the reserve fund requirement.
- The City determines that the Prepayment will not jeopardize its ability to make timely payments of Debt Service and maintain a 110-percent annual Debt Service coverage based on Maximum Annual Special Tax Revenues in all years in which issued Bonds will be outstanding.
- The portion of the Prepayment for the Development Impact Fee Deferral shall only be used to pay for the Development Impact Fee Deferral whether it was or is to be funded through annual special tax payments or through bonded indebtedness.

When permitted, the Administrator shall calculate Prepayments using the following steps:

a. The Full Prepayment amount shall be established by following the steps below:

- Step 8.a.1: Determine the Facilities Special Tax for the Taxable Parcel for which the Facilities Special Tax is to be prepaid using the provisions of **Sections 4, 5, and 6**. If the Parcel is not designated as a Developed Parcel, determine the applicable Facilities Special Tax for the Parcel assuming it is a Developed Parcel.
- Step 8.a.2: Increase the Facilities Special Tax by 2 percent per annum for the longer of (i) 30 years from the year in which the Parcel was first subject to the Facilities Special Tax as a Developed Parcel, or (ii) the end of the then-remaining Initial Bonding Period.
- Step 8.a.3: Using a discounted rate equal to the most current yield for the 30-Year Treasury Constant Maturity, calculate the net present value of the revenue stream determined *Step 8.a.2*. If this yield is no longer available, the Administrator will select a yield rate from the most comparable type of security.
- Step 8.a.4: Add to the amount calculated in *Step 8.a.3* interest on the Bonds being redeemed to the next redemption date.
- Step 8.a.5: Add to the amount calculated in *Step 8.a.4* a redemption premium on the Bonds being redeemed (if any).
- Step 8.a.6: Add to the amount calculated in *Step 8.a.5* the Development Impact Fee Deferral amount applicable to the Parcel, as adjusted for inflation. If Bonds have been issued to finance the Development Impact Fee Deferral, follow *Step 8.a.2* and *8.a.3*, using for *Step 8.a.2* the longer of (i) 30 years from the year in which the Parcel was first subject to the Facilities Special Tax during the Deferral Bonding Period, or (ii) the end of the then-remaining Deferral Bonding Period.
- Step 8.a.7: Add the administrative cost of processing the Prepayment to the amount calculated in *Step 8.a.6*.
- Step 8.a.8: The amount in *Step 8.a.7* is the amount of the Full Prepayment of the Maximum Annual Special Tax for the Taxable Parcel.

b. Partial Prepayments will be calculated as described below:

The amount of any Partial Prepayment is limited to 50 percent of the Full Prepayment amount determined in *Step 8.a.8*. A Partial Prepayment may only be made in an amount equal 50 percent of the Full Prepayment desired by the party making a Partial Prepayment, except that the full amount of Administrative fees and expenses determined in *Step 8.a.7* shall be included in the Partial Prepayment. The Facilities Special Tax that can be levied on a Parcel after a Partial Prepayment is made is equal to one-half of the Facilities Special Tax that could have been levied before the Partial Prepayment.

9. Interpretation, Application, and Appeal of Special Tax Formula and Procedures

Any taxpayer who feels the amount of the Special Tax assigned to a Parcel is in error may file a notice with the Finance Director appealing the levy of the Special Tax. The Finance Director then will promptly review the appeal and, if necessary, will meet with the applicant. If the Finance Director verifies that the tax should be modified or changed, the Special Tax levy will be corrected and, if applicable in any case, a credit or refund will be granted.

Interpretations may be made by the City, without Resolution or Ordinance of the Council, for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax rate, the method of apportionment, the classification of properties, or any definition applicable to the CFD.

Without Council approval, the Finance Director may make minor, non-substantive administrative and technical changes to the provisions of this RMA that do not materially affect the rate, method of apportionment, or manner of collection of the Special Tax for purposes of administrative efficiency or convenience or to comply with new applicable federal, state, or local law.

The City, upon request of an owner of land in the CFD that is not a Developed Parcel, also may amend this RMA in any manner acceptable to the City, without Resolution or Ordinance of the Council, upon the affirmative vote of such owner and without the vote of owners of any other land in the CFD, provided such amendment is only applicable to such owner's land and does not reduce the total Maximum Annual CFD Special Tax Revenue.

10. Manner of Collection

The Special Tax will be collected in the same manner and at the same time as ad valorem property taxes, provided, however, the Administrator or its designee may directly bill the Special Tax and may collect the Special Tax at a different time, such as on a monthly or other periodic basis, or in a different manner, if necessary, to meet the City's financial obligations.

ATTACHMENT 1

LARGE LOT MAP

The Ranch at Sierra Vista
Community Facilities District No. 1
(Public Facilities)

City of Roseville, County of Placer, State of California
Scale 1"=400' Sheet 2 of 2

IDENTIFICATION OF LARGE LOTS

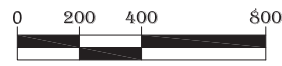
LOT #	APN	SVSP ID	LU	ACREAGE	APPROVED UNITS
KT-2	499-010-019	KT-2	LDR	25.37±	125
KT-3A	499-010-033	KT-3A	LDR	22.31±	110
KT-3B	499-010-033	KT-3B	LDR	18.15±	97
KT-4	499-010-033	KT-4	LDR	15.86±	83
KT-5	499-010-033	KT-5	LDR	23.94±	139
TOTAL				105.63±	554

LEGEND

 PROPOSED CFD BOUNDARY



NORTH



0 200 400 800

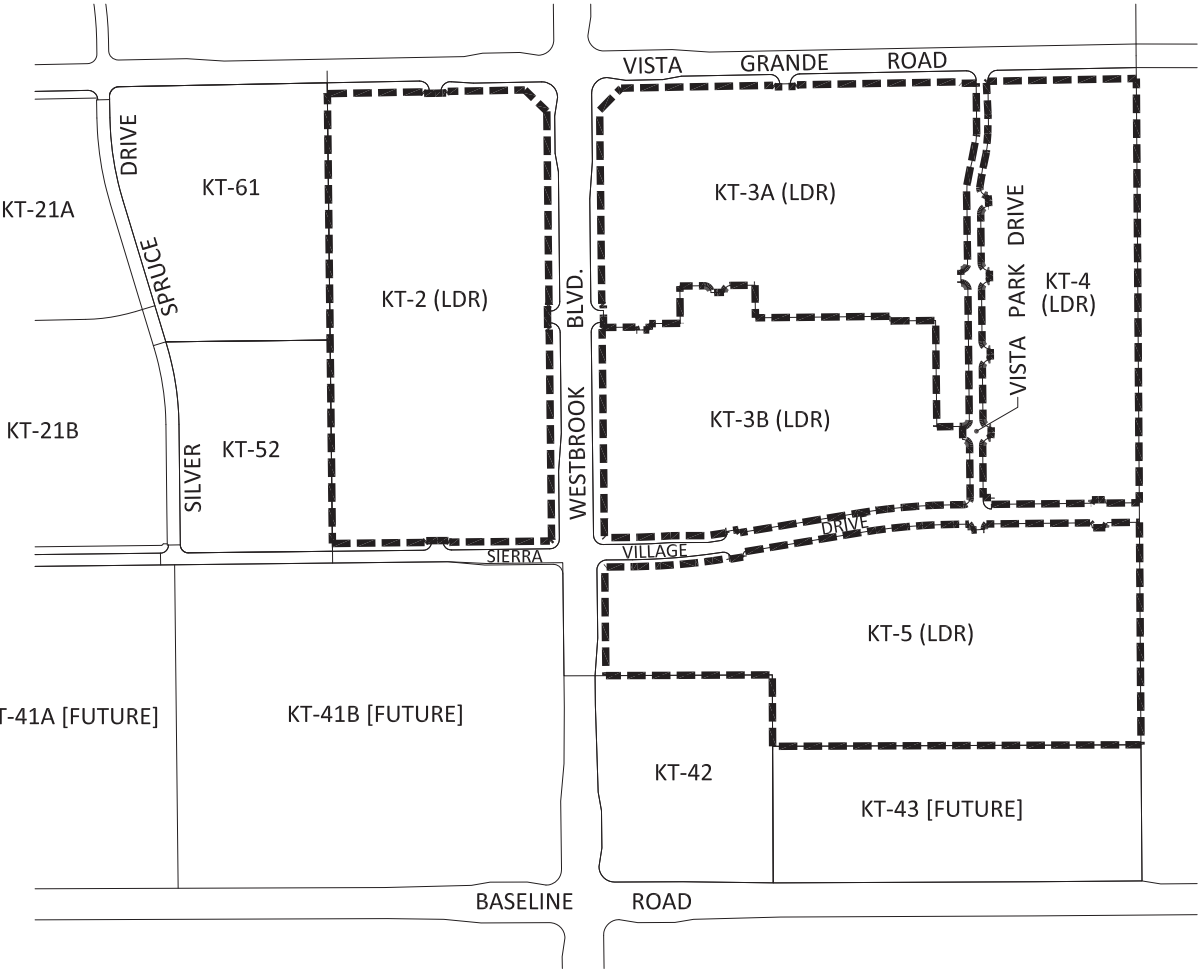
SCALE: 1"=400'



MSA
ENGINEERING

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FAX: (916) 788-4427

JULY 2018 17-018



Attachment 2
The Ranch at Sierra Vista CFD No. 1 (Public Facilities)
Maximum Annual Facilities Special Taxes by Tax Category
for the Base Year of FY 2018-19 [1]

Expected Land Uses (Tax Category)	Facilities Special Tax per Unit/Taxable Acre	
	Before Transition Event [1]	After Transition Event
Residential Uses	<u>per Unit</u>	<u>per Unit</u>
Low Density Residential (LDR)	\$1,836.00	\$0.00
Medium Density Residential (MDR)	\$1,632.00	\$0.00
High Density Residential (HDR) [2]		
High Density Residential (HDR) For-Sale [2]	\$0.00	\$0.00
High Density Residential (HDR) For-Rent [2]	\$0.00	\$0.00
Affordable Medium Density Residential	\$816.00	\$0.00
Affordable High Density Residential [2]	\$0.00	\$0.00
Nonresidential Uses [2]	<u>per Taxable Acre</u>	<u>per Taxable Acre</u>
Mixed Use (MU) [2]	\$0.00	\$0.00
Business Professional (BP) [2]	\$0.00	\$0.00
Community Commercial (CC) [2]	\$0.00	\$0.00
Undeveloped Property	\$12,735.00	\$0.00

"att2"

- [1] This amount is subject to increase by the Tax Escalation Factor in each Fiscal Year following the Base Year as described in this RMA.
- [2] If a Low Density Residential, Medium Density Residential or Affordable Medium Density Residential Parcel with a Special Tax is rezoned to a use with an identified Special Tax of \$0 in this attachment, the Special Tax would be assigned to the Parcel using the provisions of Section 4 of this RMA.

Attachment 3

The Ranch at Sierra Vista CFD No. 1 (Public Facilities)

Assigned Maximum Annual Facilities Special Tax for Original Parcels (Base Year of FY 2018-19) [1] [2]

Original Parcel	Village Number	Large Lot Map Number	Expected Land Uses				Facilities Special Tax per Unit [1] [2]	Maximum Annual Special Tax Revenue per Village [1] [2]
			Tax Category	Acres	Planned Units	Planned Units per Acre		
499-010-019 (portion) [1]	KT-2, Phase 1	Lot 5	LDR	23.7	125	5.3	\$1,836.00	\$229,500
499-010-033	KT-3A, Phase 1	Lot 4	LDR	19.2	110	5.7	\$1,836.00	\$201,960
499-010-033	KT-3B, Phase 1	Lot 2	LDR	19.4	97	5.0	\$1,836.00	\$178,092
499-010-033	KT-4, Phase 1	Lot 3	LDR	14.3	83	5.8	\$1,836.00	\$152,388
499-010-033	KT-5, Phase 1	Lot 1	LDR	23.5	139	5.9	\$1,836.00	\$255,204
CFD Totals				100.1	554			\$1,017,144

"att3"

[1] This amount is subject to increase by the Tax Escalation Factor in each Fiscal Year following the Base Year as described in this RMA.

[2] If amended to include Annexation Parcels, the Maximum Annual Special Tax for Annexation Parcels would also be subject to the Tax Escalation Factor.

Attachment 4
The Ranch at Sierra Vista CFD No. 1 (Public Facilities)
Maximum Annual Maintenance Special Taxes by Tax Category
for the Base Year of FY 2018-19 [1]

Expected Land Uses (Tax Category)	Maintenance Special Tax per Unit/Taxable Acre	
	Before Transition Event [1]	After Transition Event [1]
Residential Uses	<u>per Unit</u>	<u>per Unit</u>
Low Density Residential (LDR)	\$0.00	\$918.00
Medium Density Residential (MDR)	\$0.00	\$816.00
High Density Residential (HDR) [2]		
High Density Residential (HDR) For-Sale	\$0.00	\$0.00
High Density Residential (HDR) For-Rent	\$0.00	\$0.00
Affordable Medium Density Residential	\$0.00	\$408.00
Affordable High Density Residential [2]	\$0.00	\$0.00
Nonresidential Uses [2]	<u>per Taxable Acre</u>	
Mixed Use (MU) [2]	\$0.00	\$0.00
Business Professional (BP) [2]	\$0.00	\$0.00
Community Commercial (CC) [2]	\$0.00	\$0.00
Undeveloped Property	\$0.00	\$6,367.50

"att4"

[1] This amount is subject to increase by the Tax Escalation Factor in each Fiscal Year following the Base Year as described in this RMA.

[2] If a Low Density Residential, Medium Density Residential or Affordable Medium Density Residential Parcel with a Special Tax is rezoned to a use with an identified Special Tax of \$0 in this attachment, the Special Tax would be assigned to the Parcel using the provisions of Section 4 of this RMA.

CITY CLERK'S STATEMENT:

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA THIS 15 DAY OF August, 2018.

Sonia Orozco
SONIA OROZCO, CITY CLERK
CITY OF ROSEVILLE
PLACER COUNTY, CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF THE RANCH AT SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES). CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF ROSEVILLE, AT A REGULAR MEETING THEREOF HELD ON THE 15 DAY OF August, 2018. BY ITS RESOLUTION NUMBER 18-346

Sonia Orozco
SONIA OROZCO, CITY CLERK
CITY OF ROSEVILLE
PLACER COUNTY, CALIFORNIA

RECORDER'S STATEMENT:

FILED THIS 10TH DAY OF SEPTEMBER, 2018, AT THE HOUR OF 9:49 O'CLOCK A.M., IN BOOK 3 OF MAPS OF COMMUNITY FACILITIES DISTRICT, AT PAGE 80, IN THE OFFICE OF THE RECORDER OF THE COUNTY OF PLACER, STATE OF CALIFORNIA.

DOC NO 2018-0065145

RYAN RONCO
PLACER COUNTY RECORDER

FEE: \$8.00

BY: *S. Ronco*
DEPUTY

LEGEND



PROPOSED CFD
BOUNDARY



AREAS OF FUTURE
ANNEXATION

PROPOSED BOUNDARY OF The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities)

City of Roseville, County of Placer, State of California
Scale 1"=350' Sheet 1 of 1

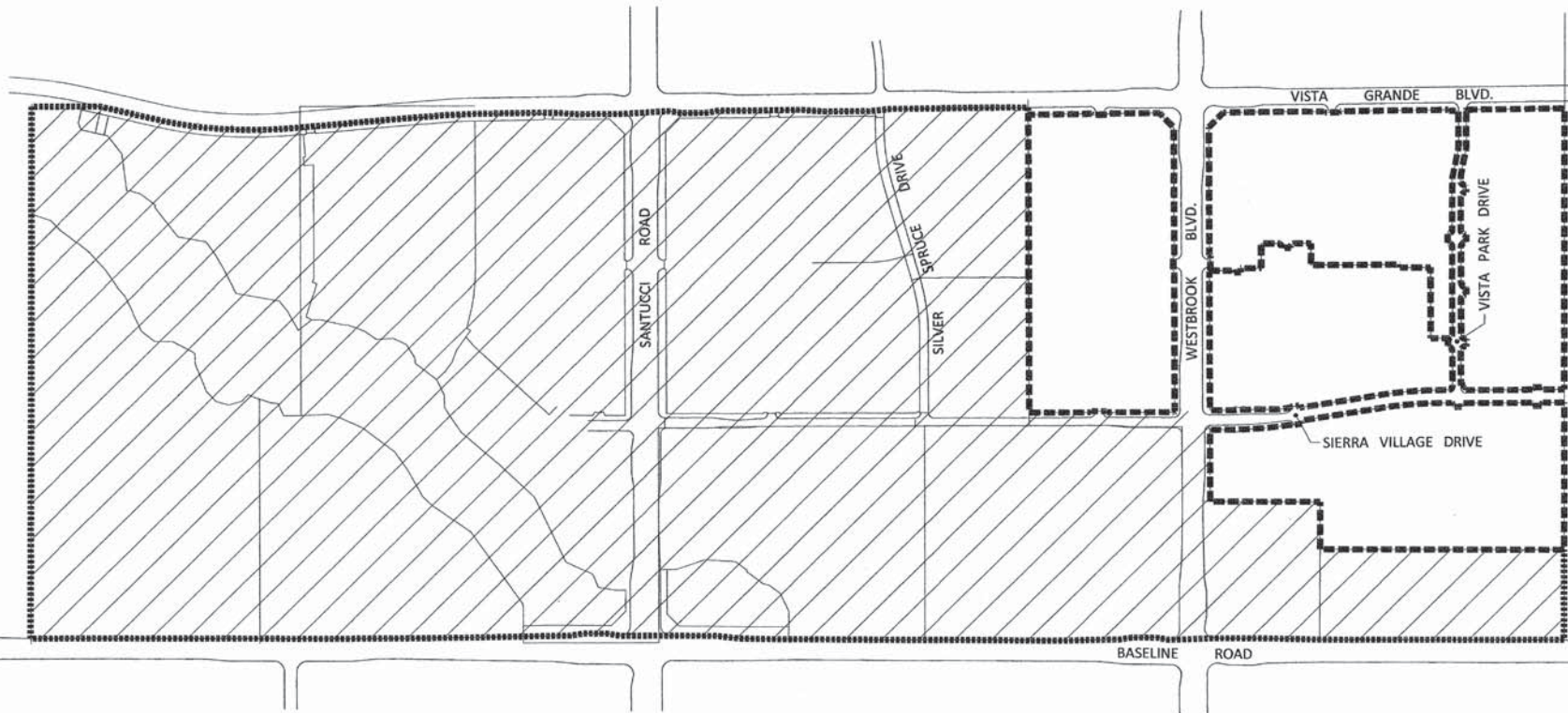
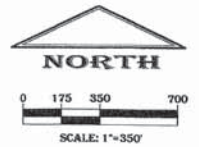


EXHIBIT C
Property Owners and Assessor Parcel Numbers

<u>Assessor's Parcel No.</u>	<u>Name of Property Owner</u>
499-010-019 (portion)	Sierra Vista Communities, LLC
499-010-033	Sierra Vista Communities, LLC

NOTICE OF PUBLIC HEARING ON PROPOSED CITY OF ROSEVILLE
THE RANCH AT SIERRA VISTA
COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
AND FUTURE ANNEXATION AREA
CITY OF ROSEVILLE, PLACER COUNTY, CALIFORNIA

The City of Roseville is considering the formation of a community facilities district (the "CFD") and a future annexation area for the CFD (the "Future Annexation Area") under the authority of the Mello-Roos Community Facilities Act of 1982, as amended, to fund certain public facilities related to new development within the City of Roseville, and to incur bonded indebtedness of the CFD.

This Notice contains a brief summary of the proposal, but you are referred to the City Council's Resolution of Intention of the City Council of the City of Roseville to Form a Community Facilities District and Future Annexation Area, and Levy a Special Tax in the City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities) to Finance Public Services and the Acquisition and Construction of Certain Public Facilities in and for Such Community Facilities District (No. 18-471, adopted November 28, 2018) and its Resolution of The City Council of the City of Roseville of Intention to Incur Bonded Indebtedness to Finance the Acquisition and Construction of Certain Public Facilities in and for the City of Roseville The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities) (No. 18-472, adopted November 28, 2018) for details of the proposals.

The proposal is to subject the property within the CFD to a special tax which will be used to pay for authorized services and facilities within the CFD, including paying principal and interest on bonds used to build facilities. The proceeds of the bonds will be used to pay for the facilities and other expenses set forth in the resolutions referred to in the preceding paragraph. A map showing the land proposed to be included in the CFD is on file with the City Clerk.

Property within the Future Annexation Area will be annexed to the CFD, and a special tax will be levied on such property, only with the unanimous approval of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed to the CFD, without additional hearings or proceedings.

As set forth below, the City Council will hold a public hearing on the establishment of the CFD and the Future Annexation Area, the services and the facilities to be financed by the CFD, and the levy of the special tax within the CFD.

The proposal also includes authority to issue up to \$210,000,000 in bonds (excluding refunding bonds) to be repaid by the facilities portion of the special tax. Neither the City of Roseville nor any person outside the CFD has any liability for the special tax or the bonds. The security for the bonds is limited to the property subject to the special tax within the CFD.

In order to confer the authority upon the City Council of the City of Roseville to levy the special tax and to issue the bonds, a public hearing must be held on the proposal, then the City Council will decide whether to form the CFD, and finally the qualified electors within the CFD must approve the proposal by a two-thirds vote. Where the CFD is uninhabited (as is the case here) the qualified electors are, pursuant to law, the owners of property within the CFD.

This is the notice of the public hearing. The public hearing will be held during the City Council meeting on January 16, 2019 at 7:00 p.m., in the Roseville Civic Center Council Chambers located at 311 Vernon Street, Roseville, California 95678.

At the hearing, the testimony of all interested persons or potential special taxpayers for or against the formation of the CFD and the Future Annexation Area, the authorization to levy the special tax, and the authorization to issue the bonds will be heard.

If written protests against the proposed CFD are 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, the proposed CFD, they will be counted toward a possible majority protest. Such protests by a majority of the registered voters residing within the CFD or by the owners of a majority of the land area within CFD which is or will be subject to the 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 proposed CFD to be eliminated from immediate consideration, and prevent its being included in a subsequent proceedings for at least one year.

If written protests against the establishment of the proposed Future Annexation Area are 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, the proposed Future Annexation Area, they will be counted toward a possible majority protest. Such protests by a majority of the registered voters residing within the proposed Future Annexation Area or by the owners of a majority of the land area within the proposed Future Annexation Area which is or will be subject to the special tax when annexed to the CFD, if not withdrawn prior to the close of the hearing so as to reduce the value of the protests to less than a majority, the City Council shall take no further action to create the Future Annexation Area for a period of one year from the date of decision of the City Council.

If the City Council, after the public hearing, determines that a majority protest under Section 53324 of the California Government Code was not made at the hearing, the City Council may conduct an election by mailed ballot to levy a special tax within the CFD.

Questions should be directed to the undersigned, telephone (916) 774-5263.

Dated: _____, 2018

/s/ Sonia Orozco
Sonia Orozco, City Clerk
City of Roseville

The Economics of Land Use



Hearing Report

The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities)

Prepared for:

City of Roseville

Prepared by:

Economic & Planning Systems, Inc. (EPS)

December 2018

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Table of Contents

1.	INTRODUCTION.....	1
	Background.....	1
	Purpose of the CFD	1
	Organization of the Report	3
2.	LAND USES	4
3.	AUTHORIZED FACILITIES AND ESTIMATED FACILITY COSTS	6
	Authorized Facilities of the CFD	6
	Authorized Services.....	9
	Authorized Facilities Estimated Costs.....	9
4.	CFD BOND AUTHORIZATION AND MAXIMUM ANNUAL SPECIAL TAX	12
	CFD Bond Authorization and Funding Strategy.....	12
	Maximum Annual Special Tax	13
	Overall Tax Burden for Single-Family Residential	14
5.	STRUCTURE OF THE CFD.....	19
	Description of the CFD.....	19
	The CFD Funding Program.....	19
	Transition Event for Special Taxes.....	19
	Determining the Maximum Annual Special Tax	19
	Base Year	20
	Annual Tax Escalation Factor.....	20
	Duration of the Special Tax	20
	Definition of Initial Bonding Period	20
	Definition of Annual Facilities Costs	20
	Transition Event and Maintenance Special Taxes.....	23
	Definition of Annual Maintenance Costs	23
	Assignment of Maximum Annual Special Tax	24
	Affordable Units.....	25

Transfer of the Assigned Maximum Annual Facilities Special Tax	25
Conversion of a Tax-Exempt Parcel to a Taxable Parcel.....	25
Taxable Parcels Acquired by a Public Agency	26
Determination of Parcels Subject to Special Tax.....	26
Setting the Facilities Special Tax Levy for Taxable Parcels	26
Setting the Maintenance Special Tax Levy for Taxable Parcels	27
Prepayment of the Special Tax Obligation	27
Interpretation, Application, and Appeal of Special Tax Formula and Procedures	28
Manner of Collection.....	28

Exhibits:

- Exhibit A: Facilities Rate, Method of Apportionment, and Manner of Collection of Special Tax
- Exhibit B: List of Authorized Facilities

List of Map and Tables

Map 1	The Ranch at Sierra Vista CFD No. 1	2
Table 1	CFD Land Uses	5
Table 2	Estimated Backbone Infrastructure Costs.....	11
Table 3	Maximum Annual Facilities Special Taxes by Tax Category for the Base Year of FY 2018–19	15
Table 4	Assigned Maximum Annual Facilities Special Tax for Original Parcels	16
Table 5	Maximum Annual Maintenance Special Taxes by Tax Category for the Base Year of 2018-19.....	17
Table 6	Overall Tax Burden for Single-Family Residential Parcels.....	18

1. INTRODUCTION

Background

The City of Roseville (City) retained Economic & Planning Systems, Inc. (EPS) to support its efforts to create a Mello-Roos Community Facilities District (CFD) for The Ranch at Sierra Vista (The Ranch) development, located in the Sierra Vista Specific Plan (SVSP) area, south of Westpark and west of Fiddymont Road. The objective of establishing a CFD is to create a land-secured funding mechanism to help fund construction of authorized facilities of the CFD that then would transition, after a specified period of time, to help fund authorized services. With consideration to the anticipated phasing of development, the CFD boundary initially is proposed to include a subset of The Ranch area reflecting the anticipated first phase of development. The remainder of The Ranch area has been designated as a future annexation area with the ability to annex into the CFD as subsequent phases of development proceed.

Overall, The Ranch area includes more than 299 acres of developable property approved for approximately 1,543 dwelling units (approximately 709 LDR units, 454 MDR units, 171 HDR units and 209 commercial mixed-use units and approximately 99.29 acres of commercial, office or mixed-use area. The Ranch land uses within the initial CFD boundary (Phase 1) include approximately 554 low-density residential (LDR) units over roughly 100.1 acres. Following Phase 1, the remainder of The Ranch area that could annex into the CFD, includes 155 LDR units, 454 MDR units, 171 HDR units, and 209 CMU/SA units plus approximately 99.3 acres of commercial, office, or mixed-use area.

Purpose of the CFD

The CFD is being formed to fund major road improvements, potable and non-potable water system improvements, drainage system improvements, wastewater system improvements, solid waste improvements, park and paseo improvements, open space improvements, utilities, and other authorized facilities under the Mello-Roos Act, serving The Ranch as a condition of the City's approval of the development.

Through the transition of the facilities special tax to the maintenance special tax, the CFD may also fund long term repair and replacement of authorized facilities once CFD bonds have been defeased and other obligations of the CFD for authorized facilities have been fulfilled. Once these facilities special tax obligations have been fulfilled, the City has the discretion to levy the maintenance special tax to help fund long term repair and replacement of such facilities.

Authorized to issue up to \$210 million in bonds, the first series of bonds is anticipated to be issued within the 2018-19 fiscal year. **Map 1** shows the proposed boundaries of the CFD.

CITY CLERK'S STATEMENT:

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA THIS 15 DAY OF August, 2018.

Sonia Orozco
SONIA OROZCO, CITY CLERK
CITY OF ROSEVILLE
PLACER COUNTY, CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF THE RANCH AT SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES). CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF ROSEVILLE, AT A REGULAR MEETING THEREOF HELD ON THE 15 DAY OF August, 2018. BY ITS RESOLUTION NUMBER 18-346

Sonia Orozco
SONIA OROZCO, CITY CLERK
CITY OF ROSEVILLE
PLACER COUNTY, CALIFORNIA

RECORDER'S STATEMENT:

FILED THIS 10TH DAY OF SEPTEMBER, 2018, AT THE HOUR OF 9:49 O'CLOCK A.M., IN BOOK 3 OF MAPS OF COMMUNITY FACILITIES DISTRICT, AT PAGE 80, IN THE OFFICE OF THE RECORDER OF THE COUNTY OF PLACER, STATE OF CALIFORNIA.

DOC NO 2018-0065145

RYAN RONCO
PLACER COUNTY RECORDER

FEE: \$8.00

BY: *S. Ronco*
DEPUTY

LEGEND



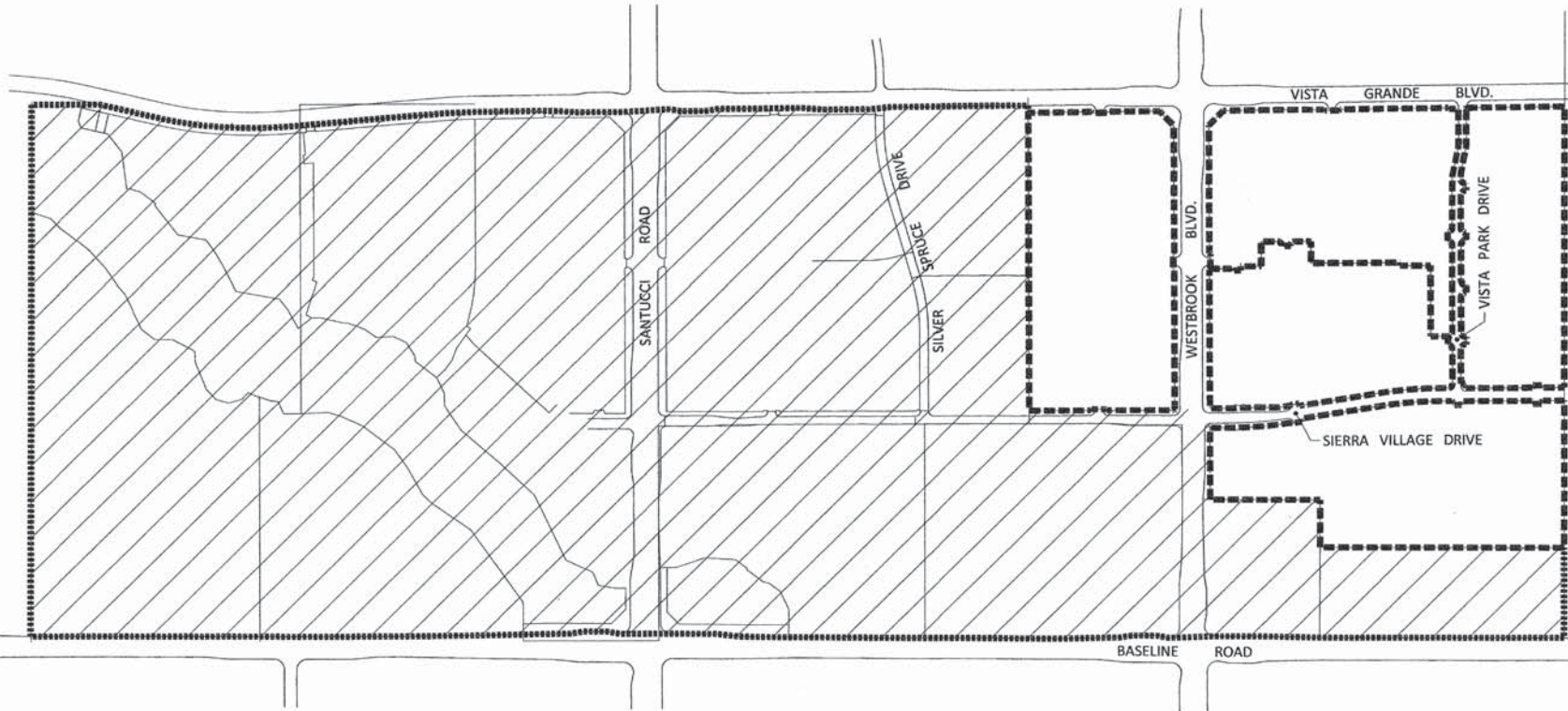
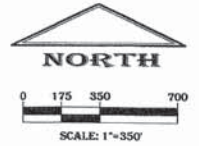
PROPOSED CFD
BOUNDARY



AREAS OF FUTURE
ANNEXATION

PROPOSED BOUNDARY OF
The Ranch at Sierra Vista
Community Facilities District No. 1
(Public Facilities)

City of Roseville, County of Placer, State of California
Scale 1"=350' Sheet 1 of 1



Organization of the Report

This report consists of these 5 chapters and 2 exhibits:

- **Chapter 1** includes this introduction.
- **Chapter 2** describes the proposed land uses in the CFD.
- **Chapter 3** describes authorized facilities to be funded in the CFD, the costs, and the cost allocations.
- **Chapter 4** describes the maximum CFD bond authorization and the maximum annual special tax.
- **Chapter 5** describes the structure of the CFD.
- **Exhibit A** provides the Facilities Rate, Method of Apportionment, and Manner of Collection of Special Tax (RMA).
- **Exhibit B** provides the List of Authorized Facilities and Services.

2. LAND USES

The City intends to form The Ranch CFD No. 1 over a portion of the first tentative map in the southeastern portion of the SVSP. Overall, The Ranch area includes more than 299 acres of developable property approved for approximately 1,543 dwelling units (approximately 709 LDR units, 454 MDR units, 171 HDR units and 209 commercial mixed-use units and approximately 99.29 acres of commercial, office or mixed-use area. The entire The Ranch property is anticipated to be developed over several phases, with development activity anticipated to commence in the area in the spring of 2019.

Expected Phase 1 land uses within the initial CFD boundary include approximately 554 LDR units over roughly 100.1 acres. **Table 1** shows all original CFD parcels and land uses. Following Phase 1, the remainder of The Ranch area that could annex into the CFD, includes 155 LDR units, 454 MDR units, 171 HDR units, and 209 CMU/SA units plus approximately 99.3 acres of commercial, office, or mixed-use area.

Table 1 shows that the planned village identified as KT-2, Phase 1 is on a portion of APN 499-010-019-000. A final large lot parcel map was approved by City Council on August 1, 2018. This large lot parcel map resulted in a unique parcel for this KT-2, Phase 1. New APNs for this and other parcels of the CFD are not available at the time of this report.

The objective of establishing a CFD is to create a land-secured funding mechanism to be used to fund construction of authorized facilities of the CFD. With consideration to the anticipated phasing of development, the CFD boundary initially is proposed to include a subset of The Ranch area reflecting the anticipated first phase of development. The remainder of The Ranch area has been designated as a future annexation area with the ability to annex into the CFD as subsequent phases of development proceed.

Table 1
The Ranch at Sierra Vista CFD No. 1 (Public Facilities)
Infrastructure CFD Parcels

Assessor's Parcel Number	Village Number	Land Use	Acres	Planned Units
499-010-019 (portion) [1]	KT-2, Phase 1	LDR	23.70	125
499-010-033	KT-3A, Phase 1	LDR	19.20	109
499-010-033	KT-3B, Phase 1	LDR	19.40	97
499-010-033	KT-4, Phase 1	LDR	14.30	84
499-010-033	KT-5, Phase 1	LDR	23.50	139
Totals			100.10	554

"land_use"

Source: Baseline P & R LLC and MSA Engineering

[1] A large lot final map was approved by City Council on August 1, 2018 creating a unique parcel for KT-2, Phase 1.

3. AUTHORIZED FACILITIES AND ESTIMATED FACILITY COSTS

This chapter describes the authorized facilities eligible to be financed or otherwise funded through the CFD with the proceeds of CFD bonds and pay-as-you-go basis from special taxes levied under the CFD.

Authorized Facilities of the CFD

The CFD is authorized to fund certain facilities required to serve The Ranch. Authorized facilities are identified in the List of Authorized Facilities (**Exhibit B** of this report). Authorized facilities are briefly discussed below.

Transportation Improvements

Public roadway improvements designed to meet the needs of the project, including those improvements identified in the project Development Agreement (DA) Sections 3.5.17 and 3.5.18, including:

- Westbrook Boulevard.
- Santucci Boulevard.
- Vista Grande Drive.
- Silver Spruce Drive.
- Sierra Village Drive.
- Vista Park Drive.
- Market Street.

Eligible roadway improvements include the following items: acquisition of land and easements; roadway design; project management; geotechnical engineering, testing, and observations; bridge crossings and culverts; clearing, grubbing, and demolition; grading, soil import/export, paving (including slurry seal), and decorative/enhanced pavement concrete or pavers; power pole relocations; joint trenches, underground utilities, and undergrounding of existing utilities; dry utilities and appurtenances; curbs, gutters, sidewalks, bike trails (including on- and off-site), park and ride facilities, and bus rapid transit improvements, including transfer stations and regional public transit improvements; retaining walls, sound walls, 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; masonry walls; traffic control and agency fees; and other improvements related thereto. Eligible improvements for the roads listed above also include any and all necessary underground potable and non-potable water, sanitary sewer, and storm drainage system improvements.

Potable and Non-Potable Water System Improvements

Authorized facilities include any and all on- and off-site backbone water facilities designed to meet the needs of development of the project. These facilities include potable and non-potable mains, valves, services, and appurtenances; wells; and water treatment and storage facilities, and related improvements, including site clearing, grading, and paving; curbs and gutters; recycled water storage tanks, booster pump stations, and all appurtenances thereto; wells; water treatment; stand-by generator; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates and fencing; striping and signage; and these:

- Water lines in/associated with authorized facility roads.
- Recycled water lines in/associated with authorized facility roads.
- Well construction or financial contributions thereto on Specific Plan Parcels FD-63 or JM-60.
- Water Tank Site Improvements (DA Section 3.8.2).
- Recycled Water Storage Tank Facility.
- Reimbursement obligation for the Baseline Road 24" water line (DA Section 3.8.3).
- CFD obligations for recycled water (RW) tank(s) required by DA Section 3.9.

Drainage System Improvements

Authorized facilities include any and all on- and off-site backbone drainage and storm drainage improvements designed to meet the needs of development of the project. These facilities include mains, pipelines and appurtenances, outfalls and water quality measures, temporary drainage facilities, detention/retention basins, and drainage pretreatment facilities; drainage ways/channels, pump stations, landscaping, and irrigation; access roads, gates, and fencing; striping and signage; and these:

- All storm drain lines and facilities in/associated with authorized facility roadways.
- Retention, detention, hydro-modification, and other drainage facilities.

Wastewater System Improvements

Authorized facilities include any and all on- and off-site backbone wastewater facilities designed to meet the needs of development of the project. These facilities include pipelines and all appurtenances thereto; manholes; tie-in to existing main line; force mains; lift stations; odor-control facilities; sewer treatment plant improvements and permitting related thereto; and related sewer system improvements, including all wastewater facilities in/associated with authorized facility roadways.

Solid Waste Improvements

Authorized facilities include any and all backbone solid waste improvements designed to meet the needs of development of the project. Eligible improvements also include the project's pro-

rata contribution, as described in the project DA, to the SVSP Solid Waste Recycling Center (DA Section 3.14.7).

Park, Landscape Corridor, and Paseo Improvements

Authorized facilities include any and all improvements to parks, landscape corridors, and paseos located in the project, including:

- Construction of Park Sites planned on Specific Plan Parcels KT-51 and KT-52.
- Construction of Paseos.

Open Space Improvements

Authorized facilities include any and all open space improvements designed to meet the needs of development of the project, including bike trails, bike/pedestrian bridges, storm drain crossings, storm drain detention/retention, wetland mitigation, tree mitigation, on-and off-site hawk/raptor mitigation, agricultural or wetland mitigation, property acquisition, endowment payments for open space management, landscaping and irrigation, access gates and fencing, and related open space improvements, including:

- Improvements related to Specific Plan Parcels KT-80A, KT-80B, KT-81, and KT-82.
- Wetland creation mitigation, fencing, etc.

Utilities

Authorized facilities include any and all on- and off-site utility improvements designed to meet the needs of development of the project. All utility improvements, easement payments, and land acquisition not located under or alongside transportation improvements are considered authorized facilities. Authorized facilities will also include costs related to the acquisition of the off-site electric substation site; site clearing; grading; street frontage improvements, including curbs, gutters, and paving; and construction of an all-weather access road to the site from the nearest public street or extension of temporary 12kV overhead lines as described in the project DA, including:

- SVSP Electric Substation site acquisition, and improvements required by DA Section 3.11.3.
- Temporary overhead 12kV lines to loop SVSP substation to line in West Roseville Specific Plan Phase 3 and 4.

Other Public Facilities

Authorized facilities include any and all public facilities or infrastructure, including the project's pro-rata contribution to the land acquisition of the off-site fire station site, site clearing, grading, and street frontage improvements including curbs, gutters, and paving, including fire station site reimbursement obligations in DA Section 3.23.

Development Impact Fees

Authorized facilities include development impact fees paid and not otherwise reimbursed, whether standard City or Placer County fees levied at the time of the issuance of a building permit or required as part of the DA for the property. Fees include the South Placer Regional Transportation Authority (SPRTA) Tier II Traffic Fee, City Citywide Park Fee, City Public Facilities Fee, and Public Benefit Fee (as defined in Section 3.14.3 of the DA for the property).

Formation, Administrative, and Incidental Expenses

In addition to the above facilities, other expenses incidental to the above facilities and authorized by the Mello-Roos Community Facilities Act of 1982, including the cost of planning, permitting, and designing the facilities (including the cost of environmental evaluation, orthophotography, environmental remediation/mitigation, and preparation of an overarching Operation and Maintenance Plan for the City Open Space Preserves); land acquisition and easement payments for the facilities; project management; construction staking; engineering studies and reports; utility relocation and demolition costs incidental to construction of the facilities; wetland/species mitigation purchase; reimbursements to other areas for infrastructure facilities or planning serving development in the CFD; and SVSP planning, legal, engineering, and technical studies costs related to the facilities and any other expenses incidental to the construction, completion, and inspection of the facilities.

In addition, costs eligible to be financed by the CFD will include all costs associated with the formation and ongoing administration of the CFD and issuance of bonds; determination of the amount of taxes and collection of taxes; inspection, plan check, and other costs related to acceptance of the facilities by the City; payment of taxes; and any other costs incurred to carry out the authorized purposes of the CFD.

Authorized Services

The authorized services to be funded from the levy and collection of annual maintenance special taxes are the provision of public services, maintenance and operation related to any facilities authorized to be funded by the CFD with a useful life of five or more years, including but not limited to performance by employees of functions and repair activities. Maintenance as used herein includes replacement and the creation and funding of a reserve fund to pay for replacement of such facilities. The maintenance special taxes shall only fund authorized services to the extent that they are in addition to those provided to land within the CFD prior to the creation of the CFD.

Authorized Facilities Estimated Costs

The City is administering the SVSP Fee Program that includes approximately \$138 million in backbone infrastructure and other public improvements. With The Ranch CFD, the developer intends to fund as much of the project's proportional obligation to the SVSP Fee Program infrastructure as possible. To that end, the developer is about to begin construction of backbone infrastructure with costs estimated to be approximately \$51.8 million as illustrated in **Table 2**. Costs are shown in 2018 dollars.

In the future, properties included within the CFD annexation area may annex into this CFD. If those annexations occur, the developer will seek to fund additional backbone infrastructure through the issuance of one or more series of CFD bond sales. As is often the case, during buildout of the project, the developer anticipates being required to construct more backbone infrastructure than would be able to be entirely reimbursed through CFD bond proceeds.

Development Impact Fee Deferrals

In addition to backbone infrastructure, the CFD is authorized to fund deferred impact fees. Through the DA, the developer is entitled to defer certain impact fees identified in the DA. These are the fees eligible for deferral:

- SPARTA Tier II Traffic Fees
- City Citywide Park Fee
- City Public Facilities Fee
- City Public Benefit Fee

As described in more detail later in this report, repayment of impact fee deferrals will follow reimbursement for eligible backbone infrastructure.

Table 2
The Ranch at Sierra Vista CFD No. 1 (Public Facilities)
Summary of Estimated Infrastructure Costs

Item	Segment/Portion	Estimated Hard Cost with Contingency	Soft Costs	Estimated Total Cost
Baseline Road	Portion of Segments 5 and 6	\$6,587,964	\$1,317,539	\$7,905,503
Westbrook Blvd	Portion of Segments 1 and 3	\$6,682,861	\$1,336,572	\$8,019,433
Vista Grande	Portion of Segments 5 and 6	\$4,072,352	\$814,470	\$4,886,822
Vista Grande Sewer	Portion of Segment 4	\$348,575	\$69,715	\$418,290
Market Street Water		\$423,063	\$84,613	\$507,676
Sierra Village Drive	Portion	\$2,296,892	\$459,378	\$2,756,270
Baseline Road	Portion of Segments 6 and 7	\$2,794,819	\$558,964	\$3,353,783
Santucci Blvd	Portion of Segments 1 and 2	\$7,897,725	\$1,579,545	\$9,477,270
Vista Grande	Portion of Segments 6, 7, and 8	\$5,597,993	\$1,119,599	\$6,717,592
Sierra Village Drive	Portion	\$2,393,184	\$478,637	\$2,871,821
Sewer Lift Station		\$2,275,313	\$455,063	\$2,730,376
Wetland Mitigation				\$1,008,659
Swainson's Hawk Mitigation				\$1,176,000
Total		\$41,370,741	\$8,274,095	\$51,829,495

infracost

Source: AKT Development.

4. *CFD BOND AUTHORIZATION AND MAXIMUM ANNUAL SPECIAL TAX*

This chapter will discuss the maximum CFD bond authorization and maximum annual special taxes as proposed by the developer for each taxable land use type. The CFD will have special taxes for the funding of authorized facilities. This annual facilities special tax will be transitioned to an annual maintenance special tax to fund authorized services of the CFD when authorized facilities obligations of the CFD have been fulfilled. These special tax programs will be discussed further in **Section 5** of this report.

CFD Bond Authorization and Funding Strategy

The DA authorized the use of the CFD to fund authorized facilities of the CFD and outlined a basic structure for the CFD.

The DA identified the following sources of potential funding for authorized facilities of the CFD:

- CFD Bonds
- CFD Pay-As-You-Go
- Owner Equity/Private Financing

Each funding source will be discussed below.

Maximum CFD Bond Authorization and Series A Bond Sale

The CFD is authorized to issue up to \$210 million in bonds. The property owner is anticipated to ask the City to sell the first series of bonds within the 2018-19 fiscal year. Depending on market conditions and the structure of the first series of CFD bonds, subsequent series of CFD bonds may be issued in multiple sales following the first CFD bond sale.

CFD Pay-As-You-Go

Special taxes levied and not needed to fund CFD bond debt service or City administration of the CFD may be used for pay-as-you-go expenditures for authorized CFD facilities not reimbursed with CFD bond proceeds. As memorialized in the DA, the City has agreed to provide pay-as-you-go funding to the developer for the first 30 years of the CFD.

Following developer use of CFD pay-as-you-go revenues, the City reserves the right to continue the special tax levy to pay the development impact fee deferral on a pay-as-you-go basis. The City also has discretion to reimburse itself for deferred fees through a CFD bond sale in addition to pay-as-you-go revenues.

Owner Equity/Private Financing

To the extent there are any shortfalls in the funding sources for authorized facilities, owner equity or private financing will be used to fund construction of such facilities.

Maximum Annual Special Tax

A facilities special tax will be assigned to taxable parcels at formation of the CFD. This facilities special tax will initially be used to fund the costs of authorized facilities (as defined in the previous chapter). Once all facilities special tax obligations to fund facilities have been completed, the maintenance special tax will be assigned to taxable parcels for the City's use for long term repair and replacement of authorized facilities. The CFD No. 1 RMA includes the following two special taxes:

- Facilities Special Tax
- Maintenance Special Tax

The facilities special tax will be assigned and collected prior to the "transition event" for the special tax programs. Following the "transition event" the facilities special tax will no longer be assigned to taxable parcels, and will be replaced by the maintenance special tax. The "transition event" is discussed in detail in the following chapter.

Each special tax program is discussed below.

Facilities Special Tax

The developer provided the City with recommended maximum annual special taxes for various land use categories, based on market conditions and the range of maximum annual special tax rates in neighboring City areas. **Table 3**, which is **Attachment 2** from the RMA, shows the maximum annual special tax rates for the following tax categories:

- LDR
- MDR
- Medium-density affordable—middle
- High-density affordable—low
- High-density affordable—very low
- Nonresidential

Table 3 shows the maximum annual special tax per tax category in the base year of Fiscal Year (FY) 2018-19. The maximum annual special tax for LDR is \$1,836. The maximum annual special tax for MDR units is \$1,632. The maximum annual special tax for MDR affordable units is \$816. The maximum annual special tax for HDR uses—whether for sale or for rent—has been established at \$0 and nonresidential uses are also assigned a maximum annual special tax of \$0 at CFD formation. While the special tax is set at zero, the HDR and nonresidential land uses

were identified at CFD formation to clarify that if those land uses were to be included in the CFD, their tax rates would be set to zero. Finally, **Table 4**, which is **Attachment 3** from the RMA, shows the maximum annual special tax for each original CFD parcel in the base year.

Maintenance Special Tax

The maximum maintenance special tax is shown in **Table 5** for all tax categories. The maintenance special tax is set at 50-percent of the maximum facilities special tax in the base year. The maintenance special tax will not be levied at the same time as the facilities special tax and would only be assigned to taxable parcels following the "transition event."

Overall Tax Burden for Single-Family Residential

The DA and City policies stipulate that the overall tax burden after formation of a CFD not exceed 2 percent of the estimated sales price of a single-family residential home. Estimated sales prices of residential homes were provided by the developer. **Table 6** shows the estimated total effective tax rate for prototypical uses in the CFD. The test includes all current ad valorem property taxes, the CFD special tax, an estimated services CFD special tax, and the City CFD No. 3. Two different residential products are shown in **Table 5**:

- LDR
- MDR

Ad valorem property tax rates were derived from copies of the FY 2017-18 property tax bills. The overall tax burden for single-family residential homes proposed for the CFD ranges from 1.65 percent to 1.73 percent.

Table 3
The Ranch at Sierra Vista CFD No. 1 (Public Facilities)
Maximum Annual Facilities Special Taxes by Tax Category
for the Base Year of FY 2018-19 [1]

Expected Land Uses (Tax Category)	Facilities Special Tax per Unit/Taxable Acre	
	Before Transition Event [1]	After Transition Event
Residential Uses	<u>per Unit</u>	<u>per Unit</u>
Low Density Residential (LDR)	\$1,836.00	\$0.00
Medium Density Residential (MDR)	\$1,632.00	\$0.00
High Density Residential (HDR) [2]		
High Density Residential (HDR) For-Sale [2]	\$0.00	\$0.00
High Density Residential (HDR) For-Rent [2]	\$0.00	\$0.00
Affordable Medium Density Residential	\$816.00	\$0.00
Affordable High Density Residential [2]	\$0.00	\$0.00
Nonresidential Uses [2]	<u>per Taxable Acre</u>	<u>per Taxable Acre</u>
Mixed Use (MU) [2]	\$0.00	\$0.00
Business Professional (BP) [2]	\$0.00	\$0.00
Community Commercial (CC) [2]	\$0.00	\$0.00
Undeveloped Property	\$12,735.00	\$0.00

"att2"

[1] This amount is subject to increase by the Tax Escalation Factor in each Fiscal Year following the Base Year as described in this RMA.

[2] If a Low Density Residential, Medium Density Residential or Affordable Medium Density Residential Parcel with a Special Tax is rezoned to a use with an identified Special Tax of \$0 in this attachment, the Special Tax would be assigned to the Parcel using the provisions of Section 4 of this RMA.

Table 4

The Ranch at Sierra Vista CFD No. 1 (Public Facilities)

Assigned Maximum Annual Facilities Special Tax for Original Parcels (Base Year of FY 2018-19) [1] [2]

Original Parcel	Village Number	Large Lot Map Number	Expected Land Uses				Facilities Special Tax per Unit [1] [2]	Maximum Annual Special Tax Revenue per Village [1] [2]
			Tax Category	Acres	Planned Units	Planned Units per Acre		
499-010-019 (portion) [1]	KT-2, Phase 1	Lot 5	LDR	23.7	125	5.3	\$1,836.00	\$229,500
499-010-033	KT-3A, Phase 1	Lot 4	LDR	19.2	110	5.7	\$1,836.00	\$201,960
499-010-033	KT-3B, Phase 1	Lot 2	LDR	19.4	97	5.0	\$1,836.00	\$178,092
499-010-033	KT-4, Phase 1	Lot 3	LDR	14.3	83	5.8	\$1,836.00	\$152,388
499-010-033	KT-5, Phase 1	Lot 1	LDR	23.5	139	5.9	\$1,836.00	\$255,204
CFD Totals				100.1	554			\$1,017,144

"att3"

[1] This amount is subject to increase by the Tax Escalation Factor in each Fiscal Year following the Base Year as described in this RMA.

[2] If amended to include Annexation Parcels, the Maximum Annual Special Tax for Annexation Parcels would also be subject to the Tax Escalation Factor.

Table 5
The Ranch at Sierra Vista CFD No. 1 (Public Facilities)
Maximum Annual Maintenance Special Taxes by Tax Category
for the Base Year of FY 2018-19 [1]

Expected Land Uses (Tax Category)	Maintenance Special Tax per Unit/Taxable Acre	
	Before Transition Event [1]	After Transition Event [1]
Residential Uses	<u>per Unit</u>	<u>per Unit</u>
Low Density Residential (LDR)	\$0.00	\$918.00
Medium Density Residential (MDR)	\$0.00	\$816.00
High Density Residential (HDR) [2]		
High Density Residential (HDR) For-Sale	\$0.00	\$0.00
High Density Residential (HDR) For-Rent	\$0.00	\$0.00
Affordable Medium Density Residential	\$0.00	\$408.00
Affordable High Density Residential [2]	\$0.00	\$0.00
Nonresidential Uses [2]	<u>per Taxable Acre</u>	
Mixed Use (MU) [2]	\$0.00	\$0.00
Business Professional (BP) [2]	\$0.00	\$0.00
Community Commercial (CC) [2]	\$0.00	\$0.00
Undeveloped Property	\$0.00	\$6,367.50

"att4"

[1] This amount is subject to increase by the Tax Escalation Factor in each Fiscal Year following the Base Year as described in this RMA.

[2] If a Low Density Residential, Medium Density Residential or Affordable Medium Density Residential Parcel with a Special Tax is rezoned to a use with an identified Special Tax of \$0 in this attachment, the Special Tax would be assigned to the Parcel using the provisions of Section 4 of this RMA.

Table 6
The Ranch at Sierra Vista CFD No. 1 (Public Facilities)
Overall Tax Burden for Single-Family Residential Parcels

Item	Assumption	Residential			
		LDR	LDR	LDR	MDR
Estimated Home Price [1]		\$620,000	\$564,000	\$475,000	\$440,000
Homeowner's Exemption		(\$7,000)	(\$7,000)	(\$7,000)	(\$7,000)
Estimated Assessed Value		\$613,000	\$557,000	\$468,000	\$433,000
Ad Valorem Property Taxes (TRA 005-070) [2]	<u>FY 2017/18</u>				
General Ad Valorem	1.000000%	\$6,130	\$5,570	\$4,680	\$4,330
Center Joint Unified B&I	0.227500%	\$1,395	\$1,267	\$1,065	\$985
Subtotal Ad Valorem Property Taxes	1.227500%	\$7,525	\$6,837	\$5,745	\$5,315
Direct Charges and Assessments					
City of Roseville CFD No. 1 (Public Facilities)		\$1,836	\$1,836	\$1,836	\$1,632
City of Roseville CFD No. 2 (Public Services) [PLACEHOLDER] [3]		\$380	\$380	\$380	\$380
City of Roseville CFD No. 3 (Municipal Services) [4]		\$439	\$439	\$439	\$257
Placer Mosquito & Vector Control		\$27	\$27	\$27	\$27
Subtotal Direct Charges and Assessments		\$2,682	\$2,682	\$2,682	\$2,296
Total Ad Valorem Property Taxes and Direct Charges		\$10,207	\$9,519	\$8,427	\$7,611
Overall Tax Burden		1.65%	1.69%	1.77%	1.73%

2 percent

Source: County of Placer; City of Roseville; EPS.

[1] Assumed estimated home prices from the Villages CFD Hearing Report.

[2] Ad Valorem tax rates based on FY 2017-2018.

[3] PLACEHOLDER - Based on typical range of rates per single family unit for CFD No. 2 special taxes in the City.

[4] Based on CFD No. 3 as identified in the project Development Agreement escalated to FY 2018-19.

5. STRUCTURE OF THE CFD

Description of the CFD

The CFD is being formed to fund backbone infrastructure and other facilities, both local and regional, that will serve The Ranch. The attached exhibits are documents contained in the ROF. **Exhibit A** is the CFD RMA. **Exhibit B** is the List of Authorized Facilities and Services. Through the transition of the facilities special tax to the maintenance special tax, the CFD may also fund long term repair and replacement of authorized facilities once CFD bonds have been defeased and other obligations of the CFD for authorized facilities have been fulfilled. Once these facilities special tax obligations have been fulfilled, the City has the discretion to levy the maintenance special tax to help fund long term repair and replacement of such facilities.

The CFD Funding Program

The CFD will be authorized to levy and collect the special tax to pay all annual costs of the CFD, including funding for authorized facilities not funded through CFD bond proceeds, which is anticipated to be paid on a pay-as-you-go basis, during the first 30 years of the special tax levy.

The CFD will be authorized to levy and collect the special tax to pay all annual maintenance costs of the CFD following transition event.

Transition Event for Special Taxes

The special taxes for the CFD are intended to first fund authorized facilities of the CFD and then to fund authorized services of the CFD. As described below, the facilities special tax shall be effective during an initial bonding period and thereafter during a deferral bonding period. The idea is that the facilities special tax may be levied to fund authorized facilities and to repay the City for deferred impact fees. The full estimated term of the deferred bonding period may not be required if deferred development impact fees are funded through special tax revenues on a pay-as-you go basis.

Once all obligations to fund authorized facilities have been satisfied, the facilities special tax will “transition” to a maintenance special tax to fund long term repair and replacement costs for authorized facilities. The “Transition Event” from the levy of the annual facilities special tax to the maintenance special tax is discussed in further detail below.

Determining the Maximum Annual Special Tax

As stated in the previous chapter, the maximum annual special tax rates for the various tax categories were provided by the developer and based, in part, on maximum annual special tax rates for other neighboring City areas. The maximum annual special tax rates are designed to be competitive with other residential development projects in south Placer County. **Table 3** shows the maximum annual special tax rates by tax category for the facilities special tax.

Table 5 shows the maximum annual special tax rates by tax category for the maintenance special tax.

Base Year

The base year is FY 2018-19. A base year is defined in the RMA as a means of defining the special tax base in a given fiscal year that is allowed to increase by a given factor over a period of time.

Annual Tax Escalation Factor

The administrator shall increase the maximum annual facilities special tax, the maximum annual maintenance special tax, and the related maximum annual special tax rates by the tax escalation factor in all fiscal years following the base year, up to the Transition Event. After Transition Event, the maximum annual maintenance special tax may be increased up to 2-percent annually at the City's discretion.

Duration of the Special Tax

The facilities special tax will be levied and collected until the earlier of (i) the transition year or (ii) Fiscal Year 2082-83. The maintenance special tax may be levied and collected in perpetuity beginning with the transition year and in each year thereafter at the discretion of the City. The maintenance special tax will be levied and collected beginning in the transition year.

Definition of Initial Bonding Period

Because the CFD includes payment of deferred development impact fees, the CFD RMA distinguishes between the initial bonding period during which authorized facilities may be financed and the subsequent period where development impact fees may be reimbursed. As defined in the RMA, Initial Bond Period means "the period in which Bonds are outstanding which financed Authorized Facilities costs other than the Development Impact Fee Deferral or Bonds that were issued for the purpose of refunding Bonds whose original use links back to Authorized Facilities."

Definition of Annual Facilities Costs

The maximum annual facilities special tax established under the RMA is the maximum exposure to an annual facilities special tax levy for a given parcel of land. The actual amount of the levy is derived through determining the "annual facilities costs" of the CFD. The RMA identifies the annual facilities costs components as these:

- a. Debt service to be paid from facilities special taxes.
- b. The amount needed to replenish the reserve fund for the bonds to the level required under the bond indenture, to the extent not included in a computation of annual facilities costs in a previous fiscal year.
- c. Administrative expenses for such fiscal year.
- d. The amount needed (1) to cure any delinquencies in the payment of principal or interest on bonds, which have occurred in the prior fiscal year and (2) to fund any foreseeable deficiency of the amount to be available for the payment of principal or interest on bonds, which are expected to occur in such fiscal year to the extent not included in a previous computation of annual costs in the current or any previous fiscal years.
- e. The amount needed (1) to cure any delinquencies in the payment of the facilities special tax in the prior fiscal year, to the extent not otherwise included in a computation of annual facilities costs in the current or any previous fiscal year and (2) to fund any foreseeable deficiency in the payment of the facilities special tax for that fiscal year, which is expected to occur in such fiscal year, to the extent not included in a computation of annual facilities costs in the current or any previous fiscal year.
- f. Authorized facilities funded on a pay-as-you-go basis.
- g. During the deferral bonding period, the amount needed to pay development impact fee deferrals not financed by bonds.
- h. Less any available earnings on the reserve fund, special tax funds, or any other available revenues of the CFD or the City that may be used to fund annual facilities costs.

Debt Service

Debt service would be that portion of the maximum annual special tax required to pay a parcel's share of the debt service. The proposed financing structure of the CFD anticipates that one or more series of CFD bonds may be issued.

Amount Needed to Replenish Reserve Fund

In the event the reserve fund is drawn on to pay debt service or expenses of the CFD, a facilities special tax may be levied to replenish the bond reserve fund to required funding levels. A facilities special tax should be levied once for each draw on the bond reserve fund, to the extent the bond reserve fund can be brought back to required funding levels with just one such levy. If for any reason the bond reserve fund remains underfunded in a fiscal year following the fiscal year in which facilities special taxes were levied to replenish it, a second facilities special tax levy should not be required to replenish the bond reserve fund.

Administrative Expenses

Administrative expenses of the CFD are the reasonable costs of administering the CFD each fiscal year. Examples of administrative expenses are costs of computing facilities special taxes and preparing annual facilities special taxes collection schedules; costs of collecting the facilities

special taxes; costs of remitting the facilities special taxes to the Trustee; costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Bond Indenture; costs to the City, CFD, or their designees of complying with arbitrage rebate requirements; costs complying with the City, CFD, or obligated persons disclosure requirements; costs associated with preparing special taxes disclosure statements; costs incurred in responding to public inquiries regarding the facilities special taxes; costs related to any appeal of the facilities special taxes; and amounts estimated to be advanced or advanced by the City for any other administrative purposes, including attorney's fees and other costs related to collection of the facilities special taxes and commencing and pursuing to completion any foreclosure of delinquent special taxes.

Amounts for Unpaid Facilities Special Taxes and Anticipated Delinquencies

The RMA allows for the levy of a facilities special tax to fund costs of unpaid facilities special taxes from a previous fiscal year or to fund anticipated facilities special tax delinquencies that may occur in the current fiscal year for which facilities special taxes are being levied. To the extent an amount is levied for a past delinquency, a second facilities special tax levy should not be levied for a facilities special tax delinquency that has already been accounted for in a previous year facilities special tax levy.

Generally, facilities special taxes eventually are brought current, either through payment by a property owner or through judicial foreclosure proceedings. When facilities special tax installments are paid current, the amount needed to fund debt service and CFD administration will have been collected for previous years, including additional amounts that were needed only to cover delinquencies that are now current. As such, these additional amounts should be considered as being available by the CFD to fund annual facilities costs in the following fiscal year.

Authorized Facilities Funded on a Pay-As-You-Go Basis

During the first 30 years, the DA entitles the developer to use pay-as-you-go revenues to fund authorized facilities. As such, facilities special tax revenues not needed to pay debt service during the first 30 years of the facilities special tax levy may be used to fund authorized CFD costs not otherwise funded with CFD bond proceeds.

Development Impact Fee Deferrals

As stated earlier, the DA entitles the developer to defer certain development impact fees identified in the DA, which may be amended from time to time. Eligible fees include the SPRTA Tier II Traffic Fee and three selected City fees. To preserve the City's ability to obtain reimbursement for deferred fees, each series of CFD bonds that may be issued will be structured based on the revenues that are pledged toward that bond sale without consideration of wrapping debt service around a previous CFD bond sale. The concept generally is that once a taxable parcel has been taxed as a developed parcel for 30 years and that tax was used to pay debt service on a series of CFD bonds, the future facilities special tax levy on that parcel should be available for the City to recover deferred impact fees for that parcel.

By way of a simple example, assume an initial CFD bond sale (Series A bonds) were sized (in CFD year 1) assuming maximum annual facilities special tax revenue from 400 units, even though all 400 units were not considered developed parcels at the time of the CFD bond sale. If a second series of CFD bonds were being issued in year 4 (Series B bonds) based on another project phase with 300 dwelling units, the CFD Series B bond sizing would not count on CFD facilities special tax revenues from any of the first 400 units in years 31, 32, and 33 when facilities special tax revenues from those first 400 units would no longer be needed to service outstanding bond debt for the Series A bonds. In this example, facilities special tax revenues from the first 400 units, beginning in Year 31, would be available to reimburse for deferred impact fees for those first 400 units.

Earnings on Reserve Funds, Special Tax Funds, and Other Funds

All interest earnings on bond reserve funds, facilities special tax funds, or other funds should be used to offset annual costs when determining the amount required for the annual facilities special tax levy.

Transition Event and Maintenance Special Taxes

Following the Initial Bonding period, and when the administrator determines that the Development Impact Fee Deferral has been repaid in full, or beginning FY 2083-84 (whichever occurs first), the administrator will determine that the "Transition Event" has occurred. In the fiscal year following the Transition Event, the City shall no longer levy and collect the facilities special tax, and will in turn, begin the levy and collection of the maintenance special tax to fund the costs of authorized services, as defined in a previous chapter.

Definition of Annual Maintenance Costs

The maximum annual maintenance special tax established under the RMA is the maximum exposure to an annual maintenance special tax levy for a given parcel of land. The actual amount of the levy is derived through determining the "annual maintenance costs" of the CFD. The RMA identifies the annual maintenance costs components as these:

- a. Authorized services costs to be paid from maintenance special taxes.
- b. Administrative expenses for such fiscal year.
- c. The amount needed (1) to cure any delinquencies in the payment of the maintenance special tax in the prior fiscal year, to the extent not otherwise included in a computation of annual maintenance costs in the current or any previous fiscal year and (2) to fund any foreseeable deficiency in the payment of the maintenance special tax for that fiscal year, which is expected to occur in such fiscal year, to the extent not included in a computation of annual maintenance costs in the current or any previous fiscal year.
- d. Less any available earnings on any reserve fund, maintenance special tax funds or any other available revenues of the CFD or the City that may be used to fund annual maintenance costs.

Assignment of Maximum Annual Special Tax

Sections 4 and 5 of the RMA describe in detail the precise method for assigning the maximum annual facilities special tax, maximum annual maintenance special tax, and maximum annual special tax to parcels in the CFD. The RMA assigns a total maximum annual special tax to taxable parcels based on parcel configurations at the time of formation of the CFD and then as subdivision maps are recorded. Original parcels are those parcel configurations when the CFD is formed. Successor parcels are created as large lot subdivision maps are recorded, and then small lot final maps are recorded defining individual buildable residential lots.

Original Parcels

Original parcels are assigned a maximum annual facilities special tax using **Attachment 3** of the RMA. **Attachment 3 (Table 4)** of this document shows the total maximum facilities annual special tax and maximum annual facilities special tax per unit or per acre for each of the 5 original parcels.

Attachment 4 (Table 5) shows the assigned maximum annual maintenance special tax before and after the transition event, for all tax categories.

Successor Parcels

Successor parcels are created when original parcels are subdivided by the recording of large lot subdivision maps or other parcel reconfigurations, such as through a lot line adjustment, and further subdivided into buildable residential lots. The RMA provides specific detail and definitions used in allocating the maximum annual facilities special tax to parcels in their final use, whether as residential or nonresidential parcels.

Attachment 3 (Table 4) of this document shows the maximum annual facilities special tax for planned large lot parcels. Each large lot is assigned one tax category, the number of planned residential units, and a maximum annual facilities special tax per unit or per acre. The maximum annual facilities special tax for a large lot parcel is the sum of the number of units in the tax category multiplied by the maximum annual facilities special tax for the tax category.

If fewer units are realized at recordation of a final map defining buildable lots than shown in **Table 4**, the maximum annual facilities special tax for the large lot parcel is divided by the actual number of residential units created by the final map to determine the maximum annual facilities special tax per unit. If more residential units are created by a final map than shown in **Table 4**, the maximum annual facilities special tax per unit is that amount shown in **Table 4**.

The RMA is structured to ensure that the maximum annual facilities special tax for a large lot is not reduced over time by anticipated development of each large lot. The facilities special tax revenue for large lot parcels may increase if higher densities are realized over time.

Maximum annual maintenance special taxes are identified for tax categories in **Attachment 4 (Table 5)** of this document).

Annexation Parcels

Parcels are anticipated to be annexed into the CFD in the future. If parcels are annexed into the CFD after formation, the maximum annual facilities special tax, maximum annual maintenance special tax, and maximum annual special tax will be assigned to these annexation parcels using the definitions in **Section 2** of the RMA and the maximum annual facilities special tax per unit or per acre shown in **Attachment 2 (Table 3)** of this document) as adjusted by the tax escalation factor applied by the administrator, unless the annexation parcels are annexed with a new set of maximum annual facilities special taxes. **Attachment 3 (Table 4)** will be amended, or a new attachment created, to include the annexation parcels and, if necessary, the applicable tax rates. If new maximum annual facilities special taxes are created, **Attachments 2 and 3** should be amended to reflect the maximum annual facilities special taxes for the annexation parcels. Once annexed, these annexed parcels will be considered original and successor parcels and will be subject to the same procedures for assignment of the maximum annual facilities special tax to successor parcels described in **Section 4.d** of the RMA. The owner of the annexation parcels will be responsible for paying all costs associated with annexing the annexation parcels into the CFD, but otherwise will not be required to pay any other charge, fee, or catch-up special tax in connection with or as a condition of such annexation unless otherwise agreed to by the owner of the annexation parcel in connection with the annexation.

Maximum annual maintenance special taxes are identified for tax categories in **Attachment 4 (Table 5)** of this document).

Affordable Units

The RMA recognizes affordable housing units to be built in the CFD. Affordable high-density units area assigned zero tax rates for facilities taxes and maintenance taxes. Affordable medium-density units are assigned lower maximum annual special tax rates than market-rate units. **Section 4.d** of the RMA discusses the assignment of the maximum annual special tax to residential lots and to those residential lots anticipated to include affordable units.

Transfer of the Assigned Maximum Annual Facilities Special Tax

The City may, in its sole discretion, allow for a transfer of the maximum annual facilities special tax from one large lot parcel to another. Such a transfer will be allowed only if (1) all adjustments are agreed to in writing by the affected property owners and the Finance Director and (2) there is no reduction in the CFD maximum annual facilities special tax revenues as a result of the transfer. Provisions for such a transfer are discussed in **Section 4.f** of the RMA.

Conversion of a Tax-Exempt Parcel to a Taxable Parcel

If a tax-exempt parcel is not needed for public use or other nontaxable use and is converted to a taxable use or transferred to a private owner, it will become subject to the special tax. The maximum annual special tax for the newly assigned tax category for such a parcel is determined using the provisions of **Sections 4 and 5** of the RMA.

Taxable Parcels Acquired by a Public Agency

A taxable parcel that is acquired by a public agency after the CFD is formed will remain subject to the applicable special tax unless the special tax obligation is satisfied pursuant to Section 53317.5 of the Government Code. An exception to this may be made if a public parcel, such as a school site, is relocated to a taxable parcel, in which case the previously tax-exempt parcel of comparable acreage becomes a taxable parcel and the maximum annual special tax from the previously taxable parcel is transferred to the new taxable parcel. This trading of a parcel from a taxable parcel to a public parcel will be permitted to the extent there is no net loss in maximum CFD special tax revenue and the transfer is agreed to by the owners of the parcels involved in the transfer and the Finance Director.

Determination of Parcels Subject to Special Tax

By June 30 of each Fiscal Year, using the definitions in **Section 2** of the RMA, the parcel records of the Assessor's Secured Tax Roll as of January 1, and other City development approval records, the Administrator will cause:

1. Each parcel to be classified as a taxable parcel or a tax-exempt parcel.
2. Each parcel to be classified as a developed parcel, a small lot tentative map parcel, a large lot parcel (including remainder parcels), or an undeveloped parcel.

Setting the Facilities Special Tax Levy for Taxable Parcels

To determine the annual levy, the administrator will use the process presented in **Section 7** of the RMA. In general, the provisions of **Section 7** describe the following procedures to set the annual facilities special tax levy for each taxable parcel:

- First, the administrator must compute the annual facilities costs using the definitions in **Section 2** of the RMA. Next, the administrator will levy the facilities special tax proportionately on all developed parcels, up to the amount of annual facilities costs or 100 percent of the maximum facilities special tax for developed property, whichever is less.
- If additional revenue is needed for annual facilities costs, the administrator shall levy the facilities special tax proportionately on all small lot tentative map parcels, such that when added to the levy on developed parcels, is up to the amount of annual facilities costs or up to 100 percent of the maximum facilities special tax for small lot tentative map parcels, whichever is less.
- If additional revenue is needed for annual facilities costs, the administrator shall levy the facilities special tax proportionately on all large lot parcels, such that when added to the levies on parcels described above, is up to the amount of annual facilities costs or up to 100 percent of the maximum facilities special tax for large lot parcels, whichever is less.
- If additional revenue is needed for annual facilities costs, the administrator shall levy the facilities special tax proportionately on all undeveloped parcels, such that when added to the

levies on parcels described above, is up to the amount of annual facilities costs or up to 100 percent of the maximum facilities special tax for large lot parcels, whichever is less.

Once the facilities special tax levy is determined for a fiscal year, the administrator creates the tax schedule to deliver to the County Auditor-Controller.

Setting the Maintenance Special Tax Levy for Taxable Parcels

Beginning in the Transition Year, the administrator will use the process presented in **Section 7** of the RMA to set the annual maintenance special tax levy. In general, the provisions of **Section 7** describe the following procedures to set the annual maintenance special tax levy for each taxable parcel:

- First, the administrator must compute the annual maintenance costs using the definitions in **Section 2** of the RMA. Next, the administrator will levy the maintenance special tax proportionately on all developed parcels, up to the amount of annual maintenance costs or 100 percent of the maximum maintenance special tax for developed property, whichever is less.
- If additional revenue is needed for annual maintenance costs, the administrator shall levy the maintenance special tax proportionately on all small lot tentative map parcels, such that when added to the levy on developed parcels, is up to the amount of annual maintenance costs or up to 100 percent of the maximum maintenance special tax for small lot tentative map parcels, whichever is less.
- If additional revenue is needed for annual maintenance costs, the administrator shall levy the maintenance special tax proportionately on all large lot parcels, such that when added to the levies on parcels described above, is up to the amount of annual maintenance costs or up to 100 percent of the maximum maintenance special tax for large lot parcels, whichever is less.
- If additional revenue is needed for annual maintenance costs, the administrator shall levy the maintenance special tax proportionately on all undeveloped parcels, such that when added to the levies on parcels described above, is up to the amount of annual maintenance costs or up to 100 percent of the maximum maintenance special tax for large lot parcels, whichever is less.

Once the maintenance special tax levy is determined for a fiscal year, the administrator creates the tax schedule to deliver to the County Auditor-Controller.

Prepayment of the Special Tax Obligation

For residential uses, a property owner may at any time prepay 50 percent, but not more or less than 50 percent of the maximum annual facilities special tax. Full prepayment is permissible for nonresidential use parcels. In addition to the above, full or partial prepayment is permitted only under the following conditions:

- The City determines that the prepayment of the facilities special tax does not jeopardize its ability to make timely payments of debt service on outstanding bonds.
- The landowner prepaying the facilities special tax on a parcel has paid any delinquent special tax and penalties on that parcel before prepayment.

The full and partial prepayment calculations are described in detail in **Section 8** of the RMA. Partial prepayments also must account for collection of any development impact fee deferral for a given parcel.

Interpretation, Application, and Appeal of Special Tax Formula and Procedures

Any taxpayer who feels the amount of the special tax assigned to a parcel is in error may file a notice with the administrator appealing the levy of the special tax. The administrator then will promptly review the appeal and, if necessary, meet with the applicant. If the administrator verifies that the tax should be modified or changed, the special tax levy will be corrected and, if applicable in any case, a credit or refund will be granted.

Interpretations may be made by the City, without resolution or ordinance of the Council, for purposes of clarifying any vagueness or ambiguity as it relates to the special tax rate, the method of apportionment, the classification of properties, or any definition applicable to CFD.

Without Council approval, the Finance Director may make minor, non-substantive administrative and technical changes to the provisions of the RMA that do not materially affect the rate, method of apportionment, or manner of collection of the special tax for purposes of administrative efficiency or convenience or to comply with new applicable federal, state, or local law.

Manner of Collection

The special tax will be collected in the same manner and at the same time as ad valorem property taxes. As specified in **Section 10** of the RMA, the administrator or their designee may directly bill the special tax and may collect the special tax at a different time, such as on a monthly or other periodic basis, or in a different manner, if necessary, to meet the City's financial obligations.



EXHIBITS:

- Exhibit A: Rate, Method of Apportionment, and
Manner of Collection of Special Tax
- Exhibit B: List of Authorized Facilities



EXHIBIT A:
Rate, Method of Apportionment, and
Manner of Collection of Special Tax

EXHIBIT A

City of Roseville
The Ranch at Sierra Vista Community Facilities District No. 1
(Public Facilities)
Placer County, California

RATE, METHOD OF APPORTIONMENT, AND MANNER OF COLLECTION OF SPECIAL TAX

1. Basis of Special Tax Levy

A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 (Act) applicable to the land in The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities) (CFD) of the City of Roseville (City) shall be levied and collected according to the tax liability determined by the City through the application of the appropriate amount or rate, as described below.

2. Definitions

"Acre" or **"Acreage"** means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map or other Development Plan.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311 and following of the California Government Code.

"Administrative Expenses" means the actual or reasonably estimated costs related to the administration of the CFD, including, but not limited to, these:

- a. Costs of computing Special Taxes and preparing annual Special Tax collection schedules (whether by the City or any designee thereof or both).
- b. Costs of collecting the Special Taxes (whether by the County, the City, or otherwise).
- c. Costs of remitting the Special Taxes to the Trustee.
- d. Costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Bond Indenture.
- e. Costs to the City, CFD, or any designee thereof of complying with arbitrage rebate requirements.
- f. Costs to the City, CFD, or any designee thereof of complying with City, CFD, or obligated persons disclosure requirements.

- g. Costs associated with preparing Special Tax disclosure statements.
- h. Costs incurred in responding to public inquiries regarding the Special Taxes.
- i. Costs to the City, CFD, or designee thereof related to any appeal of the Special Taxes.
- j. Costs associated with the release of funds from an escrow account, if any.
- k. Costs to the City for the issuance of Bonds authorized by the CFD that are not recovered through the Bond sale proceeds.
- l. Amounts estimated to be advanced or already advanced by the City for any other administrative purposes, including attorney's fees and other costs related to collection of the Special Taxes and commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

"Administrator" means a City official in the Finance Department, or their designee responsible for determining or overseeing the levy and collection of the Special Taxes.

"Affordable Housing Director" means, at any point in time, the person in the City who serves as head of the department that is in charge of the City's affordable housing program.

"Affordable Unit" means a Unit built on a Residential Use Parcel for which an Affordable Unit agreement has been entered into for the property designating the Unit as affordable. A Multifamily Parcel may have only a portion of the Units assigned as Affordable Units. The City Manager, or his or her designee, shall determine which Units are designated as Affordable Units and maintain an Affordable Unit listing, which shall contain all designated buildable parcels by tract and lot number, and in the case of Large Lot Parcels remaining before May 1 of the preceding Fiscal Year, the number of designated Affordable Units for each such Large Lot Parcel; all entries shall indicate the effective date of designation. The Affordable Unit listing also shall be updated to reflect those Units no longer qualifying as Affordable Units, also known as Market-Rate Units. The Affordable Unit listing, which shall contain all qualifying Affordable Units as of April 30, shall be made available to the Administrator by July 1 of each year for purposes of determining the Maximum Annual Special Tax for Parcels pursuant to **Section 4**.

"Annexation Parcels" means a Parcel or Parcels annexed to the CFD after formation. The Maximum Annual Special Tax will be assigned to such Parcels using the provisions of **Section 4**. Annexation Parcels may be assigned a different Maximum Annual Special Tax Rate or Maximum Annual Special Tax per Parcel using a methodology different from the other Parcels in the CFD and may be placed in an area designated as a separate zone or improvement area of the CFD, all of which shall be set forth in revised attachments hereto as needed, without further CFD proceedings.

"Annual Facilities Costs" means, for any Fiscal Year, the total of these:

- a. Debt Service to be paid from Facilities Special Taxes.
- b. The amount needed to replenish the reserve fund for the Bonds to the level required under the Bond Indenture, to the extent not included in a computation of Annual Facilities Costs in a previous Fiscal Year.

- c. Administrative Expenses for such Fiscal Year.
- d. The amount needed to (1) cure any delinquencies in the payment of principal or interest on Bonds, which have occurred in the prior Fiscal Year, to the extent not otherwise included in a computation of Annual Facilities Costs in the current or any previous Fiscal Year, and (2) to fund any foreseeable deficiency of the amount to be available for the payment of principal or interest on Bonds, which are expected to occur in such Fiscal Year, to the extent not included in a computation of Annual Facilities Costs in the current or any previous Fiscal Year.
- e. The amount needed to (1) cure any delinquencies in the payment of the Facilities Special Tax in the prior Fiscal Year, to the extent not otherwise included in a computation of Annual Facilities Costs in the current or any previous Fiscal Year, and (2) to fund any foreseeable deficiency in the payment of the Facilities Special Tax for that Fiscal Year which is expected to occur in such Fiscal Year, to the extent not included in a computation of Annual Facilities Costs in the current or any previous Fiscal Year.
- f. Authorized Pay-As-You-Go Costs.
- g. During the Deferral Bonding Period, the amount needed to pay Development Impact Fee Deferrals not financed by Bonds.
- h. Less any available earnings on any reserve fund or Facilities Special Tax funds, available capitalized interest or any other available revenues of the CFD or the City that may be used to fund Annual Facilities Costs.

"Annual Maintenance Costs" means, for any Fiscal Year, the total of these:

- a. Authorized Services costs to be paid from Maintenance Special Taxes.
- b. Administrative Expenses for such Fiscal Year.
- c. The amount needed to (1) cure any delinquencies in the payment of the Maintenance Special Tax in the prior Fiscal Year, to the extent not otherwise included in a computation of Annual Maintenance Costs in the current or any previous Fiscal Year, and (2) to fund any foreseeable deficiency in the payment of the Maintenance Special Tax for that Fiscal Year which is expected to occur in such Fiscal Year, to the extent not included in a computation of Annual Maintenance Costs in the current or any previous Fiscal Year.
- d. Less any available earnings on any reserve fund, Maintenance Special Tax funds or any other available revenues of the CFD or the City that may be used to fund Annual Maintenance Costs.

"Assessor's Parcel" means a lot or Parcel with an assigned Assessor's Parcel Number in the maps used by the County Assessor in preparing the tax roll.

"Assessor's Parcel Map" means an official map of the County Assessor designating Parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" means the Parcel and Parcel Number as assigned by the County Assessor on the equalized tax roll.

"Assigned Maximum Annual Special Tax" means the maximum Facilities Special Tax or Maintenance Special Tax assigned to each Large Lot Parcel that is an Original Parcel based on the Expected Land Uses at CFD formation, or at annexation, as shown in **Attachment 1**.

"Authorized Facilities" means those facilities and fees to be financed, as identified in the resolution forming the CFD.

"Authorized Services" means those services authorized to be funded, as defined in the resolution forming the CFD.

"Base Year" means the Fiscal Year beginning July 1, 2018, and ending June 30, 2019.

"Bond(s)" means any bond(s) issued by the City for the CFD under the Act and any other debt, as defined in the Act, the City incurs to further the CFD's purposes.

"Bond Indenture" means the indenture, resolution, fiscal agent agreement, or other financing document pursuant to which any Bonds are issued.

"Building Permit" means a permit issued by the City for the construction of a Residential Use or Nonresidential Use structure.

"Business Professional" means a Parcel or Parcels zoned to provide for office uses and other uses that are related to and supportive of office uses.

"CFD" means The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities) of the City of Roseville, Placer County, California.

"City" means the City of Roseville in Placer County, California.

"Community Commercial" means a Parcel or Parcels zoned to serve the principal retail shopping needs of the entire community by providing areas for shopping centers, and other retail and service uses.

"Council" means the City Council of the City acting for the CFD under the Act.

"County" means the County of Placer, California.

"Debt Service" means the total annual amount of Bond principal, interest, and the scheduled sinking fund payments of the Bonds in a calendar year.

"Deferral Bonding Period" means the period after the Initial Bonding Period has ended and during which the City finances the Development Impact Fee Deferral.

"Developed Parcel" means, in any Fiscal Year:

- a. For Single-Family Parcels: All Parcels for which a Final Small Lot Subdivision Map was recorded before May 1 of the preceding Fiscal Year.
- b. For Multifamily Parcels: All Parcels for which a Building Permit for new construction of a Residential Use structure was issued before May 1 of the preceding Fiscal Year.

- c. For all Nonresidential Use Parcels: All Parcels for which a Building Permit for new construction of a Nonresidential Use structure was issued before May 1 of the preceding Fiscal Year.

“Development Agreement” means the Development Agreement By and Between the City of Roseville and Baseline P&R, LLC, relative to the Sierra Vista Specific Plan dated April 28, 2010 and the Development Agreement By and Between the City of Roseville and Baybrook Limited Partnership, Relative to the Sierra Vista Specific Plan dated April 28, 2010.

“Development Impact Fee Deferral” means the deferred payment of development impact fees due to the City or the South Placer Regional Transportation Authority (SPRTA) for Developed Parcels, using the approach and amounts identified in the Development Agreement, which may be amended from time to time.

“Development Plan” means a condominium plan, apartment plan, site plan, or other development plan that identifies such information as the type of structure, acreage, square footage, or number of Units that are approved to be developed on Single-Family Parcels, Multifamily Parcels, and Nonresidential Parcels.

“Expected Land Use(s)” means the total number of Units or Acres of each land use type by Tax Category expected in each Large Lot Parcel and Original Parcel at CFD formation as identified in **Attachment 3** of this RMA.

“Facilities Special Tax” means the Special Tax authorized to fund Annual Facilities Cost. Facilities Special Taxes are shown in **Attachments 2 and 3**.

“Final Use Small Lot Parcel” means a Parcel designated for development as a single-family residence, which is part of a Final Small Lot Subdivision Map.

“Final Small Lot Subdivision Map” means a recorded map designating the final Parcel subdivision for individual Single-Family Parcels.

“Finance Director” means the Finance Director for the City, or their designee.

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

“Full Prepayment” means the complete fulfillment of a Parcel’s Facilities Special Tax obligation, as determined by following the procedures in **Section 8**.

“High Density Residential” means, per the Sierra Vista Specific Plan, a land use designation that primarily accommodates attached housing, but depending on the unit type, could also include detached housing, within the density range of 13.0 or greater dwelling units per gross developable acre. Typical housing product types include, but shall not be limited to, detached townhomes, courtyard townhomes/condominiums, garden-style apartments, and podium design apartments/condominiums.

“Initial Bonding Period” means the period in which Bonds are outstanding or refunded which financed Authorized Facilities costs other than the Development Impact Fee Deferral.

“Large Lot Parcel” means a Parcel created by a Large Lot Subdivision Map.

"Large Lot Subdivision Map" means a recorded subdivision map creating Parcels by land use. However, the Large Lot Subdivision Map does not delineate Single-Family Parcels. A Final Small Lot Subdivision Map will create individual Single-Family Parcels.

"Low Density Residential" means, per the Sierra Vista Specific Plan, a land use designation that supports single-family detached homes on conventional lots within the density range of up to 6.9 dwelling units per gross developable acre. Typical housing product types include, but shall not be limited to, standard, alley-loaded, or clustered, single-family detached units.

"Maintenance Special Tax" means the Special Tax authorized to fund Annual Maintenance Costs. The Maintenance Special Tax will be levied and collected beginning with the Transition Year. Maintenance Special Taxes are shown in **Attachment 4**.

"Market-Rate Unit" means a Unit that is not an Affordable Unit.

"Maximum Annual Special Tax" means the greatest amount of Facilities Special Tax or Maintenance Special Tax that can be levied against a Parcel in a given Fiscal Year, as shown in **Attachments 2, 3, and 4**.

"Maximum Annual Facilities Special Tax" means the greatest amount of Facilities Special Tax that can be levied against a Parcel in a given Fiscal Year, as shown in **Attachments 2, 3, or 4**.

"Maximum Annual Maintenance Special Tax" means the greatest amount of Maintenance Special Tax that can be levied against a Parcel in a given Fiscal Year, as shown in **Attachments 2, 3, or 4**.

"Maximum Annual Special Tax Rate" means the rate of Facilities Special Tax or Maintenance Special Tax charged per Unit or per Taxable Acre, as shown in **Attachments 2, 3, and 4**.

"Maximum Annual Facilities Special Tax Revenue" means the greatest amount of Facilities Special Tax revenue that can be collected in total from a group of Parcels (such as Developed Parcels) by levying the Maximum Annual Facilities Special Tax.

"Maximum Annual Maintenance Special Tax Revenue" means the greatest amount of Maintenance Special Tax revenue that can be collected in total from a group of Parcels (such as Developed Parcels) by levying the Maximum Annual Maintenance Special Tax.

"Maximum Annual CFD Special Tax Revenue" means the sum of the Maximum Annual Special Tax levied on all Taxable Parcels in the CFD in a Fiscal Year.

"Medium Density Residential" means, per the Sierra Vista Specific Plan, a land use designation that accommodates both single-family detached homes and attached homes within the density range of 7.0 to 12.9 dwelling units per gross developable acre. Typical housing product types include, but shall not be limited to, standard or alley-loaded lots, courtyard lots, green court lots, auto courts, alley clusters, zero-lot lines, or z-shaped lots. In addition, duet/half-plex homes, townhomes, or condominiums may be accommodated in Medium Density Residential areas.

"Mixed Use Parcel" means a Parcel or Parcels designated for a combination of Residential Uses and Nonresidential Uses.

"Multifamily For-Rent" or **"Multifamily For-Rent Parcel"** means any Parcel designated or developed for more than one residential dwelling Unit per Parcel and where such units are initially offered for rent to the general public and cannot be purchased by individual homeowners. Such uses may consist of apartments or structures such as duplexes or triplexes, including land uses defined as High Density Residential. Each residential dwelling Unit within Multifamily For-Rent or Multifamily For-Rent Parcels is not expected to have its own distinct Assessor's Parcel Number.

"Multifamily For-Sale" or **"Multifamily For-Sale Parcel"** means any Parcel designated or developed for more than one residential dwelling Unit within a single building or structure and that may share at least one common wall where such units are not initially offered for rent to the general public and initially may be offered for sale to individual homeowners. Such uses may consist of condominiums or buildings such as half-plexes or time-share units, including land uses defined as High Density Residential. Multifamily For-Sale Parcels are anticipated to have their own distinct Assessor's Parcel Number as is the case in residential condominium projects. Once designated as Multifamily For-Sale or Multifamily For-Sale Parcel, the Parcel shall remain so designated unless the original structures are demolished.

"Nonresidential Use" means a Taxable Parcel zoned for land uses other than Residential Uses which may include Business Professional, Community Commercial and Mixed Use.

"Original Parcel" means a Taxable Parcel identified in **Attachment 1** at formation of the CFD.

"Parcel" means any Assessor's Parcel in the CFD based on the equalized tax rolls of the County as of January 1 of each Fiscal Year.

"Partial Prepayment" means the partial fulfillment of a Parcel's Facilities Special Tax obligation, as determined by following the procedures in **Section 8**.

"Pay-As-You-Go Costs" means that portion of costs of acquisition, construction, and improvement of Authorized Facilities not financed by Bonds.

"Prepayment" means the full or partial fulfillment of a Parcel's Facilities Special Tax obligation, as determined by following the procedures in **Section 8**.

"Proportionately" means that the ratio of the actual Special Tax levy to the Maximum Annual Special Tax is equal for all Developed Parcels. For Small Lot Tentative Map Parcels, Proportionately means that the ratio of the actual Special Tax levy to the Maximum Annual Special Tax is equal for all Small Lot Tentative Map Parcels. For Large Lot Parcels, Proportionately means that the ratio of the actual Special Tax levy to the Maximum Annual Special Tax is equal for all Large Lot Parcels. For Undeveloped Parcels, Proportionately means that the ratio of the actual Special Tax levy to the Maximum Annual Special Tax is equal for all Undeveloped Parcels.

"Public Parcel" means any Parcel that is or is intended to be publicly owned, as designated in any final map, that is normally exempt from the levy of general ad valorem property taxes under California law, including, but not limited to, public streets, schools, parks, and public drainageways, landscaping, wetlands, greenbelts, and open space.

“Remainder Parcel” means a portion of a unit of land that is created as a result of the recording of a Large Lot Parcel Map or Final Small Lot Subdivision Map, which results in a designated remainder as defined in Government Code Section 66424.6(a) (Remainder Parcel). Such a Remainder Parcel may contain taxable and tax-exempt uses, such as Residential Uses, and Public Parcels, such as park sites. Once designated as a Remainder Parcel, such Parcel will be considered a Large Lot Parcel for the purposes of future Subdivisions and for the provisions of **Sections 4** through **6**.

“Residential Use” means a Parcel designated for residential use, such as single-family residential Units, residential condominiums, townhouses, or apartments that would be included in the definitions of Low-Density Residential, Medium Density Residential or High Density Residential.

“RMA” means this Rate and Method of Apportionment, and Manner of Collection of Special Tax, as it may be amended from time to time in connection with Annexation Parcels or otherwise.

“Single-Family Parcel” means, in any Fiscal Year, all Parcels in the CFD for which a building permit was issued or may be issued for construction of a Unit that is a single-family residential, residential condominium, or townhouse Unit.

“Small Lot Tentative Map” means a map that is approved by the City for the purpose of showing the design of a proposed Subdivision, including the individual buildable lots expected in the Subdivision, as well as the conditions pertaining thereto. A Small Lot Tentative Map is not based on a detailed survey of the property in the map and is not recorded at the County Recorder’s Office to create legal lots.

“Small Lot Tentative Map Parcel” means, in any Fiscal Year, all Parcels included in a Small Lot Tentative Map that was approved before May 1 of the prior Fiscal Year and which have not yet become a Developed Parcel.

“Special Tax(es)” mean(s) any tax levy under the Act in the CFD.

“Subdivision” or **“Subdivided”** means a division of a Parcel into two or more Parcels through Parcel reconfiguration, lot-line adjustments, or the Subdivision Map Act process. A Subdivision also may include the merging of two or more Parcels to create new Parcels.

“Successor Parcel” means a Parcel created by the Subdivision of an Original Parcel or a Successor Parcel.

“Tax Category” means the categories of taxable land uses shown in **Attachments 2** and **4**.

“Tax Collection Schedule” means the document prepared by the Administrator for the County Auditor-Controller to use in levying and collecting the Special Taxes each Fiscal Year.

“Tax Escalation Factor” means a factor of 2 percent by which the Maximum Annual Facilities Special Tax, Maximum Annual Maintenance Special Tax and related Maximum Annual Special Tax Rates shall be increased annually until the Transition Event. After the Transition Event, the Maximum Annual Maintenance Special Tax may be increased up to 2 percent annually at the City’s discretion. The Administrator should refer to Section 4a for application of the Tax Escalation Factor.

"Taxable Acreage" means that area of a Parcel determined by the Administrator to become a Taxable Parcel or Parcels upon further Subdivision. An example might be that a Large Lot Parcel Map creates a Remainder Parcel that, according to **Attachment 1**, contains both taxable uses and tax-exempt uses.

"Taxable Parcel" means any Parcel that is not a Tax-Exempt Parcel.

"Tax-Exempt Parcel" means a Parcel not subject to the Annual Special Tax. Tax-Exempt Parcels include (a) Public Parcels, and (b) Parcels owned by the City, school districts, special districts, or the state or federal government. A Taxable Parcel that is acquired by a public agency, the Parcel shall remain a Taxable Parcel as per the provisions of **Section 4.h**.

Certain privately-owned Parcels also may be exempt from the levy of Annual Special Taxes, including common areas owned by homeowner's associations or property owner associations, wetlands, detention basins, water quality ponds, and open space, as determined by the Administrator.

"Transition Event" means the earlier of (a) after the Initial Bonding period, the Fiscal Year in which the Administrator determines the Development Impact Fee Deferral has been repaid in full to the City and City determines funding is no longer needed for Annual Facilities Costs, or (b) Fiscal Year 2083-84.

"Transition Year" means the first Fiscal Year following the Fiscal Year in which the Transition Event occurred.

"Trustee" means a national banking association organized and existing under the laws of the United States acting as a trustee or fiscal agent for Bonds.

"Undeveloped Parcel" means a Taxable Parcel that is not a Developed Parcel, Small Lot Tentative Map Parcel, or a Large Lot Parcel.

"Unit" means, for a Single-Family Parcel, the individual residential unit on such Parcel, or for a Multifamily For-Rent Parcel or Multifamily For-Sale Parcel, an individual residential unit in a multifamily building.

3. Duration of the Special Tax

The Facilities Special Tax will be levied and collected until the earlier of (i) the Transition Year or (ii) Fiscal Year 2082-83. The Maintenance Special Tax will be levied and collected beginning in the Transition Year. The Maintenance Special Tax will be collected in perpetuity.

4. Administrative Tasks for the Facilities Special Tax

Tasks required of the Administrator are discussed below:

- a. **Annual Special Tax Escalation.** Until the Transition Event, the Administrator shall increase the Maximum Annual Facilities Special Tax, the Maximum Annual Maintenance Special Tax and Maximum Annual Special Tax Rates by the Tax Escalation Factor in all Fiscal Years following the Base Year. After the Transition Event, the City, in its sole discretion, may

determine whether to apply the Tax Escalation Factor to the Maximum Annual Maintenance Special Tax in any Fiscal Year.

- b. Assignment of the Maximum Annual Facilities Special Tax to Original Parcels. **Attachment 3** identifies the Assigned Maximum Annual Facilities Special Tax for each Original Parcel at CFD formation, which is determined for each Large Lot Parcel based on the Expected Land Uses in each Large Lot Parcel at CFD Formation. The Assigned Maximum Annual Facilities Special Tax shall continue to apply to the geographic area to which it was assigned. If, before further Subdivision, the Administrator determines there are multiple Assessor's Parcels in a Large Lot Parcel, the Administrator shall assign the Maximum Annual Facilities Special Tax to each Assessor's Parcel on a pro rata basis to all Assessor's Parcels in that Large Lot Parcel based on the percentage share of Taxable Acreage identified for each Assessor's Parcel. Similarly, if the Administrator determines there are multiple Large Lot Parcels in an Assessor's Parcel, the Maximum Annual Facilities Special Tax shall equal the sum of the Assigned Maximum Annual Facilities Special Tax for all Large Lot Parcels in that Assessor's Parcel.
- c. Assignment of the Maximum Annual Facilities Special Tax to Annexation Parcels. If Parcels are annexed to the CFD after formation, the Maximum Annual Facilities Special Tax shall be assigned to these Annexation Parcels using the definitions in **Section 2** and the Maximum Annual Facilities Special Tax per Unit or Acre shown in **Attachment 2** as adjusted by the Tax Escalation Factor applied by the Administrator, unless the Annexation Parcels are annexed with a new set of Maximum Annual Facilities Special Taxes. **Attachment 1** or **2** shall be amended, or a new attachment created, to include the Annexation Parcels and, if necessary, the applicable tax rates. If new Maximum Annual Facilities Special Taxes are created, **Attachments 1, 2, and 3** should be amended to reflect the Maximum Annual Facilities Special Taxes for the Annexation Parcels. Once annexed, these annexed Parcels shall be considered Original and Successor Parcels and will be subject to the same procedures for assignment of the Maximum Annual Facilities Special Tax to Successor Parcels described in **Section 4.d**. The owner of the Annexation Parcels shall be responsible for paying all costs associated with annexing the Annexation Parcels to the CFD, but otherwise shall not be required to pay any other charge, fee or catch-up special tax in connection with or as a condition of such annexation unless otherwise agreed to by the owner of the Annexation Parcel in connection with the annexation.
- d. Assignment of the Maximum Annual Facilities Special Tax to Successor Parcels. As Original Parcels and Successor Parcels are Subdivided through creation of Final Small Lot Subdivision Maps, lot line adjustments or other Parcel amendments through the Subdivision Map Act process, the Administrator shall use the following steps to assign the Maximum Annual Facilities Special Tax to new Successor Parcels. As a result of each assignment of the Maximum Annual Facilities Special Tax upon Subdivision of an Original Parcel or Successor Parcel, the sum of the Maximum Annual Facilities Special Taxes assigned to the newly created Taxable Parcels shall never be less, but may be greater, than the Assigned Maximum Annual Facilities Special Tax for that Original Parcel or Successor Parcel.
 - 1. If an Original Parcel or Successor Parcel is Fully Subdivided into Single-Family Parcels with No Remainder Parcel(s). There shall be no net loss of Maximum CFD Special Tax Revenue as a result of the assignment of the Maximum Annual Facilities Special Tax to

Single-Family Parcels. The Administrator shall use the following procedures to assign the Maximum Annual Facilities Special Tax to Single-Family Parcels. All references to Maximum Annual Facilities Special Taxes in the attachments are subject to application by the Tax Escalation Factor by the Administrator:

- A. Multiply the Maximum Annual Facilities Special Tax per Unit by Tax Category from **Attachment 2** by the number of Units for each Single-Family Parcel created by the Subdivision. Sum the Maximum Annual Facilities Special Taxes for all Single-Family Parcels created by the Subdivision.
 - B. If the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.1.A above is equal to or greater than the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided, assign the Maximum Annual Facilities Special Tax per Unit by Tax Category as calculated in Step 4.1.d.A above to each Single-Family Parcel created by the Subdivision.
 - C. If the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.1.A above is less than the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided, unless 100 percent of the Units are designated Affordable Units, (i) assign the Maximum Annual Facilities Special Tax for Affordable Units shown in **Attachment 2** to each Affordable Unit (if any) and, (ii) Proportionately increase the Maximum Annual Facilities Special Tax per Unit for all Units that are not Affordable Units until the sum of resulting Maximum Annual Facilities Special Taxes from all Units (including Affordable Units) equals the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided. Assign the Maximum Annual Facilities Special Tax calculated in this step to each new Single-Family Parcel created by the Subdivision.
 - D. If the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.1.A above is less than the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided **and** if 100 percent of the Single-Family Parcels created by Subdivision are designated as Affordable Units, increase Proportionately the Maximum Annual Facilities Special Tax per Unit for each Affordable Unit until the sum of Maximum Annual Facilities Special Taxes from all Affordable Units on the new Single-Family Parcels created by the Subdivision equal the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided. Assign the Maximum Annual Facilities Special Tax calculated in this step to each new Single-Family Parcel created by the Subdivision.
2. If Original or Successor Parcel Is Subdivided into Single-Family Parcels and One or More Remainder Parcels. When an Original or Successor Parcel is Subdivided into Single-Family Parcels and one or more Large Lot Parcels (or Remainder Parcels), the Assigned Maximum Annual Facilities Special Tax is apportioned to the Single-Family Parcels and Large Lot Parcels created by the Subdivision in the following manner:
- A. Apportion the Assigned Maximum Annual Facilities Special Tax to the area(s) that is/are being Subdivided into Single-Family Parcels and to the area(s) that will be Remainder Parcel(s) on a pro rata basis, based on the percentage share of Taxable

Acreage represented by each such area as compared to the total area of the Original or Successor Parcel.

- B. For each area Subdivided into Single-Family Parcels, multiply the Maximum Annual Facilities Special Tax per Unit by Tax Category from **Attachment 2** by the number of Units for each Single-Family Parcel created by the Subdivision. Sum the Maximum Annual Facilities Special Taxes for all Single-Family Parcels created by the Subdivision.
- C. For each area Subdivided into Single-Family Parcels, if the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.2.B above is equal to or greater than the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels, assign the Maximum Annual Facilities Special Tax per Unit by Tax Category as calculated in Step 4.d.2.B above to each Single-Family Parcel created by the Subdivision.
- D. For each area Subdivided into Single-Family Parcels, if the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.2.B above is less than the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels, unless 100 percent of the Units are designated Affordable Units, (i) assign the Maximum Annual Facilities Special Tax for Affordable Units shown in **Attachment 2** to each Affordable Unit (if any) and, (ii) Proportionately increase the Maximum Annual Facilities Special Tax per Unit for all Units that are not Affordable Units until the sum of resulting Maximum Annual Facilities Special Taxes from all Units (including Affordable Units) equals the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels. Assign the Maximum Annual Facilities Special Tax calculated in this step to each new Single-Family Parcel created by the Subdivision.
- E. For each area Subdivided into Single-Family Parcels, if the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.2.B above is less than the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels **and** if 100 percent of the Single-Family Parcels created by Subdivision are designated as Affordable Units, increase Proportionately the Maximum Annual Facilities Special Tax per Unit for each Affordable Unit until the sum of Maximum Annual Facilities Special Taxes from all Affordable Units on the new Single-Family Parcels created by the Subdivision equal the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels. Assign the Maximum Annual Facilities Special Tax calculated in this step to each new Single-Family Parcel created by the Subdivision.
- F. For the Remainder Parcel or Parcels, identify the Maximum Annual Facilities Special Tax for the entire Original or Successor Parcel that has been Subdivided. Sum the Maximum Annual Facilities Special Tax for all Single-Family Parcels created by the Subdivision, including Single-Family Parcels with Affordable Units. Subtract the sum of the Maximum Annual Facilities Special Tax for all Single-Family Parcels from the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel

being subdivided and compare it to the Maximum Annual Facilities Special Tax assigned to the Remainder Parcel or Parcels in Step 4.d.2.A. Assign to each Remainder Parcel, the lesser of the calculations in this step or in Step 4.d.2.A, but in no event less than the difference between the previously Assigned Maximum Annual Facilities Special Tax for the Original Parcel or Successor Parcel being Subdivided and the total of the Maximum Annual Facilities Special Tax for all Single-Family Parcels created by such Subdivision.

Once designated as a Remainder Parcel, such Parcel will be considered a Large Lot Parcel for the purposes of future Subdivisions and for the provisions of **Sections 4** through **6**.

3. If an Original or Successor Parcel is Subdivided creating multiple land uses and Tax Categories or for any rezones of land uses on Original or Successor Parcels:
 - A. Identify the Assigned Maximum Annual Facilities Special Tax for the Original Parcel or Successor Parcel that is being Subdivided or rezoned.
 - B. For each Taxable Parcel subject to rezone or created by Subdivision multiply the Maximum Annual Facilities Special Tax per Unit or per Acre by the number of Units or by the number of Acres by the appropriate Tax Category. For each Taxable Parcel created by Subdivision that includes Affordable Units, multiply the number of Affordable Units by the Tax per Unit for such Affordable Units.
 - C. Sum the Maximum Annual Facilities Special Tax for each Taxable Parcel and compare it to the Assigned Maximum Annual Facilities Special Tax of the Original or Successor Parcel that is subject to rezone or is being Subdivided. If the sum of Maximum Annual Facilities Special Tax for each Taxable Parcel is greater than the Assigned Maximum Annual Facilities Special Tax for the Original Parcel, the Administrator shall apply the Maximum Annual Facilities Special Tax calculated above for each Taxable Parcel.
 - D. If the Assigned Maximum Annual Facilities Special Tax for the Original Parcel or Successor Parcel subject to rezone or that is being subdivided is greater than the sum of Maximum Annual Facilities Special Tax for each Successor Parcel being created, increase Proportionately the Maximum Annual Facilities Special Tax per Unit or per Acre for all Tax Categories on each Taxable Parcel such that the sum of Maximum Annual Facilities Special Tax for all Taxable Parcels equals the Assigned Maximum Annual Facilities Special Tax for the Original Parcel.
- e. Affordable Units that Become Market-Rate Units. If, in any Fiscal Year, the City Manager, or his or her designee, determines that a Unit that previously had been designated as an Affordable Unit no longer qualifies as such, the Affordable Housing Director shall update the Affordable Unit listing by denoting the change in status of the Unit, together with the effective date thereof. For all Affordable Units that are converted to Market-Rate Units, such Units shall be assigned the Maximum Annual Facilities Special Tax per Unit based on their Tax Category as shown in **Attachment 2**, as adjusted by the Tax Escalation Factor.
- f. Transfer of the Assigned Maximum Annual Facilities Special Tax from One Large Lot Parcel to Another. The Maximum Annual Facilities Special Taxes shown in **Attachment 3** were determined based on the Expected Land Uses for each Large Lot Parcel shown in

Attachment 1. If the number of planned residential Units or Nonresidential Acreage is transferred from one Large Lot Parcel to another before recording of a Final Small Lot Subdivision Map in any portion of the Large Lot Parcel, the City may, in its sole discretion, allow for a transfer of the Maximum Annual Facilities Special Tax from one Large Lot Parcel to another. Such a transfer shall be allowed only if (1) all adjustments are agreed to in writing by the affected property owners and the Finance Director, and (2) there is no reduction in the Maximum Annual CFD Special Tax Revenues as a result of the transfer. Should a transfer result in an amendment to **Attachment 1, 2, or 3** of the Notice of Special Tax Lien, the requesting property owner shall bear the costs to effect the transfer in the CFD records and prepare the required amendments to the Notice of Special Tax Lien and **Attachments 1, 2, or 3**. Before the transfer, the City may require a deposit from the requesting property owner for such costs.

- g. Conversion of a Tax-Exempt Parcel to a Taxable Parcel. If a Tax-Exempt Parcel is not needed for public use and is converted to a taxable use or transferred to a private owner, it shall become subject to the Facilities Special Tax. The Maximum Annual Facilities Special Tax for the newly Taxable Parcel will be determined using the provisions of **Sections 4 and 5** of the RMA.
- h. Taxable Parcels Acquired by a Public Agency. A Taxable Parcel that is acquired by a public agency after the CFD is formed will remain subject to the applicable Special Tax unless the Special Tax obligation is satisfied pursuant to Section 53317.5 of the Government Code. An exception to this may be made if a Public Parcel, such as a park site, is relocated to a Taxable Parcel, in which case the previously Tax-Exempt Parcel of comparable acreage becomes a Taxable Parcel and the Maximum Annual Facilities Special Tax from the previously Taxable Parcel is transferred to the new Taxable Parcel. This trading of a Parcel from a Taxable Parcel to a Public Parcel will be permitted to the extent there is no net loss in Maximum Annual CFD Special Tax Revenue and the transfer is agreed to by the owners of the Parcels involved in the transfer and the Finance Director.

5. Administrative Tasks for the Maintenance Special Tax

This section discusses the administrative tasks for the Maintenance Special Tax, which shall be applicable after the Transition Event.

Tasks required of the Administrator are discussed below:

- a. Assignment of the Maximum Annual Maintenance Special Tax to Developed Parcels. After the Transition Event, the Administrator shall assign the Maximum Annual Maintenance Special Tax to all Developed Parcels using the Maximum Annual Special Tax Rates for the Maintenance Special Tax by Tax Category shown in **Attachment 4**, as adjusted by the Tax Escalation Factor.
- b. Assignment of the Maximum Annual Maintenance Special Tax to Successor Parcels. After the Transition Event, if Original Parcels and Successor Parcels are Subdivided through creation of Final Small Lot Subdivision Maps, lot line adjustments or other Parcel amendments through the Subdivision Map Act process, the Administrator shall use the steps in **Section 4.d** to assign the Maximum Annual Maintenance Special Tax to new Successor Parcels. **When**

applying Section 4.d after the Transition Event, the Administrator shall substitute Maintenance Special Tax for Facilities Special Tax and shall substitute Maximum Annual Maintenance Special Tax for Maximum Annual Facilities Special Tax.

- c. Assignment of the Maximum Annual Maintenance Special Tax to Annexation Parcels. If Parcels are annexed to the CFD after formation, the Maximum Annual Maintenance Special Tax shall be assigned to these Annexation Parcels using the definitions in Section 2 and the Maximum Annual Maintenance Special Tax per Unit or Acre shown in **Attachment 4** as adjusted by the Tax Escalation Factor applied by the Administrator, unless the Annexation Parcels are annexed with a new set of Maximum Annual Maintenance Special Taxes. **Attachment 1** may be amended, or a new attachment created, to include the Annexation Parcels and, if necessary, the applicable tax rates. If new Maximum Annual Maintenance Special Taxes are created, **Attachment 4** should be amended to reflect the Maximum Annual Maintenance Special Taxes for the Annexation Parcels. Once annexed, these annexed Parcels shall be considered Original and Successor Parcels and will be subject to the same procedures for assignment of the Maximum Annual Maintenance Special Tax to Successor Parcels described in this section. The owner of the Annexation Parcels shall be responsible for paying all costs associated with annexing the Annexation Parcels to the CFD, but otherwise shall not be required to pay any other charge, fee or catch-up special tax in connection with or as a condition of such annexation unless otherwise agreed to by the owner of the Annexation Parcel in connection with the annexation.
- d. Affordable Units that Become Market-Rate Units. If, in any Fiscal Year, the City Manager, or his or her designee, determines that a Unit that previously had been designated as an Affordable Unit no longer qualifies as such, the Affordable Housing Director shall update the Affordable Unit listing by denoting the change in status of the Unit, together with the effective date thereof. For all Affordable Units that are converted to Market-Rate Units, such Units shall be assigned the Maximum Annual Maintenance Special Tax per Unit based on their Tax Category as shown in **Attachment 4**, as adjusted by the Tax Escalation Factor.
- e. Conversion of a Tax-Exempt Parcel to a Taxable Parcel. If a Tax-Exempt Parcel is not needed for public use and is converted to a taxable use or transferred to a private owner, it shall become subject to the Maintenance Special Tax. The Maximum Annual Maintenance Special Tax for the newly Taxable Parcel will be determined using the provisions of **Sections 5 and 6** of the RMA.
- f. Taxable Parcels Acquired by a Public Agency. A Taxable Parcel that is acquired by a public agency after the CFD is formed will remain subject to the applicable Special Tax unless the Special Tax obligation is satisfied pursuant to Section 53317.5 of the Government Code. An exception to this may be made if a Public Parcel, such as a park site, is relocated to a Taxable Parcel, in which case the previously Tax-Exempt Parcel of comparable acreage becomes a Taxable Parcel and the Maximum Annual Maintenance Special Tax from the previously Taxable Parcel is transferred to the new Taxable Parcel. This trading of a Parcel from a Taxable Parcel to a Public Parcel will be permitted to the extent there is no net loss in Maximum Annual CFD Special Tax Revenue and the transfer is agreed to by the owners of the Parcels involved in the transfer and the Finance Director

6. Assignment of the Maximum Annual Special Tax

- a. Classification of Parcels. For purposes of the next Fiscal Year tax levy, by June 30 of each Fiscal Year, using the Definitions in **Section 2**, the Parcel records of the Assessor's secured tax roll as of January 1, and other City development approval records, the Administrator shall cause:
 1. Each Parcel to be classified as a Taxable Parcel or Tax-Exempt Parcel.
 2. Each Parcel to be classified as a Developed Parcel, a Small Lot Tentative Map Parcel, a Large Lot Parcel (including Remainder Parcels), or an Undeveloped Parcel.
- b. Assignment of the Maximum Annual Facilities Special Tax to Taxable Parcels. The Maximum Annual Facilities Special Tax will be assigned to each Taxable Parcel each Fiscal Year using the procedures (not all steps may be applicable for each such Parcel) in **Section 4**.
- c. Assignment of the Maximum Annual Maintenance Special Tax to Taxable Parcels. The Maximum Annual Maintenance Special Tax will be assigned to each Taxable Parcel each Fiscal Year using the procedures (not all steps may be applicable for each such Parcel) in **Sections 4 and 5**.

7. Calculating Annual Special Taxes

This section discusses the levy of the Facilities Special Tax and the Maintenance Special Tax. Collectively, these Special Taxes are included in the discussion of the assignment of the Maximum Annual Special Taxes. For the period following CFD formation until the Transition Event, the Maximum Annual Special Tax shall refer to the Facilities Special Tax. Beginning with the Transition Year, the Maximum Annual Special Tax shall refer to the Maintenance Special Tax.

The Administrator will compute the Annual Facilities Costs or Annual Maintenance Costs and determine the annual Special Tax levy for each Taxable Parcel based on the assignment of the Special Tax in **Sections 4, 5, and 6**. The Administrator then will determine the tax levy for each Taxable Parcel using the following process:

Facilities Special Tax Levy

- a. Compute the Annual Facilities Costs using the definition of Annual Facilities Costs in **Section 2**.
- b. For all Taxable Parcels, calculate the Facilities Special Tax levy for each using the following steps:
 - Step 7.b.1. The Facilities Special Tax shall be levied proportionately on all Developed Parcels up to the amount of Annual Facilities Cost or up to 100 percent of the Maximum Annual Facilities Special Tax Revenue for all Developed Parcels, whichever is less.
 - Step 7.b.2. If additional revenue is needed after *Step 7.b.1.*, the Facilities Special Tax shall be levied proportionately on each Small Lot Tentative Map Parcel until the revenue from the Facilities Special Tax levy in this step, when added to the levy amount computed in *Step 7.b.1.*, equals the Annual Facilities Costs, or up to

100 percent of the Maximum Annual Facilities Special Tax Revenue for all Small Lot Tentative Map Parcels. As necessary, the Facilities Special Tax shall be levied on Small Lot Tentative Map Parcels for the entire portion of Annual Facilities Costs, excluding Pay-As-You-Go Costs.

Step 7.b.3. If additional revenue is needed after *Step 7.b.2.*, the Facilities Special Tax shall be levied proportionately on each Large Lot Parcel until the revenue from the Facilities Special Tax levy in this step, when added to the levy amount computed through *Step 7.b.2.*, equals the Annual Facilities Costs, or up to 100 percent of the Maximum Annual Facilities Special Tax Revenue for all Large Lot Parcels. As necessary, the Facilities Special Tax shall be levied on Large Lot Parcels for the entire portion of Annual Facilities Costs, excluding Pay-As-You-Go Costs.

Step 7.b.4. If additional revenue is needed after *Step 7.b.3.*, the Facilities Special Tax shall be levied on each Undeveloped Parcel until the revenue from the Facilities Special Tax levy in this step, when added to the levy amounts computed through *Step 7.b.3.*, equals the Annual Facilities Costs, or up to 100 percent of the Maximum Annual Facilities Special Tax Revenue for all Undeveloped Parcels. As necessary, the Facilities Special Tax shall be levied on Undeveloped Parcels for the entire portion of Annual Facilities Costs, excluding Pay-As-You-Go Costs.

Maintenance Special Tax Levy

c. Beginning in the Transition Year, compute the Annual Maintenance Cost using the definition of Annual Maintenance Costs in **Section 2**.

d. For all Taxable Parcels, calculate the Maintenance Special Tax levy for each using the following steps:

Step 7.d.1. The Maintenance Special Tax shall be levied proportionately on all Developed Parcels up to the amount of Annual Maintenance Cost or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Developed Parcels, whichever is less.

Step 7.d.2. If additional revenue is needed after *Step 7.d.1.*, the Maintenance Special Tax shall be levied proportionately on each Small Lot Tentative Map Parcel until the revenue from the Maintenance Special Tax levy in this step, when added to the levy amount computed in *Step 7.d.1.*, equals the Annual Maintenance Costs, or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Small Lot Tentative Map Parcels.

Step 7.d.3. If additional revenue is needed after *Step 7.d.2.*, the Maintenance Special Tax shall be levied proportionately on each Large Lot Parcel until the revenue from the Maintenance Special Tax levy in this step, when added to the levy amount computed through *Step 7.d.2.*, equals the Annual Maintenance Costs, or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Large Lot Parcels.

Step 7.d.4. If additional revenue is needed after *Step 7.d.3.*, the Maintenance Special Tax shall be levied on each Undeveloped Parcel until the revenue from the Maintenance Special Tax levy in this step, when added to the levy amounts computed through *Step 7.d.3.*, equals the Annual Maintenance Costs, or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Undeveloped Parcels.

- e. Levy on each Taxable Parcel the amount calculated above.
- f. Prepare the Tax Collection Schedule and, unless an alternative method of collection has been selected pursuant to **Section 9**, send it to the County Auditor requesting that it be placed on the general, secured property tax roll for the Fiscal Year. The Tax Collection Schedule will be sent no later than the date required by the County Auditor for such inclusion.

The Administrator will make every effort to calculate the Special Tax correctly for each Parcel. It will be the burden of the taxpayer to identify any errors in determining which Parcels are subject to the tax and their Special Tax assignments.

8. Prepayment of the Facilities Special Tax Obligation

A property owner may at any time prepay 50 percent, but not more or less than 50 percent of the Maximum Annual Facilities Special Tax. For Nonresidential Use Parcels, Full Prepayment is permissible at any time. Full Prepayment is not allowable for Residential Use Parcels.

In addition to the conditions above, the City may allow a Full or Partial Prepayment if the City determines that the Prepayment will not jeopardize its ability to make timely payments of Debt Service and maintain a 110-percent annual Debt Service coverage based on Maximum Annual Special Tax Revenues in all years where there will be Outstanding Bonds. Prepayments must be made by May 1 to have the Prepayment reflected in the following Fiscal Year's Special Tax levy. Prepayment is permitted only under the following conditions:

- The landowner prepaying the Facilities Special Tax on a Parcel has paid any delinquent Facilities Special Tax and penalties on that Parcel before Prepayment.
- Following Prepayment, amounts in the reserve fund are equal to or greater than the reserve fund requirement.
- The City determines that the Prepayment will not jeopardize its ability to make timely payments of Debt Service and maintain a 110-percent annual Debt Service coverage based on Maximum Annual Special Tax Revenues in all years in which issued Bonds will be outstanding.
- The portion of the Prepayment for the Development Impact Fee Deferral shall only be used to pay for the Development Impact Fee Deferral whether it was or is to be funded through annual special tax payments or through bonded indebtedness.

When permitted, the Administrator shall calculate Prepayments using the following steps:

a. The Full Prepayment amount shall be established by following the steps below:

- Step 8.a.1: Determine the Facilities Special Tax for the Taxable Parcel for which the Facilities Special Tax is to be prepaid using the provisions of **Sections 4, 5, and 6**. If the Parcel is not designated as a Developed Parcel, determine the applicable Facilities Special Tax for the Parcel assuming it is a Developed Parcel.
- Step 8.a.2: Increase the Facilities Special Tax by 2 percent per annum for the longer of (i) 30 years from the year in which the Parcel was first subject to the Facilities Special Tax as a Developed Parcel, or (ii) the end of the then-remaining Initial Bonding Period.
- Step 8.a.3: Using a discounted rate equal to the most current yield for the 30-Year Treasury Constant Maturity, calculate the net present value of the revenue stream determined *Step 8.a.2*. If this yield is no longer available, the Administrator will select a yield rate from the most comparable type of security.
- Step 8.a.4: Add to the amount calculated in *Step 8.a.3* interest on the Bonds being redeemed to the next redemption date.
- Step 8.a.5: Add to the amount calculated in *Step 8.a.4* a redemption premium on the Bonds being redeemed (if any).
- Step 8.a.6: Add to the amount calculated in *Step 8.a.5* the Development Impact Fee Deferral amount applicable to the Parcel, as adjusted for inflation. If Bonds have been issued to finance the Development Impact Fee Deferral, follow *Step 8.a.2* and *8.a.3*, using for *Step 8.a.2* the longer of (i) 30 years from the year in which the Parcel was first subject to the Facilities Special Tax during the Deferral Bonding Period, or (ii) the end of the then-remaining Deferral Bonding Period.
- Step 8.a.7: Add the administrative cost of processing the Prepayment to the amount calculated in *Step 8.a.6*.
- Step 8.a.8: The amount in *Step 8.a.7* is the amount of the Full Prepayment of the Maximum Annual Special Tax for the Taxable Parcel.

b. Partial Prepayments will be calculated as described below:

The amount of any Partial Prepayment is limited to 50 percent of the Full Prepayment amount determined in *Step 8.a.8*. A Partial Prepayment may only be made in an amount equal 50 percent of the Full Prepayment desired by the party making a Partial Prepayment, except that the full amount of Administrative fees and expenses determined in *Step 8.a.7* shall be included in the Partial Prepayment. The Facilities Special Tax that can be levied on a Parcel after a Partial Prepayment is made is equal to one-half of the Facilities Special Tax that could have been levied before the Partial Prepayment.

9. Interpretation, Application, and Appeal of Special Tax Formula and Procedures

Any taxpayer who feels the amount of the Special Tax assigned to a Parcel is in error may file a notice with the Finance Director appealing the levy of the Special Tax. The Finance Director then will promptly review the appeal and, if necessary, will meet with the applicant. If the Finance Director verifies that the tax should be modified or changed, the Special Tax levy will be corrected and, if applicable in any case, a credit or refund will be granted.

Interpretations may be made by the City, without Resolution or Ordinance of the Council, for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax rate, the method of apportionment, the classification of properties, or any definition applicable to the CFD.

Without Council approval, the Finance Director may make minor, non-substantive administrative and technical changes to the provisions of this RMA that do not materially affect the rate, method of apportionment, or manner of collection of the Special Tax for purposes of administrative efficiency or convenience or to comply with new applicable federal, state, or local law.

The City, upon request of an owner of land in the CFD that is not a Developed Parcel, also may amend this RMA in any manner acceptable to the City, without Resolution or Ordinance of the Council, upon the affirmative vote of such owner and without the vote of owners of any other land in the CFD, provided such amendment is only applicable to such owner's land and does not reduce the total Maximum Annual CFD Special Tax Revenue.

10. Manner of Collection

The Special Tax will be collected in the same manner and at the same time as ad valorem property taxes, provided, however, the Administrator or its designee may directly bill the Special Tax and may collect the Special Tax at a different time, such as on a monthly or other periodic basis, or in a different manner, if necessary, to meet the City's financial obligations.

ATTACHMENT 1

LARGE LOT MAP

The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities)

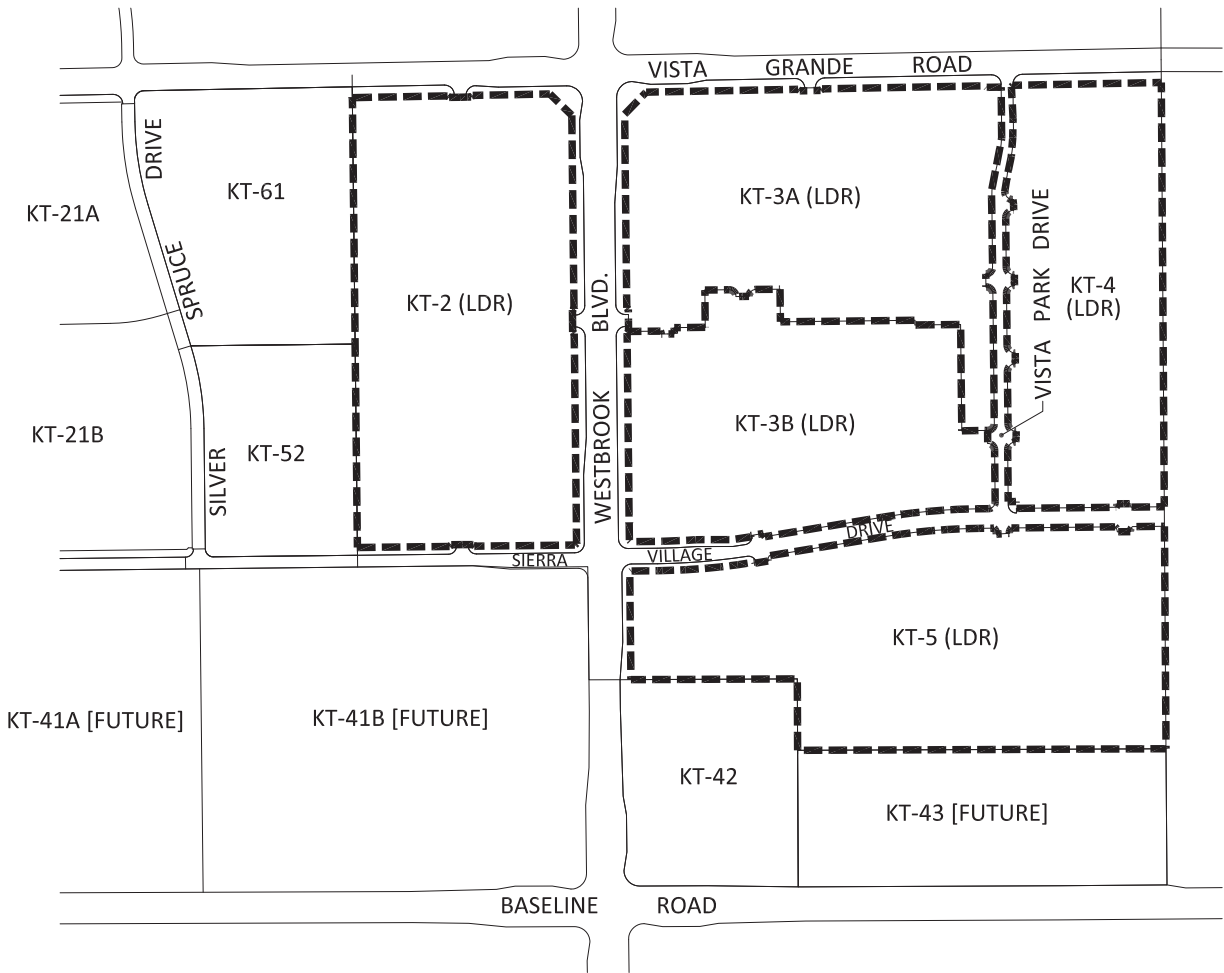
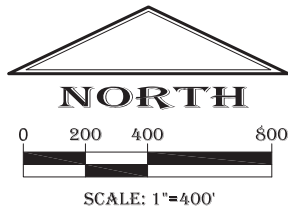
City of Roseville, County of Placer, State of California
Scale 1"=400' Sheet 2 of 2

IDENTIFICATION OF LARGE LOTS

LOT #	APN	SVSP ID	LU	ACREAGE	APPROVED UNITS
KT-2	499-010-019	KT-2	LDR	25.37±	125
KT-3A	499-010-033	KT-3A	LDR	22.31±	110
KT-3B	499-010-033	KT-3B	LDR	18.15±	97
KT-4	499-010-033	KT-4	LDR	15.86±	83
KT-5	499-010-033	KT-5	LDR	23.94±	139
TOTAL				105.63±	554

LEGEND

 PROPOSED CFD
BOUNDARY



Attachment 2
The Ranch at Sierra Vista CFD No. 1 (Public Facilities)
Maximum Annual Facilities Special Taxes by Tax Category
for the Base Year of FY 2018-19 [1]

Expected Land Uses (Tax Category)	Facilities Special Tax per Unit/Taxable Acre	
	Before Transition Event [1]	After Transition Event
Residential Uses	<u>per Unit</u>	<u>per Unit</u>
Low Density Residential (LDR)	\$1,836.00	\$0.00
Medium Density Residential (MDR)	\$1,632.00	\$0.00
High Density Residential (HDR) [2]		
High Density Residential (HDR) For-Sale [2]	\$0.00	\$0.00
High Density Residential (HDR) For-Rent [2]	\$0.00	\$0.00
Affordable Medium Density Residential	\$816.00	\$0.00
Affordable High Density Residential [2]	\$0.00	\$0.00
Nonresidential Uses [2]	<u>per Taxable Acre</u>	<u>per Taxable Acre</u>
Mixed Use (MU) [2]	\$0.00	\$0.00
Business Professional (BP) [2]	\$0.00	\$0.00
Community Commercial (CC) [2]	\$0.00	\$0.00
Undeveloped Property	\$12,735.00	\$0.00

"att2"

- [1] This amount is subject to increase by the Tax Escalation Factor in each Fiscal Year following the Base Year as described in this RMA.
- [2] If a Low Density Residential, Medium Density Residential or Affordable Medium Density Residential Parcel with a Special Tax is rezoned to a use with an identified Special Tax of \$0 in this attachment, the Special Tax would be assigned to the Parcel using the provisions of Section 4 of this RMA.

Attachment 3

The Ranch at Sierra Vista CFD No. 1 (Public Facilities)

Assigned Maximum Annual Facilities Special Tax for Original Parcels (Base Year of FY 2018-19) [1] [2]

Original Parcel	Village Number	Large Lot Map Number	Expected Land Uses				Facilities Special Tax per Unit [1] [2]	Maximum Annual Special Tax Revenue per Village [1] [2]
			Tax Category	Acres	Planned Units	Planned Units per Acre		
499-010-019 (portion) [1]	KT-2, Phase 1	Lot 5	LDR	23.7	125	5.3	\$1,836.00	\$229,500
499-010-033	KT-3A, Phase 1	Lot 4	LDR	19.2	110	5.7	\$1,836.00	\$201,960
499-010-033	KT-3B, Phase 1	Lot 2	LDR	19.4	97	5.0	\$1,836.00	\$178,092
499-010-033	KT-4, Phase 1	Lot 3	LDR	14.3	83	5.8	\$1,836.00	\$152,388
499-010-033	KT-5, Phase 1	Lot 1	LDR	23.5	139	5.9	\$1,836.00	\$255,204
CFD Totals				100.1	554			\$1,017,144

"att3"

[1] This amount is subject to increase by the Tax Escalation Factor in each Fiscal Year following the Base Year as described in this RMA.

[2] If amended to include Annexation Parcels, the Maximum Annual Special Tax for Annexation Parcels would also be subject to the Tax Escalation Factor.

Attachment 4
The Ranch at Sierra Vista CFD No. 1 (Public Facilities)
Maximum Annual Maintenance Special Taxes by Tax Category
for the Base Year of FY 2018-19 [1]

Expected Land Uses (Tax Category)	Maintenance Special Tax per Unit/Taxable Acre	
	Before Transition Event [1]	After Transition Event [1]
Residential Uses	<u>per Unit</u>	<u>per Unit</u>
Low Density Residential (LDR)	\$0.00	\$918.00
Medium Density Residential (MDR)	\$0.00	\$816.00
High Density Residential (HDR) [2]		
High Density Residential (HDR) For-Sale	\$0.00	\$0.00
High Density Residential (HDR) For-Rent	\$0.00	\$0.00
Affordable Medium Density Residential	\$0.00	\$408.00
Affordable High Density Residential [2]	\$0.00	\$0.00
Nonresidential Uses [2]	<u>per Taxable Acre</u>	
Mixed Use (MU) [2]	\$0.00	\$0.00
Business Professional (BP) [2]	\$0.00	\$0.00
Community Commercial (CC) [2]	\$0.00	\$0.00
Undeveloped Property	\$0.00	\$6,367.50

"att4"

[1] This amount is subject to increase by the Tax Escalation Factor in each Fiscal Year following the Base Year as described in this RMA.

[2] If a Low Density Residential, Medium Density Residential or Affordable Medium Density Residential Parcel with a Special Tax is rezoned to a use with an identified Special Tax of \$0 in this attachment, the Special Tax would be assigned to the Parcel using the provisions of Section 4 of this RMA.

CITY CLERK'S STATEMENT:

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA THIS 15 DAY OF August, 2018.

Sonia Orozco
SONIA OROZCO, CITY CLERK
CITY OF ROSEVILLE
PLACER COUNTY, CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF THE RANCH AT SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES). CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF ROSEVILLE, AT A REGULAR MEETING THEREOF HELD ON THE 15 DAY OF August, 2018. BY ITS RESOLUTION NUMBER 18-346

Sonia Orozco
SONIA OROZCO, CITY CLERK
CITY OF ROSEVILLE
PLACER COUNTY, CALIFORNIA

RECORDER'S STATEMENT:

FILED THIS 10TH DAY OF SEPTEMBER, 2018, AT THE HOUR OF 9:49 O'CLOCK A.M., IN BOOK 3 OF MAPS OF COMMUNITY FACILITIES DISTRICT, AT PAGE 80, IN THE OFFICE OF THE RECORDER OF THE COUNTY OF PLACER, STATE OF CALIFORNIA.

DOC NO 2018-0065145

RYAN RONCO
PLACER COUNTY RECORDER

FEE: \$8.00

BY: *S. Ronco*
DEPUTY

LEGEND



PROPOSED CFD
BOUNDARY



AREAS OF FUTURE
ANNEXATION

PROPOSED BOUNDARY OF The Ranch at Sierra Vista Community Facilities District No. 1 (Public Facilities)

City of Roseville, County of Placer, State of California
Scale 1"=350' Sheet 1 of 1

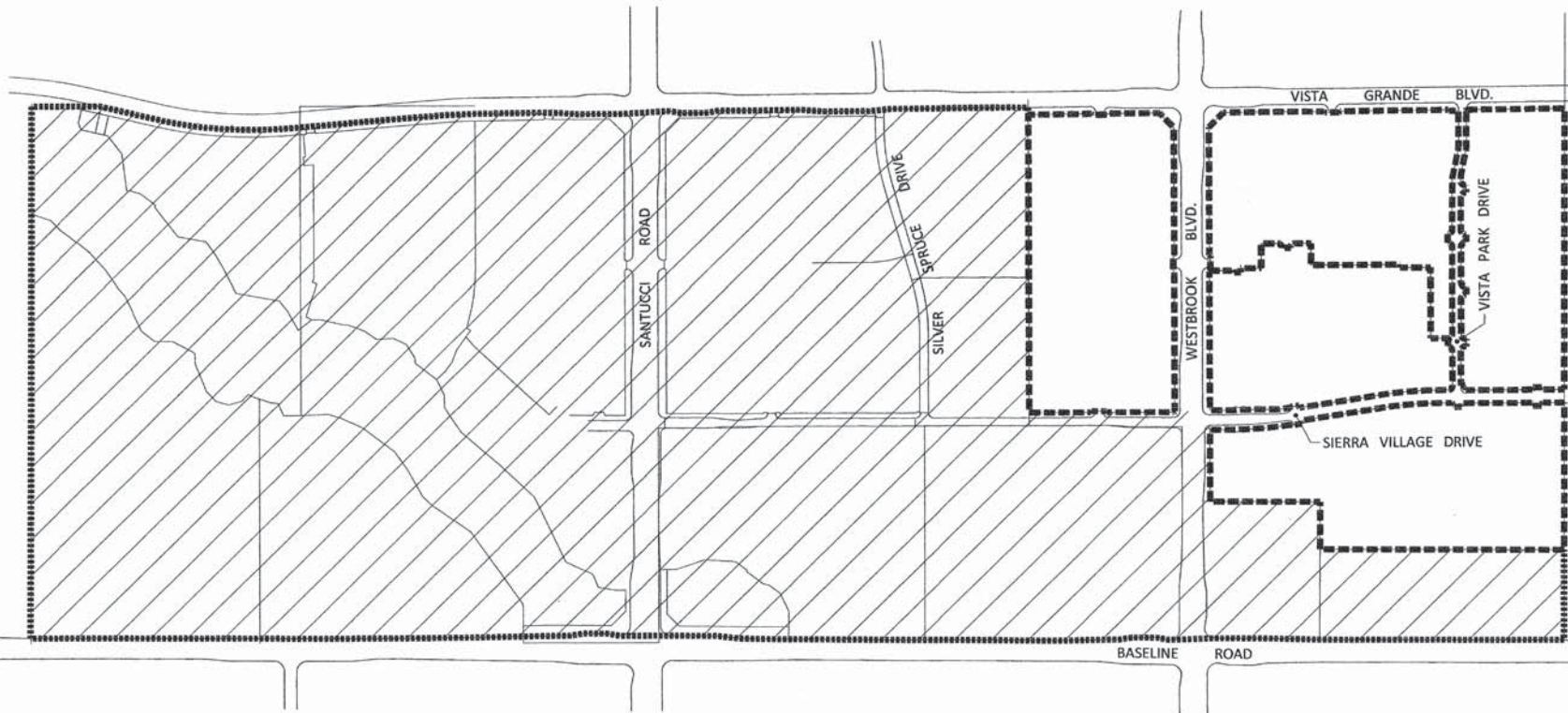
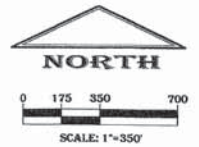




EXHIBIT B:

List of Authorized Facilities

EXHIBIT B

City of Roseville
The Ranch at Sierra Vista
Community Facilities District No. 1
(Public Facilities)
Placer County, California

LIST OF AUTHORIZED FACILITIES AND SERVICES

Authorized Facilities

Transportation Improvements

Public roadway improvements designed to meet the needs of the project, including those improvements identified in the project Development Agreement (DA) Sections 3.5.17 and 3.5.18, including but not limited to;

- Westbrook Boulevard.
- Santucci Boulevard.
- Vista Grande Drive.
- Silver Spruce Drive.
- Sierra Village Drive.
- Vista Park Drive.
- Market Street.

Eligible roadway improvements include the following items: acquisition of land and easements; roadway design; project management; geotechnical engineering, testing and observations; bridge crossings and culverts; clearing, grubbing, and demolition; grading, soil import/export, paving (including slurry seal), and decorative/enhanced pavement concrete or pavers; power pole relocations; joint trenches, underground utilities, and undergrounding of existing utilities; dry utilities and appurtenances; curbs, gutters, sidewalks, bike trails (including on- and off-site), park and ride facilities, bus rapid transit improvements, including transfer stations and regional public transit improvements; retaining walls, sound walls, 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; masonry walls; traffic control and agency fees; and other improvements related thereto. Eligible improvements for the roads listed above also include any and all necessary underground potable and non-potable water, sanitary sewer, and storm drainage system improvements.

Potable and Non-Potable Water System Improvements

Authorized facilities include any and all on- and off-site backbone water facilities designed to meet the needs of development of the project. These facilities include potable and non-potable

mains, valves, services, and appurtenances; wells; and water treatment and storage facilities, and related improvements, including but not limited to: site clearing, grading, and paving; curbs and gutters; recycled water storage tanks, booster pump stations, and all appurtenances thereto; wells; water treatment; stand-by generator; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates and fencing; striping and signage; and the following:

- Water lines in/associated with authorized facility roads.
- Recycled water lines in/associated with authorized facility roads.
- Well construction or financial contributions thereto on, but not limited to, Specific Plan Parcels FD-63 or JM-60.
- Water Tank Site Improvements (DA Section 3.8.2).
- Recycled Water Storage Tank Facility
- Reimbursement obligation for the Baseline Road 24" water line (DA Section 3.8.3).
- CFD obligations for RW tank(s) required by DA Section 3.9.

Drainage System Improvements

Authorized facilities include any and all on- and off-site backbone drainage and storm drainage improvements designed to meet the needs of development of the project. These facilities include mains, pipelines and appurtenances, outfalls and water quality measures, temporary drainage facilities, detention/retention basins, and drainage pretreatment facilities; drainage ways/channels, pump stations, landscaping, and irrigation; access roads, gates, and fencing; striping and signage; and the following:

- All storm drain lines and facilities in/associated with authorized facility roadways.
- Retention, detention, hydro-modification, and other drainage facilities.

Wastewater System Improvements

Authorized facilities include any and all on- and off-site backbone wastewater facilities designed to meet the needs of development of the project. These facilities include pipelines and all appurtenances thereto; manholes; tie-in to existing main line; force mains; lift stations; odor-control facilities; sewer treatment plant improvements and permitting related thereto; and related sewer system improvements, including but not limited to:

- All wastewater facilities in/associated with authorized facility roadways.

Solid Waste Improvements

Authorized facilities include any and all backbone solid waste improvements designed to meet the needs of development of the project. Eligible improvements also include the project's pro-rata contribution, as described in the project DA, to the Sierra Vista Specific Plan (SVSP) Solid Waste Recycling Center (DA Section 3.14.7).

Park, Landscape Corridor and Paseo Improvements

Authorized facilities include any and all improvements to parks, landscape corridors and paseos located in the project, including but not limited to:

- Construction of Park Sites planned on Specific Plan Parcels KT-51, KT-52.
- Construction of Paseos.

Open Space Improvements

Authorized facilities include any and all open space improvements designed to meet the needs of development of the project, including bike trails, bike/pedestrian bridges, storm drain crossings, storm drain detention/retention, wetland mitigation, tree mitigation, on-and off-site hawk/raptor mitigation, agricultural mitigation or wetland mitigation, property acquisition, endowment payments for open space management, landscaping and irrigation, access gates and fencing, and related open space improvements, including but not limited to:

- Improvements related to Specific Plan Parcels KT-80A, KT-80B, KT-81 and KT-82.
- Wetland creation mitigation, fencing, etc.

Utilities

Authorized facilities include any and all on- and off-site utility improvements designed to meet the needs of development of the project. All utility improvements, easement payments, and land acquisition not located under or alongside transportation improvements are considered authorized facilities. Authorized facilities also shall include costs related to the acquisition of the off-site electric substation site; site clearing; grading; street frontage improvements, including curbs, gutters, and paving; and construction of an all-weather access road to the site from the nearest public street or extension of temporary 12kV overhead lines as described in the project DA, including but not limited to:

- SVSP Electric Substation site acquisition, and improvements required by DA Section 3.11.3.
- Temporary overhead 12kV lines to loop SVSP substation to line in WRSP Phase 3 and 4.

Other Public Facilities

Authorized facilities include any and all public facilities or infrastructure, including the project's pro-rata contribution to the land acquisition of the off-site fire station site, site clearing, grading, and street frontage improvements including curbs, gutters, and paving, including, but not limited to:

- Fire station reimbursement obligations in DA Section 3.23.

Development Impact Fees

Authorized facilities include development impact fees paid and not otherwise reimbursed, whether standard City or County fees levied at the time of the issuance of a building permit or required as part of the DA for the property. Fees include, but are not limited to, the South Placer

Regional Transportation Authority Tier II Traffic Fee, City of Roseville City Wide Park Fee, City of Roseville Public Facilities Fee, and Public Benefit Fee (as defined in Section 3.14.3 of the DA for the property).

Formation, Administrative, and Incidental Expenses

In addition to the above facilities, other expenses incidental to the above and authorized by the Mello-Roos Community Facilities Act of 1982, including but not limited to: the cost of planning, permitting, and designing the facilities (including the cost of environmental evaluation, orthophotography, environmental remediation/mitigation, and preparation of an overarching Operation and Maintenance Plan for the City of Roseville Open Space Preserves); land acquisition and easement payments for the facilities; project management; construction staking; engineering studies and reports; utility relocation and demolition costs incidental to construction of the facilities, wetland/Species mitigation purchase; reimbursements to other areas for infrastructure facilities or planning serving development in the CFD; Sierra Vista Specific Plan planning, legal, engineering, technical studies costs related to the facilities and any other expenses incidental to the construction, completion, and inspection of the facilities.

In addition, costs eligible to be financed by the CFD shall include all costs associated with the formation and ongoing administration of the CFD and issuance of bonds; determination of the amount of taxes and collection of taxes; inspection, plan check and other costs related to acceptance of the facilities by the City, payment of taxes; and any other costs incurred to carry out the authorized purposes of the CFD.

Authorized Services

The authorized services to be funded from the levy and collection of annual maintenance special taxes are the provision of public services, maintenance and operation related to any facilities authorized to be funded by the CFD with a useful life of five or more years, including but not limited to performance by employees of functions and repair activities. Maintenance as used herein includes replacement and the creation and funding of a reserve fund to pay for replacement of such facilities. The maintenance special taxes shall only fund authorized services to the extent that they are in addition to those provided to land within the CFD prior to the creation of the CFD.

In addition, costs eligible to be financed by the CFD shall include all costs associated with the formation and ongoing administration of the CFD and issuance of bonds; determination of the amount of taxes and collection of taxes; inspection, plan check and other costs related to acceptance of the facilities by the City, payment of taxes; and any other costs incurred to carry out the authorized purposes of the CFD.



COUNCIL COMMUNICATION

CC #: 9753

File #: 0206-03-01

Title: The Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities) - Amendment to the Special Tax Formula and Authorized Facilities and Services

Contact: Jeannine Thrash 916-774-5473 jthrash@roseville.ca.us
Dennis Kauffman 916-774-5313 dkauffman@roseville.ca.us

Meeting Date: 1/16/2019

Item #: 8.2.

RECOMMENDATION TO COUNCIL

Staff recommends City Council adopt the following resolution:

- Resolution Authorizing Amendment of the Special Tax Formula and Authorized Facilities for the Villages at Sierra Vista Community Facilities District No. 1 and Submission of Amendments to Qualified Electors
- Resolution Declaring Results of Amendment of Special Tax Election Determining Validity of Prior Proceedings, and Directing Recording of Amended Notice of Special Tax Lien of Villages at Sierra Vista Community Facilities District No. 1

BACKGROUND

The City Council adopted Resolution No. 18-470 on November 28, 2018, stating its intention to amend the Special Tax Formula and Authorized Facilities and Services for the City's Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities), pursuant to the Mello-Roos Community Facilities Act of 1982, and set Wednesday, January 16, 2019, at 7:00 p.m. in the Roseville City Council Chambers at 311 Vernon Street, Roseville, California, as the time and place to conduct the required public hearing.

It is being requested to amend the Special Tax Formula and Authorized Facilities and Services in order to add authorized services. The amendment allows the Community Facilities District to be able to provide funding in the future for the maintenance/replacement of constructed facilities.

FISCAL IMPACT

The Amendment to the Special Tax Formula and Authorized Facilities and Services for the Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities) will not impact the City's General Fund.

ECONOMIC DEVELOPMENT / JOBS CREATED

The approval of this resolution will not have any impact on job creation.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment (CEQA Guidelines §15061(b)(3)). This formation of a public action does not include the potential for a significant environmental effect, and therefore is not subject to CEQA.

Respectfully Submitted,

Jeannine Thrash, Administrative Analyst

Dennis Kauffman, Chief Financial Officer



Dominick Casey, City Manager

ATTACHMENTS:

Description

Public Hearing Notice

Resolution No. 19-27

Resolution No. 19-28

Amended Hearing Report

NOTICE OF PUBLIC HEARING

Resolution of Consideration To Amend the Rate and Method of Apportionment of Special Tax

City of Roseville Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities)

On November 28, 2018, the City Council (the "Council") of the City of Roseville (the "City") adopted a "Resolution of Consideration to Amend the Special Tax Formula of Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities)" (the "Resolution of Consideration") with respect to the City of Roseville Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities) (the "CFD"), under the Mello-Roos Community Facilities Act of 1982 (the "Act"). Under the Act and the Resolution of Consideration, the Council gives notice as follows:

1. The text of the Resolution of Consideration, with Exhibit A thereto being a proposed amended Rate and Method of Apportionment of Special Tax, as adopted by the Council, is on file with the City Clerk and reference is made thereto for the particular provisions thereof. The text of the Resolution of Consideration is summarized as follows: under the Act, the Council is proposing to amend the Rate and Method of Apportionment of Special Tax (the "Rate and Method") for the CFD; and as set forth below, the Council will hold a public hearing on the proposals described in the Resolution of Consideration.

2. The public hearing on the proposals described in the Resolution of Consideration will be held on January 16, 2019 at 7:00 p.m. or as soon thereafter as possible in the City Council Chambers located at 311 Vernon Street, Roseville, California.

3. At the hearing, protests against the proposals described in the Resolution of Consideration may be made orally, or in writing by any interested persons. Any protests pertaining to the regularity or sufficiency of the proceedings must be in writing, and must be filed with the City Clerk on or before the time fixed for the hearing.

If 50% or more of the registered voters, or 6 registered voters, whichever is more, residing within the CFD, or the owners of 50% or more of the area of the land in the CFD and not exempt from the special tax, file written protests against the proposed amendment of the Rate and Method, those changes will not be considered any further by the Council and the changes will not be included in a resolution of consideration for a period of 1 year from the date of the decision of the City Council on the hearing.

4. If there is no majority protest, the Council may submit the proposed amendment of the Rate and Method to the owners of land in the CFD for voter approval at a special election. The Act requires the approval of two-thirds of the votes cast at a special election by the qualified electors in the CFD, being the property owners, with each owner having one vote for each acre or portion thereof such owner owns in the CFD.

Dated as of _____, 2019

City Clerk, City of Roseville

CITY COUNCIL OF THE CITY OF ROSEVILLE

RESOLUTION NO. 19-27

**RESOLUTION OF CONSIDERATION TO AMEND THE SPECIAL TAX FORMULA AND
AUTHORIZED FACILITIES AND SERVICES OF
VILLAGES AT SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)**

WHEREAS, this Council has conducted proceedings to establish Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities) (the "CFD") and a Future Annexation Area, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311, of the California Government Code; and

WHEREAS, under the Act, this Council, as the legislative body for the CFD, is empowered with the authority to make changes to the rate and method of apportionment of and authorized facilities by undertaking change proceedings under the Act, and this Council desires to make certain changes in order to add authorized services of the CFD, and now desires to undertake change proceedings in accordance with the Act.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ROSEVILLE RESOLVES AS FOLLOWS:

1. A special tax has been authorized to be levied within Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities) (the "CFD") which has been officially formed by the City of Roseville. A lien of the special tax which is a continuing lien secures each annual levy of the special tax and which shall continue in force and effect until the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with section 53330.5 of the Government Code.

2. The boundaries of the CFD and Future Annexation Area are as set forth in the map of the CFD heretofore recorded in the Placer County Recorder's Office on March 26, 2018, in Book 3, Page 77, as Document No. 2018-0019977 of Maps of Assessment and Community Facilities Districts, which boundaries have been approved and are the boundaries of the CFD.

3. The existing list of facilities authorized to be financed by the special tax (the "List of Facilities") was approved at the time of formation as set forth as Exhibit A to the Notice of Special Tax Lien recorded in the office of the County Recorder of the County of Placer on May 4, 2018 as Document No. 2018-0031503-00.

4. The existing rate, method of apportionment, and manner of collection of the authorized special tax (the "Rate and Method of Apportionment of Special Tax") was approved at the time of formation as set forth as Exhibit B to the Notice of Special Tax Lien.

5. The City and the owners of all the land in the CFD have requested a change in the authorized facilities in order to add authorized services, and to the special tax rates applicable to land in the CFD and this Council hereby finds and determines that public convenience and necessity require that it consider that the List of Facilities and the Rate and

Method of Apportionment of Special Tax for the CFD be changed as requested by such owners, to facilitate development of certain property within the CFD.

6. This Council is considering that (i) the changes to the Rate and Method of Apportionment of Special Tax be as set forth in the proposed Amended Rate and Method of Apportionment of Special Tax attached hereto as Exhibit A and hereby incorporated herein, and (ii) the changes to the List of Facilities be as set forth in the proposed amended List of Facilities and Services attached hereto as Exhibit B and hereby incorporated herein.

7. The Council hereby sets Wednesday, January 16, 2019, at 7:00 p.m. or as soon as possible thereafter, in the Council Chambers, 311 Vernon Street, Roseville, California 95678, be, and the same are hereby appointed and fixed as the time and place when and where this Council, as legislative body for the CFD, will conduct a public hearing on the changes to the special tax of the CFD and consider and finally determine whether the public interest, convenience and necessity require said changes to the special tax of the CFD and the levy of said special tax as changed on the property affected thereby.

8. The City Clerk is hereby directed to cause notice of said public hearing to be given by publication one time in a newspaper of general circulation in the area of the CFD affected by the changes to the special tax. The publication of said notice shall be completed at least seven days before the date herein set for said hearing. Said notice shall be substantially in the form specified in Section 53335 of the Act.

9. This Resolution shall take effect upon its adoption.

* * * * *

I hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Roseville, California, at a regularly scheduled meeting thereof, held on the ____ day of _____, 2018, by the following vote of the City Council:

AYES:	COUNCILMEMBERS
NOES:	COUNCILMEMBERS
ABSENT:	COUNCILMEMBERS
ABSTAIN:	COUNCILMEMBERS

Mayor

ATTEST:

City Clerk of the City of Roseville

EXHIBIT A

City of Roseville
Villages at Sierra Vista Community Facilities District No. 1
(Public Facilities)
Placer County, California

AMENDED RATE, METHOD OF APPORTIONMENT, AND
MANNER OF COLLECTION OF SPECIAL TAX

1. Basis of Special Tax Levy

A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 (Act) applicable to the land in the Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities) (CFD) of the City of Roseville (City) shall be levied and collected according to the tax liability determined by the City through the application of the appropriate amount or rate, as described below.

2. Definitions

"Acre" or **"Acreage"** means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map or other Development Plan.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311 and following of the California Government Code.

"Administrative Expenses" means the actual or reasonably estimated costs related to the administration of the CFD, including, but not limited to, these:

- a. Costs of computing Special Taxes and preparing annual Special Tax collection schedules (whether by the City or any designee thereof or both).
- b. Costs of collecting the Special Taxes (whether by the County, the City, or otherwise).
- c. Costs of remitting the Special Taxes to the Trustee.
- d. Costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Bond Indenture.
- e. Costs to the City, CFD, or any designee thereof of complying with arbitrage rebate requirements.
- f. Costs to the City, CFD, or any designee thereof of complying with City, CFD, or obligated persons disclosure requirements.

- g. Costs associated with preparing Special Tax disclosure statements.
- h. Costs incurred in responding to public inquiries regarding the Special Taxes.
- i. Costs to the City, CFD, or designee thereof related to any appeal of the Special Taxes.
- j. Costs associated with the release of funds from an escrow account, if any.
- k. Costs to the City for the issuance of Bonds authorized by the CFD that are not recovered through the Bond sale proceeds.
- l. Amounts estimated to be advanced or already advanced by the City for any other administrative purposes, including attorney's fees and other costs related to collection of the Special Taxes and commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

"Administrator" means a City official in the Finance Department, or their designee responsible for determining or overseeing the levy and collection of the Special Taxes.

"Affordable Housing Director" means, at any point in time, the person in the City who serves as head of the department that is in charge of the City's affordable housing program.

"Affordable Unit" means a Unit built on a Residential Use Parcel for which an Affordable Unit agreement has been entered into for the property designating the Unit as affordable. A Multifamily Parcel may have only a portion of the Units assigned as Affordable Units. The City Manager, or his or her designee, shall determine which Units are designated as Affordable Units and maintain an Affordable Unit listing, which shall contain all designated buildable parcels by tract and lot number, and in the case of Large Lot Parcels remaining before May 1 of the preceding Fiscal Year, the number of designated Affordable Units for each such Large Lot Parcel; all entries shall indicate the effective date of designation. The Affordable Unit listing also shall be updated to reflect those Units no longer qualifying as Affordable Units, also known as Market-Rate Units. The Affordable Unit listing, which shall contain all qualifying Affordable Units as of April 30, shall be made available to the Administrator by July 1 of each year for purposes of determining the Maximum Annual Special Tax for Parcels pursuant to **Section 4**.

"Annexation Parcels" means a Parcel or Parcels annexed to the CFD after formation. The Maximum Annual Special Tax will be assigned to such Parcels using the provisions of **Section 4**. Annexation Parcels may be assigned a different Maximum Annual Special Tax Rate or Maximum Annual Special Tax per Parcel using a methodology different from the other Parcels in the CFD and may be placed in an area designated as a separate zone or improvement area of the CFD, all of which shall be set forth in revised attachments hereto as needed, without further CFD proceedings.

"Annual Facilities Costs" means, for any Fiscal Year, the total of these:

- a. Debt Service to be paid from Facilities Special Taxes.
- b. The amount needed to replenish the reserve fund for the Bonds to the level required under the Bond Indenture, to the extent not included in a computation of Annual Facilities Costs in a previous Fiscal Year.

- c. Administrative Expenses for such Fiscal Year.
- d. The amount needed to (1) cure any delinquencies in the payment of principal or interest on Bonds, which have occurred in the prior Fiscal Year, to the extent not otherwise included in a computation of Annual Facilities Costs in the current or any previous Fiscal Year, and (2) to fund any foreseeable deficiency of the amount to be available for the payment of principal or interest on Bonds, which are expected to occur in such Fiscal Year, to the extent not included in a computation of Annual Facilities Costs in the current or any previous Fiscal Year.
- e. The amount needed to (1) cure any delinquencies in the payment of the Facilities Special Tax in the prior Fiscal Year, to the extent not otherwise included in a computation of Annual Facilities Costs in the current or any previous Fiscal Year, and (2) to fund any foreseeable deficiency in the payment of the Facilities Special Tax for that Fiscal Year which is expected to occur in such Fiscal Year, to the extent not included in a computation of Annual Facilities Costs in the current or any previous Fiscal Year.
- f. Authorized Pay-As-You-Go Costs.
- g. During the Deferral Bonding Period, the amount needed to pay Development Impact Fee Deferrals not financed by Bonds.
- h. Less any available earnings on any reserve fund or Facilities Special Tax funds, available capitalized interest or any other available revenues of the CFD or the City that may be used to fund Annual Facilities Costs.

“Annual Maintenance Costs” means, for any Fiscal Year, the total of these:

- a. Authorized Services costs to be paid from Maintenance Special Taxes.
- b. Administrative Expenses for such Fiscal Year.
- c. The amount needed to (1) cure any delinquencies in the payment of the Maintenance Special Tax in the prior Fiscal Year, to the extent not otherwise included in a computation of Annual Maintenance Costs in the current or any previous Fiscal Year, and (2) to fund any foreseeable deficiency in the payment of the Maintenance Special Tax for that Fiscal Year which is expected to occur in such Fiscal Year, to the extent not included in a computation of Annual Maintenance Costs in the current or any previous Fiscal Year.
- d. Less any available earnings on any reserve fund, Maintenance Special Tax funds or any other available revenues of the CFD or the City that may be used to fund Annual Maintenance Costs.

“Assessor’s Parcel” means a lot or Parcel with an assigned Assessor’s Parcel Number in the maps used by the County Assessor in preparing the tax roll.

“Assessor’s Parcel Map” means an official map of the County Assessor designating Parcels by Assessor’s Parcel Number.

“Assessor’s Parcel Number” means the Parcel and Parcel Number as assigned by the County Assessor on the equalized tax roll.

"Assigned Maximum Annual Special Tax" means the maximum Facilities Special Tax or Maintenance Special Tax assigned to each Large Lot Parcel that is an Original Parcel based on the Expected Land Uses at CFD formation, or at annexation, as shown in **Attachment 1**.

"Authorized Facilities" means those facilities and fees to be financed, as identified in the resolution forming the CFD.

"Authorized Services" means those services authorized to be funded, as defined in the resolution forming the CFD.

"Base Year" means the Fiscal Year beginning July 1, 2018, and ending June 30, 2019.

"Bond(s)" means any bond(s) issued by the City for the CFD under the Act and any other debt, as defined in the Act, the City incurs to further the CFD's purposes.

"Bond Indenture" means the indenture, resolution, fiscal agent agreement, or other financing document pursuant to which any Bonds are issued.

"Building Permit" means a permit issued by the City for the construction of a Residential Use or Nonresidential Use structure.

"Business Professional" means a Parcel or Parcels zoned to provide for office uses and other uses that are related to and supportive of office uses.

"CFD" means the Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities) of the City of Roseville, Placer County, California.

"City" means the City of Roseville in Placer County, California.

"Community Commercial" means a Parcel or Parcels zoned to serve the principal retail shopping needs of the entire community by providing areas for shopping centers, and other retail and service uses.

"Council" means the City Council of the City acting for the CFD under the Act.

"County" means the County of Placer, California.

"Debt Service" means the total annual amount of Bond principal, interest, and the scheduled sinking fund payments of the Bonds in a calendar year.

"Deferral Bonding Period" means the period after the Initial Bonding Period has ended and during which the City finances the Development Impact Fee Deferral.

"Developed Parcel" means, in any Fiscal Year:

- a. For Single-Family Parcels: All Parcels for which a Final Small Lot Subdivision Map was recorded before May 1 of the preceding Fiscal Year.
- b. For Multifamily Parcels: All Parcels for which a Building Permit for new construction of a Residential Use structure was issued before May 1 of the preceding Fiscal Year.

- c. For all Nonresidential Use Parcels: All Parcels for which a Building Permit for new construction of a Nonresidential Use structure was issued before May 1 of the preceding Fiscal Year.

“Development Agreement” means the Development Agreement By and Between the City of Roseville and Mourier Investments, LLC, relative to the Sierra Vista Specific Plan dated April 28, 2010.

“Development Impact Fee Deferral” means the deferred payment of development impact fees due to the City or the South Placer Regional Transportation Authority (SPRTA) for Developed Parcels, using the approach and amounts identified in the Development Agreement, which may be amended from time to time.

“Development Plan” means a condominium plan, apartment plan, site plan, or other development plan that identifies such information as the type of structure, acreage, square footage, or number of Units that are approved to be developed on Single-Family Parcels, Multifamily Parcels, and Nonresidential Parcels.

“Expected Land Use(s)” means the total number of Units or Acres of each land use type by Tax Category expected in each Large Lot Parcel and Original Parcel at CFD formation as identified in **Attachment 3** of this RMA.

“Facilities Special Tax” means the Special Tax authorized to fund Annual Facilities Cost. Facilities Special Taxes are shown in **Attachments 2 and 3**.

“Final Use Small Lot Parcel” means a Parcel designated for development as a single-family residence, which is part of a Final Small Lot Subdivision Map.

“Final Small Lot Subdivision Map” means a recorded map designating the final Parcel subdivision for individual Single-Family Parcels.

“Finance Director” means the Finance Director for the City, or their designee.

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

“Full Prepayment” means the complete fulfillment of a Parcel’s Facilities Special Tax obligation, as determined by following the procedures in **Section 8**.

“High Density Residential” means, per the Sierra Vista Specific Plan, a land use designation that primarily accommodates attached housing, but depending on the unit type, could also include detached housing, within the density range of 13.0 or greater dwelling units per gross developable acre. Typical housing product types include, but shall not be limited to, detached townhomes, courtyard townhomes/condominiums, garden-style apartments, and podium design apartments/condominiums.

“Initial Bonding Period” means the period in which Bonds are outstanding or refunded which financed Authorized Facilities costs other than the Development Impact Fee Deferral.

“Large Lot Parcel” means a Parcel created by a Large Lot Subdivision Map.

"Large Lot Subdivision Map" means a recorded subdivision map creating Parcels by land use. However, the Large Lot Subdivision Map does not delineate Single-Family Parcels. A Final Small Lot Subdivision Map will create individual Single-Family Parcels.

"Low Density Residential" means, per the Sierra Vista Specific Plan, a land use designation that supports single-family detached homes on conventional lots within the density range of up to 6.9 dwelling units per gross developable acre. Typical housing product types include, but shall not be limited to, standard, alley-loaded, or clustered, single-family detached units.

"Maintenance Special Tax" means the Special Tax authorized to fund Annual Maintenance Costs. The Maintenance Special Tax will be levied and collected beginning with the Transition Year. Maintenance Special Taxes are shown in **Attachment 4**.

"Market-Rate Unit" means a Unit that is not an Affordable Unit.

"Maximum Annual Special Tax" means the greatest amount of Facilities Special Tax or Maintenance Special Tax that can be levied against a Parcel in a given Fiscal Year, as shown in **Attachments 2, 3, and 4**.

"Maximum Annual Facilities Special Tax" means the greatest amount of Facilities Special Tax that can be levied against a Parcel in a given Fiscal Year, as shown in **Attachments 2, 3, or 4**.

"Maximum Annual Maintenance Special Tax" means the greatest amount of Maintenance Special Tax that can be levied against a Parcel in a given Fiscal Year, as shown in **Attachments 2, 3, or 4**.

"Maximum Annual Special Tax Rate" means the rate of Facilities Special Tax or Maintenance Special Tax charged per Unit or per Taxable Acre, as shown in **Attachments 2, 3, and 4**.

"Maximum Annual Facilities Special Tax Revenue" means the greatest amount of Facilities Special Tax revenue that can be collected in total from a group of Parcels (such as Developed Parcels) by levying the Maximum Annual Facilities Special Tax.

"Maximum Annual Maintenance Special Tax Revenue" means the greatest amount of Maintenance Special Tax revenue that can be collected in total from a group of Parcels (such as Developed Parcels) by levying the Maximum Annual Maintenance Special Tax.

"Maximum Annual CFD Special Tax Revenue" means the sum of the Maximum Annual Special Tax levied on all Taxable Parcels in the CFD in a Fiscal Year.

"Medium Density Residential" means, per the Sierra Vista Specific Plan, a land use designation that accommodates both single-family detached homes and attached homes within the density range of 7.0 to 12.9 dwelling units per gross developable acre. Typical housing product types include, but shall not be limited to, standard or alley-loaded lots, courtyard lots, green court lots, auto courts, alley clusters, zero-lot lines, or z-shaped lots. In addition, duet/half-plex homes, townhomes, or condominiums may be accommodated in Medium Density Residential areas.

"Mixed Use Parcel" means a Parcel or Parcels designated for a combination of Residential Uses and Nonresidential Uses.

"Multifamily For-Rent" or **"Multifamily For-Rent Parcel"** means any Parcel designated or developed for more than one residential dwelling Unit per Parcel and where such units are initially offered for rent to the general public and cannot be purchased by individual homeowners. Such uses may consist of apartments or structures such as duplexes or triplexes, including land uses defined as High Density Residential. Each residential dwelling Unit within Multifamily For-Rent or Multifamily For-Rent Parcels is not expected to have its own distinct Assessor's Parcel Number.

"Multifamily For-Sale" or **"Multifamily For-Sale Parcel"** means any Parcel designated or developed for more than one residential dwelling Unit within a single building or structure and that may share at least one common wall where such units are not initially offered for rent to the general public and initially may be offered for sale to individual homeowners. Such uses may consist of condominiums or buildings such as half-plexes or time-share units, including land uses defined as High Density Residential. Multifamily For-Sale Parcels are anticipated to have their own distinct Assessor's Parcel Number as is the case in residential condominium projects. Once designated as Multifamily For-Sale or Multifamily For-Sale Parcel, the Parcel shall remain so designated unless the original structures are demolished.

"Nonresidential Use" means a Taxable Parcel zoned for land uses other than Residential Uses which may include Business Professional, Community Commercial and Mixed Use.

"Original Parcel" means a Taxable Parcel identified in **Attachment 1** at formation of the CFD.

"Parcel" means any Assessor's Parcel in the CFD based on the equalized tax rolls of the County as of January 1 of each Fiscal Year.

"Partial Prepayment" means the partial fulfillment of a Parcel's Facilities Special Tax obligation, as determined by following the procedures in **Section 8**.

"Pay-As-You-Go Costs" means that portion of costs of acquisition, construction, and improvement of Authorized Facilities not financed by Bonds.

"Prepayment" means the full or partial fulfillment of a Parcel's Facilities Special Tax obligation, as determined by following the procedures in **Section 8**.

"Proportionately" means that the ratio of the actual Special Tax levy to the Maximum Annual Special Tax is equal for all Developed Parcels. For Small Lot Tentative Map Parcels, Proportionately means that the ratio of the actual Special Tax levy to the Maximum Annual Special Tax is equal for all Small Lot Tentative Map Parcels. For Large Lot Parcels, Proportionately means that the ratio of the actual Special Tax levy to the Maximum Annual Special Tax is equal for all Large Lot Parcels. For Undeveloped Parcels, Proportionately means that the ratio of the actual Special Tax levy to the Maximum Annual Special Tax is equal for all Undeveloped Parcels.

"Public Parcel" means any Parcel that is or is intended to be publicly owned, as designated in any final map, that is normally exempt from the levy of general ad valorem property taxes under California law, including, but not limited to, public streets, schools, parks, and public drainageways, landscaping, wetlands, greenbelts, and open space.

“Remainder Parcel” means a portion of a unit of land that is created as a result of the recording of a Large Lot Parcel Map or Final Small Lot Subdivision Map, which results in a designated remainder as defined in Government Code Section 66424.6(a) (Remainder Parcel). Such a Remainder Parcel may contain taxable and tax-exempt uses, such as Residential Uses, and Public Parcels, such as park sites. Once designated as a Remainder Parcel, such Parcel will be considered a Large Lot Parcel for the purposes of future Subdivisions and for the provisions of **Sections 4** through **6**.

“Residential Use” means a Parcel designated for residential use, such as single-family residential Units, residential condominiums, townhouses, or apartments that would be included in the definitions of Low-Density Residential, Medium Density Residential or High Density Residential.

“RMA” means this Rate and Method of Apportionment, and Manner of Collection of Special Tax, as it may be amended from time to time in connection with Annexation Parcels or otherwise.

“Single-Family Parcel” means, in any Fiscal Year, all Parcels in the CFD for which a building permit was issued or may be issued for construction of a Unit that is a single-family residential, residential condominium, or townhouse Unit.

“Small Lot Tentative Map” means a map that is approved by the City for the purpose of showing the design of a proposed Subdivision, including the individual buildable lots expected in the Subdivision, as well as the conditions pertaining thereto. A Small Lot Tentative Map is not based on a detailed survey of the property in the map and is not recorded at the County Recorder’s Office to create legal lots.

“Small Lot Tentative Map Parcel” means, in any Fiscal Year, all Parcels included in a Small Lot Tentative Map that was approved before May 1 of the prior Fiscal Year and which have not yet become a Developed Parcel.

“Special Tax(es)” mean(s) any tax levy under the Act in the CFD.

“Subdivision” or **“Subdivided”** means a division of a Parcel into two or more Parcels through Parcel reconfiguration, lot-line adjustments, or the Subdivision Map Act process. A Subdivision also may include the merging of two or more Parcels to create new Parcels.

“Successor Parcel” means a Parcel created by the Subdivision of an Original Parcel or a Successor Parcel.

“Tax Category” means the categories of taxable land uses shown in **Attachments 2** and **4**.

“Tax Collection Schedule” means the document prepared by the Administrator for the County Auditor-Controller to use in levying and collecting the Special Taxes each Fiscal Year.

“Tax Escalation Factor” means a factor of 2 percent by which the Maximum Annual Facilities Special Tax, Maximum Annual Maintenance Special Tax and related Maximum Annual Special Tax Rates shall be increased annually until the Transition Event. After the Transition Event, the Maximum Annual Maintenance Special Tax may be increased up to 2 percent annually at the City’s discretion. The Administrator should refer to Section 4a for application of the Tax Escalation Factor.

"Taxable Acreage" means that area of a Parcel determined by the Administrator to become a Taxable Parcel or Parcels upon further Subdivision. An example might be that a Large Lot Parcel Map creates a Remainder Parcel that, according to **Attachment 1**, contains both taxable uses and tax-exempt uses.

"Taxable Parcel" means any Parcel that is not a Tax-Exempt Parcel.

"Tax-Exempt Parcel" means a Parcel not subject to the Annual Special Tax. Tax-Exempt Parcels include (a) Public Parcels, and (b) Parcels owned by the City, school districts, special districts, or the state or federal government. A Taxable Parcel that is acquired by a public agency, the Parcel shall remain a Taxable Parcel as per the provisions of **Section 4.h**.

Certain privately-owned Parcels also may be exempt from the levy of Annual Special Taxes, including common areas owned by homeowner's associations or property owner associations, wetlands, detention basins, water quality ponds, and open space, as determined by the Administrator.

"Transition Event" means the earlier of (a) after the Initial Bonding period, the Fiscal Year in which the Administrator determines the Development Impact Fee Deferral has been repaid in full to the City and City determines funding is no longer needed for Annual Facilities Costs, or (b) Fiscal Year 2083-84.

"Transition Year" means the first Fiscal Year following the Fiscal Year in which the Transition Event occurred.

"Trustee" means a national banking association organized and existing under the laws of the United States acting as a trustee or fiscal agent for Bonds.

"Undeveloped Parcel" means a Taxable Parcel that is not a Developed Parcel, Small Lot Tentative Map Parcel, or a Large Lot Parcel.

"Unit" means, for a Single-Family Parcel, the individual residential unit on such Parcel, or for a Multifamily For-Rent Parcel or Multifamily For-Sale Parcel, an individual residential unit in a multifamily building.

3. Duration of the Special Tax

The Facilities Special Tax will be levied and collected for as long as it is needed to pay Annual Facilities Costs; however, in no event shall the Facilities Special Tax be levied on any Parcel in the CFD after Fiscal Year 2082-83. The Maintenance Special Tax will be levied and collected beginning in the Transition Year. The Maintenance Special Tax will be collected in perpetuity.

4. Administrative Tasks for the Facilities Special Tax

Tasks required of the Administrator are discussed below:

- a. Annual Special Tax Escalation. Until the Transition Event, the Administrator shall increase the Maximum Annual Facilities Special Tax, the Maximum Annual Maintenance Special Tax and Maximum Annual Special Tax Rates by the Tax Escalation Factor in all Fiscal Years following the Base Year. After the Transition Event, the City, in its sole discretion, may

determine whether to apply the Tax Escalation Factor to the Maximum Annual Maintenance Special Tax in any Fiscal Year.

- b. Assignment of the Maximum Annual Facilities Special Tax to Original Parcels. **Attachment 3** identifies the Assigned Maximum Annual Facilities Special Tax for each Original Parcel at CFD formation, which is determined for each Large Lot Parcel based on the Expected Land Uses in each Large Lot Parcel at CFD Formation. The Assigned Maximum Annual Facilities Special Tax shall continue to apply to the geographic area to which it was assigned. If, before further Subdivision, the Administrator determines there are multiple Assessor's Parcels in a Large Lot Parcel, the Administrator shall assign the Maximum Annual Facilities Special Tax to each Assessor's Parcel on a pro rata basis to all Assessor's Parcels in that Large Lot Parcel based on the percentage share of Taxable Acreage identified for each Assessor's Parcel. Similarly, if the Administrator determines there are multiple Large Lot Parcels in an Assessor's Parcel, the Maximum Annual Facilities Special Tax shall equal the sum of the Assigned Maximum Annual Facilities Special Tax for all Large Lot Parcels in that Assessor's Parcel.
- c. Assignment of the Maximum Annual Facilities Special Tax to Annexation Parcels. If Parcels are annexed to the CFD after formation, the Maximum Annual Facilities Special Tax shall be assigned to these Annexation Parcels using the definitions in **Section 2** and the Maximum Annual Facilities Special Tax per Unit or Acre shown in **Attachment 2** as adjusted by the Tax Escalation Factor applied by the Administrator, unless the Annexation Parcels are annexed with a new set of Maximum Annual Facilities Special Taxes. **Attachment 1** or **2** shall be amended, or a new attachment created, to include the Annexation Parcels and, if necessary, the applicable tax rates. If new Maximum Annual Facilities Special Taxes are created, **Attachments 1, 2, and 3** should be amended to reflect the Maximum Annual Facilities Special Taxes for the Annexation Parcels. Once annexed, these annexed Parcels shall be considered Original and Successor Parcels and will be subject to the same procedures for assignment of the Maximum Annual Facilities Special Tax to Successor Parcels described in **Section 4.d**. The owner of the Annexation Parcels shall be responsible for paying all costs associated with annexing the Annexation Parcels to the CFD, but otherwise shall not be required to pay any other charge, fee or catch-up special tax in connection with or as a condition of such annexation unless otherwise agreed to by the owner of the Annexation Parcel in connection with the annexation.
- d. Assignment of the Maximum Annual Facilities Special Tax to Successor Parcels. As Original Parcels and Successor Parcels are Subdivided through creation of Final Small Lot Subdivision Maps, lot line adjustments or other Parcel amendments through the Subdivision Map Act process, the Administrator shall use the following steps to assign the Maximum Annual Facilities Special Tax to new Successor Parcels. As a result of each assignment of the Maximum Annual Facilities Special Tax upon Subdivision of an Original Parcel or Successor Parcel, the sum of the Maximum Annual Facilities Special Taxes assigned to the newly created Taxable Parcels shall never be less, but may be greater, than the Assigned Maximum Annual Facilities Special Tax for that Original Parcel or Successor Parcel.
 - 1. If an Original Parcel or Successor Parcel is Fully Subdivided into Single-Family Parcels with No Remainder Parcel(s). There shall be no net loss of Maximum CFD Special Tax Revenue as a result of the assignment of the Maximum Annual Facilities Special Tax to

Single-Family Parcels. The Administrator shall use the following procedures to assign the Maximum Annual Facilities Special Tax to Single-Family Parcels. All references to Maximum Annual Facilities Special Taxes in the attachments are subject to application by the Tax Escalation Factor by the Administrator:

- A. Multiply the Maximum Annual Facilities Special Tax per Unit by Tax Category from **Attachment 2** by the number of Units for each Single-Family Parcel created by the Subdivision. Sum the Maximum Annual Facilities Special Taxes for all Single-Family Parcels created by the Subdivision.
 - B. If the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.1.A above is equal to or greater than the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided, assign the Maximum Annual Facilities Special Tax per Unit by Tax Category as calculated in Step 4.1.d.A above to each Single-Family Parcel created by the Subdivision.
 - C. If the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.1.A above is less than the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided, unless 100 percent of the Units are designated Affordable Units, (i) assign the Maximum Annual Facilities Special Tax for Affordable Units shown in **Attachment 2** to each Affordable Unit (if any) and, (ii) Proportionately increase the Maximum Annual Facilities Special Tax per Unit for all Units that are not Affordable Units until the sum of resulting Maximum Annual Facilities Special Taxes from all Units (including Affordable Units) equals the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided. Assign the Maximum Annual Facilities Special Tax calculated in this step to each new Single-Family Parcel created by the Subdivision.
 - D. If the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.1.A above is less than the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided **and** if 100 percent of the Single-Family Parcels created by Subdivision are designated as Affordable Units, increase Proportionately the Maximum Annual Facilities Special Tax per Unit for each Affordable Unit until the sum of Maximum Annual Facilities Special Taxes from all Affordable Units on the new Single-Family Parcels created by the Subdivision equal the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided. Assign the Maximum Annual Facilities Special Tax calculated in this step to each new Single-Family Parcel created by the Subdivision.
2. If Original or Successor Parcel Is Subdivided into Single-Family Parcels and One or More Remainder Parcels. When an Original or Successor Parcel is Subdivided into Single-Family Parcels and one or more Large Lot Parcels (or Remainder Parcels), the Assigned Maximum Annual Facilities Special Tax is apportioned to the Single-Family Parcels and Large Lot Parcels created by the Subdivision in the following manner:
- A. Apportion the Assigned Maximum Annual Facilities Special Tax to the area(s) that is/are being Subdivided into Single-Family Parcels and to the area(s) that will be Remainder Parcel(s) on a pro rata basis, based on the percentage share of Taxable

Acreage represented by each such area as compared to the total area of the Original or Successor Parcel.

- B. For each area Subdivided into Single-Family Parcels, multiply the Maximum Annual Facilities Special Tax per Unit by Tax Category from **Attachment 2** by the number of Units for each Single-Family Parcel created by the Subdivision. Sum the Maximum Annual Facilities Special Taxes for all Single-Family Parcels created by the Subdivision.
- C. For each area Subdivided into Single-Family Parcels, if the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.2.B above is equal to or greater than the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels, assign the Maximum Annual Facilities Special Tax per Unit by Tax Category as calculated in Step 4.d.2.B above to each Single-Family Parcel created by the Subdivision.
- D. For each area Subdivided into Single-Family Parcels, if the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.2.B above is less than the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels, unless 100 percent of the Units are designated Affordable Units, (i) assign the Maximum Annual Facilities Special Tax for Affordable Units shown in **Attachment 2** to each Affordable Unit (if any) and, (ii) Proportionately increase the Maximum Annual Facilities Special Tax per Unit for all Units that are not Affordable Units until the sum of resulting Maximum Annual Facilities Special Taxes from all Units (including Affordable Units) equals the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels. Assign the Maximum Annual Facilities Special Tax calculated in this step to each new Single-Family Parcel created by the Subdivision.
- E. For each area Subdivided into Single-Family Parcels, if the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.2.B above is less than the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels **and** if 100 percent of the Single-Family Parcels created by Subdivision are designated as Affordable Units, increase Proportionately the Maximum Annual Facilities Special Tax per Unit for each Affordable Unit until the sum of Maximum Annual Facilities Special Taxes from all Affordable Units on the new Single-Family Parcels created by the Subdivision equal the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels. Assign the Maximum Annual Facilities Special Tax calculated in this step to each new Single-Family Parcel created by the Subdivision.
- F. For the Remainder Parcel or Parcels, identify the Maximum Annual Facilities Special Tax for the entire Original or Successor Parcel that has been Subdivided. Sum the Maximum Annual Facilities Special Tax for all Single-Family Parcels created by the Subdivision, including Single-Family Parcels with Affordable Units. Subtract the sum of the Maximum Annual Facilities Special Tax for all Single-Family Parcels from the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel

being subdivided and compare it to the Maximum Annual Facilities Special Tax assigned to the Remainder Parcel or Parcels in Step 4.d.2.A. Assign to each Remainder Parcel, the lesser of the calculations in this step or in Step 4.d.2.A, but in no event less than the difference between the previously Assigned Maximum Annual Facilities Special Tax for the Original Parcel or Successor Parcel being Subdivided and the total of the Maximum Annual Facilities Special Tax for all Single-Family Parcels created by such Subdivision.

Once designated as a Remainder Parcel, such Parcel will be considered a Large Lot Parcel for the purposes of future Subdivisions and for the provisions of **Sections 4** through **6**.

3. If an Original or Successor Parcel is Subdivided creating multiple land uses and Tax Categories or for any rezones of land uses on Original or Successor Parcels:
 - A. Identify the Assigned Maximum Annual Facilities Special Tax for the Original Parcel or Successor Parcel that is being Subdivided or rezoned.
 - B. For each Taxable Parcel subject to rezone or created by Subdivision multiply the Maximum Annual Facilities Special Tax per Unit or per Acre by the number of Units or by the number of Acres by the appropriate Tax Category. For each Taxable Parcel created by Subdivision that includes Affordable Units, multiply the number of Affordable Units by the Tax per Unit for such Affordable Units.
 - C. Sum the Maximum Annual Facilities Special Tax for each Taxable Parcel and compare it to the Assigned Maximum Annual Facilities Special Tax of the Original or Successor Parcel that is subject to rezone or is being Subdivided. If the sum of Maximum Annual Facilities Special Tax for each Taxable Parcel is greater than the Assigned Maximum Annual Facilities Special Tax for the Original Parcel, the Administrator shall apply the Maximum Annual Facilities Special Tax calculated above for each Taxable Parcel.
 - D. If the Assigned Maximum Annual Facilities Special Tax for the Original Parcel or Successor Parcel subject to rezone or that is being subdivided is greater than the sum of Maximum Annual Facilities Special Tax for each Successor Parcel being created, increase Proportionately the Maximum Annual Facilities Special Tax per Unit or per Acre for all Tax Categories on each Taxable Parcel such that the sum of Maximum Annual Facilities Special Tax for all Taxable Parcels equals the Assigned Maximum Annual Facilities Special Tax for the Original Parcel.
- e. Affordable Units that Become Market-Rate Units. If, in any Fiscal Year, the City Manager, or his or her designee, determines that a Unit that previously had been designated as an Affordable Unit no longer qualifies as such, the Affordable Housing Director shall update the Affordable Unit listing by denoting the change in status of the Unit, together with the effective date thereof. For all Affordable Units that are converted to Market-Rate Units, such Units shall be assigned the Maximum Annual Facilities Special Tax per Unit based on their Tax Category as shown in **Attachment 2**, as adjusted by the Tax Escalation Factor.
- f. Transfer of the Assigned Maximum Annual Facilities Special Tax from One Large Lot Parcel to Another. The Maximum Annual Facilities Special Taxes shown in **Attachment 3** were determined based on the Expected Land Uses for each Large Lot Parcel shown in

Attachment 1. If the number of planned residential Units or Nonresidential Acreage is transferred from one Large Lot Parcel to another before recording of a Final Small Lot Subdivision Map in any portion of the Large Lot Parcel, the City may, in its sole discretion, allow for a transfer of the Maximum Annual Facilities Special Tax from one Large Lot Parcel to another. Such a transfer shall be allowed only if (1) all adjustments are agreed to in writing by the affected property owners and the Finance Director, and (2) there is no reduction in the Maximum Annual CFD Special Tax Revenues as a result of the transfer. Should a transfer result in an amendment to **Attachment 1, 2, or 3** of the Notice of Special Tax Lien, the requesting property owner shall bear the costs to effect the transfer in the CFD records and prepare the required amendments to the Notice of Special Tax Lien and **Attachments 1, 2, or 3**. Before the transfer, the City may require a deposit from the requesting property owner for such costs.

- g. Conversion of a Tax-Exempt Parcel to a Taxable Parcel. If a Tax-Exempt Parcel is not needed for public use and is converted to a taxable use or transferred to a private owner, it shall become subject to the Facilities Special Tax. The Maximum Annual Facilities Special Tax for the newly Taxable Parcel will be determined using the provisions of **Sections 4 and 5** of the RMA.
- h. Taxable Parcels Acquired by a Public Agency. A Taxable Parcel that is acquired by a public agency after the CFD is formed will remain subject to the applicable Special Tax unless the Special Tax obligation is satisfied pursuant to Section 53317.5 of the Government Code. An exception to this may be made if a Public Parcel, such as a park site, is relocated to a Taxable Parcel, in which case the previously Tax-Exempt Parcel of comparable acreage becomes a Taxable Parcel and the Maximum Annual Facilities Special Tax from the previously Taxable Parcel is transferred to the new Taxable Parcel. This trading of a Parcel from a Taxable Parcel to a Public Parcel will be permitted to the extent there is no net loss in Maximum Annual CFD Special Tax Revenue and the transfer is agreed to by the owners of the Parcels involved in the transfer and the Finance Director.

5. Administrative Tasks for the Maintenance Special Tax

This section discusses the administrative tasks for the Maintenance Special Tax, which shall be applicable after the Transition Event.

Tasks required of the Administrator are discussed below:

- a. Assignment of the Maximum Annual Maintenance Special Tax to Developed Parcels. After the Transition Event, the Administrator shall assign the Maximum Annual Maintenance Special Tax to all Developed Parcels using the Maximum Annual Special Tax Rates for the Maintenance Special Tax by Tax Category shown in **Attachment 4**, as adjusted by the Tax Escalation Factor.
- b. Assignment of the Maximum Annual Maintenance Special Tax to Successor Parcels. After the Transition Event, if Original Parcels and Successor Parcels are Subdivided through creation of Final Small Lot Subdivision Maps, lot line adjustments or other Parcel amendments through the Subdivision Map Act process, the Administrator shall use the steps in **Section 4.d** to assign the Maximum Annual Maintenance Special Tax to new Successor Parcels. **When**

applying Section 4.d after the Transition Event, the Administrator shall substitute Maintenance Special Tax for Facilities Special Tax and shall substitute Maximum Annual Maintenance Special Tax for Maximum Annual Facilities Special Tax.

- c. Assignment of the Maximum Annual Maintenance Special Tax to Annexation Parcels. If Parcels are annexed to the CFD after formation, the Maximum Annual Maintenance Special Tax shall be assigned to these Annexation Parcels using the definitions in Section 2 and the Maximum Annual Maintenance Special Tax per Unit or Acre shown in **Attachment 4** as adjusted by the Tax Escalation Factor applied by the Administrator, unless the Annexation Parcels are annexed with a new set of Maximum Annual Maintenance Special Taxes. **Attachment 1** may be amended, or a new attachment created, to include the Annexation Parcels and, if necessary, the applicable tax rates. If new Maximum Annual Maintenance Special Taxes are created, **Attachment 4** should be amended to reflect the Maximum Annual Maintenance Special Taxes for the Annexation Parcels. Once annexed, these annexed Parcels shall be considered Original and Successor Parcels and will be subject to the same procedures for assignment of the Maximum Annual Maintenance Special Tax to Successor Parcels described in this section. The owner of the Annexation Parcels shall be responsible for paying all costs associated with annexing the Annexation Parcels to the CFD, but otherwise shall not be required to pay any other charge, fee or catch-up special tax in connection with or as a condition of such annexation unless otherwise agreed to by the owner of the Annexation Parcel in connection with the annexation.
- d. Affordable Units that Become Market-Rate Units. If, in any Fiscal Year, the City Manager, or his or her designee, determines that a Unit that previously had been designated as an Affordable Unit no longer qualifies as such, the Affordable Housing Director shall update the Affordable Unit listing by denoting the change in status of the Unit, together with the effective date thereof. For all Affordable Units that are converted to Market-Rate Units, such Units shall be assigned the Maximum Annual Maintenance Special Tax per Unit based on their Tax Category as shown in **Attachment 4**, as adjusted by the Tax Escalation Factor.
- e. Conversion of a Tax-Exempt Parcel to a Taxable Parcel. If a Tax-Exempt Parcel is not needed for public use and is converted to a taxable use or transferred to a private owner, it shall become subject to the Maintenance Special Tax. The Maximum Annual Maintenance Special Tax for the newly Taxable Parcel will be determined using the provisions of **Sections 5 and 6** of the RMA.
- f. Taxable Parcels Acquired by a Public Agency. A Taxable Parcel that is acquired by a public agency after the CFD is formed will remain subject to the applicable Special Tax unless the Special Tax obligation is satisfied pursuant to Section 53317.5 of the Government Code. An exception to this may be made if a Public Parcel, such as a park site, is relocated to a Taxable Parcel, in which case the previously Tax-Exempt Parcel of comparable acreage becomes a Taxable Parcel and the Maximum Annual Maintenance Special Tax from the previously Taxable Parcel is transferred to the new Taxable Parcel. This trading of a Parcel from a Taxable Parcel to a Public Parcel will be permitted to the extent there is no net loss in Maximum Annual CFD Special Tax Revenue and the transfer is agreed to by the owners of the Parcels involved in the transfer and the Finance Director

6. Assignment of the Maximum Annual Special Tax

- a. Classification of Parcels. For purposes of the next Fiscal Year tax levy, by June 30 of each Fiscal Year, using the Definitions in **Section 2**, the Parcel records of the Assessor's secured tax roll as of January 1, and other City development approval records, the Administrator shall cause:
 1. Each Parcel to be classified as a Taxable Parcel or Tax-Exempt Parcel.
 2. Each Parcel to be classified as a Developed Parcel, a Small Lot Tentative Map Parcel, a Large Lot Parcel (including Remainder Parcels), or an Undeveloped Parcel.
- b. Assignment of the Maximum Annual Facilities Special Tax to Taxable Parcels. The Maximum Annual Facilities Special Tax will be assigned to each Taxable Parcel each Fiscal Year using the procedures (not all steps may be applicable for each such Parcel) in **Section 4**.
- c. Assignment of the Maximum Annual Maintenance Special Tax to Taxable Parcels. The Maximum Annual Maintenance Special Tax will be assigned to each Taxable Parcel each Fiscal Year using the procedures (not all steps may be applicable for each such Parcel) in **Sections 4 and 5**.

7. Calculating Annual Special Taxes

This section discusses the levy of the Facilities Special Tax and the Maintenance Special Tax. Collectively, these Special Taxes are included in the discussion of the assignment of the Maximum Annual Special Taxes. For the period following CFD formation until the Transition Event, the Maximum Annual Special Tax shall refer to the Facilities Special Tax. Beginning with the Transition Year, the Maximum Annual Special Tax shall refer to the Maintenance Special Tax.

The Administrator will compute the Annual Facilities Costs or Annual Maintenance Costs and determine the annual Special Tax levy for each Taxable Parcel based on the assignment of the Special Tax in **Sections 4, 5, and 6**. The Administrator then will determine the tax levy for each Taxable Parcel using the following process:

Facilities Special Tax Levy

- a. Compute the Annual Facilities Costs using the definition of Annual Facilities Costs in **Section 2**.
- b. For all Taxable Parcels, calculate the Facilities Special Tax levy for each using the following steps:
 - Step 7.b.1. The Facilities Special Tax shall be levied proportionately on all Developed Parcels up to the amount of Annual Facilities Cost or up to 100 percent of the Maximum Annual Facilities Special Tax Revenue for all Developed Parcels, whichever is less.
 - Step 7.b.2. If additional revenue is needed after *Step 7.b.1.*, the Facilities Special Tax shall be levied proportionately on each Small Lot Tentative Map Parcel until the revenue from the Facilities Special Tax levy in this step, when added to the levy amount computed in *Step 7.b.1.*, equals the Annual Facilities Costs, or up to

100 percent of the Maximum Annual Facilities Special Tax Revenue for all Small Lot Tentative Map Parcels. As necessary, the Facilities Special Tax shall be levied on Small Lot Tentative Map Parcels for the entire portion of Annual Facilities Costs, excluding Pay-As-You-Go Costs.

Step 7.b.3. If additional revenue is needed after *Step 7.b.2.*, the Facilities Special Tax shall be levied proportionately on each Large Lot Parcel until the revenue from the Facilities Special Tax levy in this step, when added to the levy amount computed through *Step 7.b.2.*, equals the Annual Facilities Costs, or up to 100 percent of the Maximum Annual Facilities Special Tax Revenue for all Large Lot Parcels. As necessary, the Facilities Special Tax shall be levied on Large Lot Parcels for the entire portion of Annual Facilities Costs, excluding Pay-As-You-Go Costs.

Step 7.b.4. If additional revenue is needed after *Step 7.b.3.*, the Facilities Special Tax shall be levied on each Undeveloped Parcel until the revenue from the Facilities Special Tax levy in this step, when added to the levy amounts computed through *Step 7.b.3.*, equals the Annual Facilities Costs, or up to 100 percent of the Maximum Annual Facilities Special Tax Revenue for all Undeveloped Parcels. As necessary, the Facilities Special Tax shall be levied on Undeveloped Parcels for the entire portion of Annual Facilities Costs, excluding Pay-As-You-Go Costs.

Maintenance Special Tax Levy

c. Beginning in the Transition Year, compute the Annual Maintenance Cost using the definition of Annual Maintenance Costs in **Section 2**.

d. For all Taxable Parcels, calculate the Maintenance Special Tax levy for each using the following steps:

Step 7.d.1. The Maintenance Special Tax shall be levied proportionately on all Developed Parcels up to the amount of Annual Maintenance Cost or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Developed Parcels, whichever is less.

Step 7.d.2. If additional revenue is needed after *Step 7.d.1.*, the Maintenance Special Tax shall be levied proportionately on each Small Lot Tentative Map Parcel until the revenue from the Maintenance Special Tax levy in this step, when added to the levy amount computed in *Step 7.d.1.*, equals the Annual Maintenance Costs, or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Small Lot Tentative Map Parcels.

Step 7.d.3. If additional revenue is needed after *Step 7.d.2.*, the Maintenance Special Tax shall be levied proportionately on each Large Lot Parcel until the revenue from the Maintenance Special Tax levy in this step, when added to the levy amount computed through *Step 7.d.2.*, equals the Annual Maintenance Costs, or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Large Lot Parcels

Step 7.d.4. If additional revenue is needed after *Step 7.d.3.*, the Maintenance Special Tax shall be levied on each Undeveloped Parcel until the revenue from the Maintenance Special Tax levy in this step, when added to the levy amounts computed through *Step 7.d.3.*, equals the Annual Maintenance Costs, or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Undeveloped Parcels.

- e. Levy on each Taxable Parcel the amount calculated above.
- f. Prepare the Tax Collection Schedule and, unless an alternative method of collection has been selected pursuant to **Section 9**, send it to the County Auditor requesting that it be placed on the general, secured property tax roll for the Fiscal Year. The Tax Collection Schedule will be sent no later than the date required by the County Auditor for such inclusion.

The Administrator will make every effort to calculate the Special Tax correctly for each Parcel. It will be the burden of the taxpayer to identify any errors in determining which Parcels are subject to the tax and their Special Tax assignments.

8. Prepayment of the Facilities Special Tax Obligation

A property owner may at any time prepay 50 percent, but not more or less than 50 percent of the Maximum Annual Facilities Special Tax. For Nonresidential Use Parcels, Full Prepayment is permissible at any time. Full Prepayment is not allowable for Residential Use Parcels.

In addition to the conditions above, the City may allow a Full or Partial Prepayment if the City determines that the Prepayment will not jeopardize its ability to make timely payments of Debt Service and maintain a 110-percent annual Debt Service coverage based on Maximum Annual Special Tax Revenues in all years where there will be Outstanding Bonds. Prepayments must be made by May 1 to have the Prepayment reflected in the following Fiscal Year's Special Tax levy. Prepayment is permitted only under the following conditions:

- The landowner prepaying the Facilities Special Tax on a Parcel has paid any delinquent Facilities Special Tax and penalties on that Parcel before Prepayment.
- Following Prepayment, amounts in the reserve fund are equal to or greater than the reserve fund requirement.
- The City determines that the Prepayment will not jeopardize its ability to make timely payments of Debt Service and maintain a 110-percent annual Debt Service coverage based on Maximum Annual Special Tax Revenues in all years in which issued Bonds will be outstanding.
- The portion of the Prepayment for the Development Impact Fee Deferral shall only be used to pay for the Development Impact Fee Deferral whether it was or is to be funded through annual special tax payments or through bonded indebtedness.

When permitted, the Administrator shall calculate Prepayments using the following steps:

a. The Full Prepayment amount shall be established by following the steps below:

- Step 8.a.1: Determine the Facilities Special Tax for the Taxable Parcel for which the Facilities Special Tax is to be prepaid using the provisions of **Sections 4, 5, and 6**. If the Parcel is not designated as a Developed Parcel, determine the applicable Facilities Special Tax for the Parcel assuming it is a Developed Parcel.
- Step 8.a.2: Increase the Facilities Special Tax by 2 percent per annum for the longer of (i) 30 years from the year in which the Parcel was first subject to the Facilities Special Tax as a Developed Parcel, or (ii) the end of the then-remaining Initial Bonding Period.
- Step 8.a.3: Using a discounted rate equal to the most current yield for the 30-Year Treasury Constant Maturity, calculate the net present value of the revenue stream determined *Step 8.a.2*. If this yield is no longer available, the Administrator will select a yield rate from the most comparable type of security.
- Step 8.a.4: Add to the amount calculated in *Step 8.a.3* interest on the Bonds being redeemed to the next redemption date.
- Step 8.a.5: Add to the amount calculated in *Step 8.a.4* a redemption premium on the Bonds being redeemed (if any).
- Step 8.a.6: Add to the amount calculated in *Step 8.a.5* the Development Impact Fee Deferral amount applicable to the Parcel, as adjusted for inflation. If Bonds have been issued to finance the Development Impact Fee Deferral, follow *Step 8.a.2* and *8.a.3*, using for *Step 8.a.2* the longer of (i) 30 years from the year in which the Parcel was first subject to the Facilities Special Tax during the Deferral Bonding Period, or (ii) the end of the then-remaining Deferral Bonding Period.
- Step 8.a.7: Add the administrative cost of processing the Prepayment to the amount calculated in *Step 8.a.6*.
- Step 8.a.8: The amount in *Step 8.a.7* is the amount of the Full Prepayment of the Maximum Annual Special Tax for the Taxable Parcel.

b. Partial Prepayments will be calculated as described below:

The amount of any Partial Prepayment is limited to 50 percent of the Full Prepayment amount determined in *Step 8.a.8*. A Partial Prepayment may only be made in an amount equal 50 percent of the Full Prepayment desired by the party making a Partial Prepayment, except that the full amount of Administrative fees and expenses determined in *Step 8.a.7* shall be included in the Partial Prepayment. The Facilities Special Tax that can be levied on a Parcel after a Partial Prepayment is made is equal to one-half of the Facilities Special Tax that could have been levied before the Partial Prepayment.

9. Interpretation, Application, and Appeal of Special Tax Formula and Procedures

Any taxpayer who feels the amount of the Special Tax assigned to a Parcel is in error may file a notice with the Finance Director appealing the levy of the Special Tax. The Finance Director then will promptly review the appeal and, if necessary, will meet with the applicant. If the Finance Director verifies that the tax should be modified or changed, the Special Tax levy will be corrected and, if applicable in any case, a credit or refund will be granted.

Interpretations may be made by the City, without Resolution or Ordinance of the Council, for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax rate, the method of apportionment, the classification of properties, or any definition applicable to the CFD.

Without Council approval, the Finance Director may make minor, non-substantive administrative and technical changes to the provisions of this RMA that do not materially affect the rate, method of apportionment, or manner of collection of the Special Tax for purposes of administrative efficiency or convenience or to comply with new applicable federal, state, or local law.

The City, upon request of an owner of land in the CFD that is not a Developed Parcel, also may amend this RMA in any manner acceptable to the City, without Resolution or Ordinance of the Council, upon the affirmative vote of such owner and without the vote of owners of any other land in the CFD, provided such amendment is only applicable to such owner's land and does not reduce the total Maximum Annual CFD Special Tax Revenue.

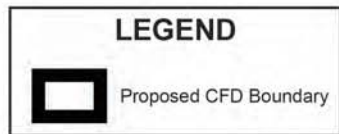
10. Manner of Collection

The Special Tax will be collected in the same manner and at the same time as ad valorem property taxes, provided, however, the Administrator or its designee may directly bill the Special Tax and may collect the Special Tax at a different time, such as on a monthly or other periodic basis, or in a different manner, if necessary, to meet the City's financial obligations.

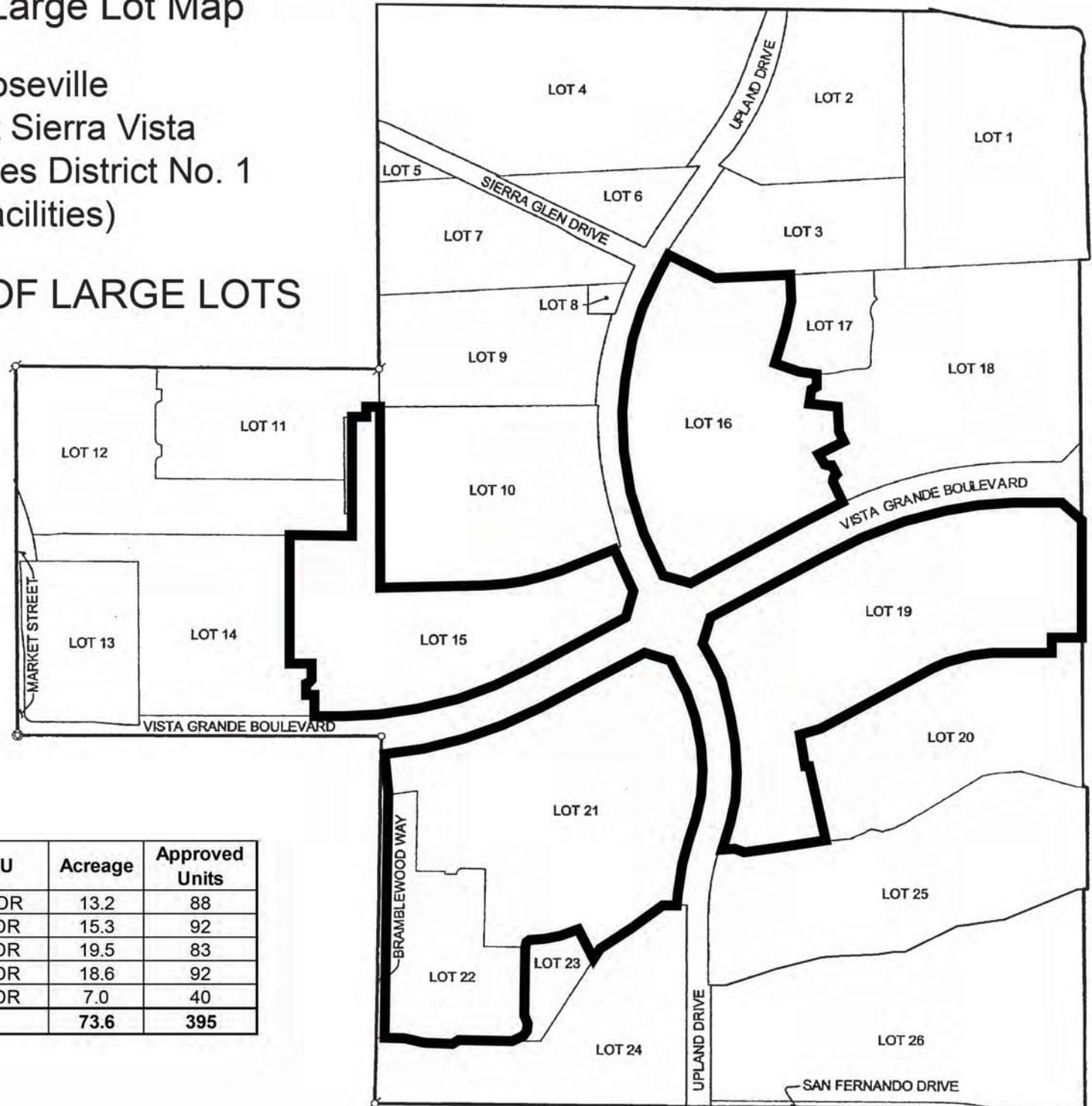
Attachment 1 - Large Lot Map

City of Roseville The Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities)

IDENTIFICATION OF LARGE LOTS



Lot #	APN	SVSP ID	LU	Acreage	Approved Units
15	498-010-036	JM-20	MDR	13.2	88
16	498-010-037	JM-2	LDR	15.3	92
19	498-010-040	JM-3	LDR	19.5	83
21	498-010-042	JM-4	LDR	18.6	92
22	498-010-043	JM-4	LDR	7.0	40
TOTAL				73.6	395



Attachment 2
Villages at Sierra Vista CFD No. 1 (Public Facilities)
Maximum Annual Facilities Special Taxes by Tax Category
for the Base Year of FY 2018-19 [1]

Expected Land Uses (Tax Category)	Facilities Special Tax per Unit/Taxable Acre	
	Before Transition Event [1]	After Transition Event
Residential Uses	<u>per Unit</u>	<u>per Unit</u>
Low Density Residential (LDR)	\$1,800.00	\$0.00
Medium Density Residential (MDR)	\$1,600.00	\$0.00
High Density Residential (HDR) [2]		
High Density Residential (HDR) For-Sale [2]	\$0.00	\$0.00
High Density Residential (HDR) For-Rent [2]	\$0.00	\$0.00
Affordable Medium Density Residential	\$800.00	\$0.00
Affordable High Density Residential [2]	\$0.00	\$0.00
Nonresidential Uses [2]	<u>per Taxable Acre</u>	<u>per Taxable Acre</u>
Mixed Use (MU) [2]	\$0.00	\$0.00
Business Professional (BP) [2]	\$0.00	\$0.00
Community Commercial (CC) [2]	\$0.00	\$0.00
Undeveloped Property	\$9,500.00	\$0.00

"att2"

[1] This amount is subject to increase by the Tax Escalation Factor in each Fiscal Year following the Base Year as described in this RMA.

[2] If a Low Density Residential, Medium Density Residential or Affordable Medium Density Residential Parcel with a Special Tax is rezoned to a use with an identified Special Tax of \$0 in this attachment, the Special Tax would be assigned to the Parcel using the provisions of Section 4 of this RMA.

Attachment 3

Villages at Sierra Vista CFD No. 1 (Public Facilities)

Assigned Maximum Annual Special Tax for Original Parcels (Base Year of FY 2018-19) [1] [2]

Original Parcel	Village Number	Expected Land Uses				Assigned Maximum Annual Special Tax per Unit [1] [2]	Assigned Maximum Annual Special Tax per Village [1] [2]
		Tax Category	Acres	Planned Units	Planned Units per Acre		
498-010-036	JM-20, Phase 1	MDR	13.2	88	6.7	\$1,600.00	\$140,800.00
498-010-037	JM-2, Phase 1	LDR	15.3	92	6.0	\$1,800.00	\$165,600.00
498-010-040	JM-3 - Phase 1	LDR	19.5	83	4.3	\$1,800.00	\$149,400.00
498-010-042	JM-4, Phase 1	LDR	18.6	92	4.9	\$1,800.00	\$165,600.00
498-010-043	JM-4, Phase 2	LDR	7.0	40	5.7	\$1,800.00	\$72,000.00
CFD Totals			73.6	395			\$693,400.00

"att3"

[1] This amount is subject to increase by the Tax Escalation Factor in each Fiscal Year following the Base Year as described in this RMA.

[2] If amended to included Annexation Parcels, the Maximum Annual Special Tax for Annexation Parcels would also be subject to the Tax Escalation Factor.

Attachment 4
Villages at Sierra Vista CFD No. 1 (Public Facilities)
Maximum Annual Maintenance Special Taxes by Tax Category
for the Base Year of FY 2018-19 [1]

Expected Land Uses (Tax Category)	Maintenance Special Tax per Unit/Taxable Acre	
	Before	After
	Transition Event [1]	Transition Event [1]
Residential Uses	<u>per Unit</u>	<u>per Unit</u>
Low Density Residential (LDR)	\$0.00	\$900.00
Medium Density Residential (MDR)	\$0.00	\$800.00
High Density Residential (HDR) [2]		
High Density Residential (HDR) For-Sale	\$0.00	\$0.00
High Density Residential (HDR) For-Rent	\$0.00	\$0.00
Affordable Medium Density Residential	\$0.00	\$400.00
Affordable High Density Residential [2]	\$0.00	\$0.00
Nonresidential Uses [2]	<u>per Taxable Acre</u>	
Mixed Use (MU) [2]	\$0.00	\$0.00
Business Professional (BP) [2]	\$0.00	\$0.00
Community Commercial (CC) [2]	\$0.00	\$0.00
Undeveloped Property	\$0.00	\$4,750.00

"att4"

[1] This amount is subject to increase by the Tax Escalation Factor in each Fiscal Year following the Base Year as described in this RMA.

[2] If a Low Density Residential, Medium Density Residential or Affordable Medium Density Residential Parcel with a Special Tax is rezoned to a use with an identified Special Tax of \$0 in this attachment, the Special Tax would be assigned to the Parcel using the provisions of Section 4 of this RMA.

PROPOSED BOUNDARY OF THE VILLAGES AT SIERRA VISTA

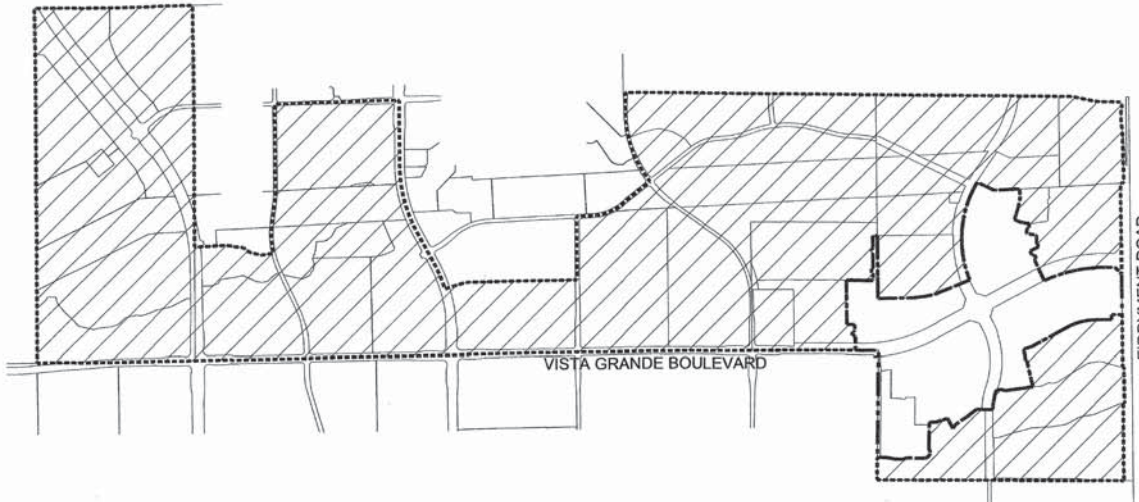
COMMUNITY FACILITIES DISTRICT NO. 1

(PUBLIC FACILITIES)

CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA

SCALE: 1" = 800'

SHEET 1 OF 1

**LEGEND:**

PROPOSED CFD BOUNDARY



AREAS OF FUTURE ANNEXATION

CITY CLERK'S STATEMENT:

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF ROSEVILLE, COUNTY OF PLACER,
STATE OF CALIFORNIA THIS 21 DAY OF March, 2018.

SONIA OROZCO, CITY CLERK
CITY OF ROSEVILLE
PLACER COUNTY, CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF THE
VILLAGES AT SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES), CITY
OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA WAS APPROVED BY THE CITY
COUNCIL OF THE CITY OF ROSEVILLE, AT A REGULAR MEETING THEREOF HELD ON THE 21
DAY OF March, 2018, BY ITS RESOLUTION NUMBER 18-86.

SONIA OROZCO, CITY CLERK
CITY OF ROSEVILLE
PLACER COUNTY, CALIFORNIA

RECORDER'S STATEMENT:

FILED THIS 26th DAY OF March, 2018, AT THE HOUR OF 11:46 O'CLOCK, A.M.,
IN BOOK 3 OF MAPS OF COMMUNITY FACILITIES DISTRICT, AT PAGE 77,
IN THE OFFICE OF THE RECORDER OF THE COUNTY OF PLACER, STATE OF CALIFORNIA.

DOC NO. 2018-0019977

RYAN RONCO
PLACER COUNTY RECORDER

FEE: \$ 8.00

BY:
DEPUTY

MAP PREPARED BY:

MARCH, 2018



BAKER-WILLIAMS ENGINEERING GROUP

Engineering / Surveying / Land Planning / Entitlement Processing / GPS Services
8020 Rutland Drive, Suite 19 - Carmichael, CA 95608
(916) 331-4336 - fax (916) 331-4430 - office@bweengineers.com

SHEET 1 OF 1

EXHIBIT B

City of Roseville
Villages at Sierra Vista
Community Facilities District No. 1
(Public Facilities)
Placer County, California

LIST OF AUTHORIZED FACILITIES AND SERVICES

Authorized Facilities

Transportation Improvements

Public roadway improvements designed to meet the needs of the project, including those improvements identified in the project Development Agreement (DA) Sections 3.5.17 and 3.5.18, including but not limited to;

- Federico Drive.
- Fiddymment Road.
- Market Street.
- Santucci Boulevard.
- Summerfaire Drive.
- Silver Spruce Drive.
- Sierra Glen Drive.
- Vista Park Drive.
- Vista Grande Boulevard.
- Westbrook Boulevard.

Eligible roadway improvements include the following items: acquisition of land and easements; roadway design; project management; geotechnical engineering, testing and observations, bridge crossings and culverts; clearing, grubbing, and demolition; grading, soil import/export, paving (including slurry seal), and decorative/enhanced pavement concrete or pavers; power pole relocations; joint trenches, underground utilities, and undergrounding of existing utilities; dry utilities and appurtenances; curbs, gutters, sidewalks, bike trails (including on- and off-site), park and ride facilities, bus rapid transit improvements, including transfer stations and regional public transit improvements; retaining walls, sound walls, 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; masonry walls; traffic control and agency fees; and other improvements related thereto. Eligible improvements for the roads listed above also include any and all necessary

underground potable and non-potable water, sanitary sewer, and storm drainage system improvements.

Potable and Non-Potable Water System Improvements

Authorized facilities include any and all on- and off-site backbone water facilities designed to meet the needs of development of the project. These facilities include potable and non-potable mains, valves, services, and appurtenances; wells; and water treatment and storage facilities, and related improvements, including but not limited to: site clearing, grading, and paving; curbs and gutters; recycled water storage tanks, booster pump stations, and all appurtenances thereto; wells; water treatment; stand-by generator; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates and fencing; striping and signage; and the following:

- Water lines in/associated with authorized facility roads.
- Recycled water lines in/associated with authorized facility roads.
- Well construction or financial contributions thereto on, but not limited to JM-60.
- Water Tank Site Improvements (DA Section 3.8.2).
- Recycled Water Storage Tank Facility
- Reimbursement obligation for the Baseline Road 24" water line (DA Section 3.8.3).
- CFD obligations for RW tank(s) required by DA Section 3.9.

Drainage System Improvements

Authorized facilities include any and all on- and off-site backbone drainage and storm drainage improvements designed to meet the needs of development of the project. These facilities include mains, pipelines and appurtenances, outfalls and water quality measures, temporary drainage facilities, detention/retention basins, and drainage pretreatment facilities; drainage ways/channels, pump stations, landscaping, and irrigation; access roads, gates, and fencing; striping and signage; and the following:

- All storm drain lines and facilities in/associated with authorized facility roadways.
- Retention, detention, hydro-modification, and other drainage facilities.

Wastewater System Improvements

Authorized facilities include any and all on- and off-site backbone wastewater facilities designed to meet the needs of development of the project. These facilities include pipelines and all appurtenances thereto; manholes; tie-in to existing main line; force mains; lift stations; odor-control facilities; sewer treatment plant

improvements and permitting related thereto; and related sewer system improvements, including but not limited to:

- All wastewater facilities in/associated with authorized facility roadways.

Solid Waste Improvements

Authorized facilities include any and all backbone solid waste improvements designed to meet the needs of development of the project. Eligible improvements also include the project's pro-rata contribution, as described in the project DA, to the Sierra Vista Specific Plan (SVSP) Solid Waste Recycling Center (DA Section 3.26(iii)).

Park, Landscape Corridor and Paseo Improvements

Authorized facilities include any and all improvements to parks, landscape corridors and paseos located in the project, including but not limited to:

- Construction of Park Sites as identified by the Specific Plan.
- Construction of Paseos as identified by the Specific Plan.

Open Space Improvements

Authorized facilities include any and all open space improvements designed to meet the needs of development of the project, including bike trails, bike/pedestrian bridges, storm drain crossings, storm drain detention/retention, wetland mitigation, tree mitigation, on- and off-site hawk/raptor mitigation, agricultural mitigation or wetland mitigation, property acquisition, endowment payments for open space management, landscaping and irrigation, access gates and fencing, and related open space improvements, including but not limited to:

- Improvements as identified by the Specific Plan.
- Wetland creation mitigation, fencing, etc.

Utilities

Authorized facilities include any and all on- and off-site utility improvements designed to meet the needs of development of the project. All utility improvements, easement payments, and land acquisition not located under or alongside transportation improvements are considered authorized facilities. Authorized facilities also shall include costs related to the acquisition of the off-site electric substation site; site clearing; grading; street frontage improvements, including curbs, gutters, and paving; and construction of an all-weather access road to the site from the nearest public street or extension of temporary 12kV overhead lines as described in the project DA, including but not limited to:

- SVSP Electric Substation site acquisition, and improvements required by

DA Section 3.11.3.

- Temporary overhead 12kV lines to loop SVSP substation to line in WRSP Phase 3 and 4.

Other Public Facilities

Authorized facilities includes any and all public facilities or infrastructure, including the project's pro-rata contribution to the land acquisition of the off-site fire station site, site clearing, grading, and street frontage improvements including curbs, gutters, and paving, including but not limited to:

- Fire Station site reimbursement obligations in DA Section 3.23.

Development Impact Fees

Authorized facilities include development impact fees paid and not otherwise reimbursed, whether standard City or County fees levied at the time of the issuance of a building permit or required as part of the DA for the property. Fees include, but are not limited to, the South Placer Regional Transportation Authority Tier II Traffic Fee, City of Roseville City Wide Park Fee, City of Roseville Public Facilities Fee, and Public Benefit Fee (as defined in Section 3.14.3 of the DA for the property).

Formation, Administrative, and Incidental Expenses

In addition to the above facilities, other expenses incidental to the above and authorized by the Mello-Roos Community Facilities Act of 1982, including but not limited to: the cost of planning, permitting, and designing the facilities (including the cost of environmental evaluation, orthophotography, environmental remediation/mitigation, and preparation of an overarching Operation and Maintenance Plan for the City of Roseville Open Space Preserves); land acquisition and easement payments for the facilities; project management; construction staking; engineering studies and reports; utility relocation and demolition costs incidental to construction of the facilities, wetland/Species mitigation purchase; reimbursements to other areas for infrastructure facilities or planning serving development in the CFD; Sierra Vista Specific Plan planning, legal, engineering, technical studies costs related to the facilities and any other expenses incidental to the construction, completion, and inspection of the facilities.

In addition, costs eligible to be financed by the CFD shall include all costs associated with the formation and ongoing administration of the CFD and issuance of bonds; determination of the amount of taxes and collection of taxes; inspection, plan check and other costs related to acceptance of the facilities by the City, payment of taxes; and any other costs incurred to carry out the authorized purposes of the CFD.

Authorized Services

The authorized services to be funded from the levy and collection of annual maintenance special taxes are the provision of public services, maintenance and operation related to any facilities authorized to be funded by the CFD with a useful life of five or more years, including but not limited to performance by employees of functions and repair activities. Maintenance as used herein includes replacement and the creation and funding of a reserve fund to pay for a replacement of such facilities. The maintenance special taxes shall only fund authorized services to the extent that they are in addition to those provided to land within the CFD prior to the creation of the CFD. In addition, costs eligible to be financed by the CFD shall include all costs associated with the ongoing administration of the CFD, determination of the amount of taxes and collection of taxes, and other costs related to the authorized services provided by the City as permitted by the Act, payment of taxes; and any other costs incurred to carry out the authorized purposes of the CFD.

CITY COUNCIL OF THE CITY OF ROSEVILLE

RESOLUTION NO. 19-28

**RESOLUTION DECLARING RESULTS OF AMENDMENT OF SPECIAL TAX ELECTION,
DETERMINING VALIDITY OF PRIOR PROCEEDINGS, AND DIRECTING RECORDING OF
AMENDED NOTICE OF SPECIAL TAX LIEN OF
VILLAGES AT SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 1**

WHEREAS, this Council on November 28, 2018, adopted Resolution No. 18-470 (the "Resolution of Consideration") stating its intention to undertake change proceedings under the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), in order to describe proposed changes to the rate and method of apportionment of the special taxes for the City's Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities) (the "CFD") and to consider the addition of services authorized as eligible to be financed by the CFD; and

WHEREAS, in proceedings heretofore conducted by the Council pursuant to the Act, this Council has heretofore adopted a resolution, which is hereby incorporated herein by this reference, calling a special election of the qualified landowner electors in the territory of the CFD with regard to the proposed changes; and

WHEREAS, pursuant to the terms of the resolution calling a special election, the special election has been held and the City Clerk has filed a Canvass of Votes Cast in Special Election (the "Canvass"), a copy of which is attached hereto as Exhibit A; and

WHEREAS, this Council has been informed of the Canvass, finds it appropriate and wishes to complete its proceedings for the CFD.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ROSEVILLE RESOLVES AS FOLLOWS:

1. The foregoing recitals are all true and correct.
2. The issues presented at the special election were (i) the alteration of the rate and method of apportionment of the special taxes within the CFD, and (ii) the alteration of the list of authorized facilities for the CFD, both as heretofore approved by this Council as described in the "Resolution Authorizing Amendment of the Special Tax Formula and Authorized Facilities for Villages at Sierra Vista Community Facilities District No. 1 and Submission of Amendments to Qualified Electors," adopted January 16, 2019 (the "Resolution of Amendment").
3. The Council hereby approves the Canvass and finds that it shall be a permanent part of the record of its proceedings for the CFD. Pursuant to the Canvass, the issues presented at the special election were approved by the landowners of the territory in the CFD by more than two-thirds of such landowners voting at the special election.
4. Pursuant to the voter approval, said Rate and Method of Apportionment of Special Tax for the CFD is hereby declared to be amended as set forth in the Resolution of Amendment, which amendment is now applicable to the calculation of the special taxes for the CFD, and this Council may levy special taxes therein as therein provided as a result of these proceedings.

5. Pursuant to the voter approval, said List of Facilities for the CFD is hereby declared to be amended as set forth in the Resolution of Amendment, which amendment is now applicable to the facilities and services to be financed in whole or in part by the special taxes of the CFD.

6. It is hereby found that all prior proceedings and actions taken by this Council pursuant to the CFD and the amendment of the authorized facilities and of the Rate and Method of Apportionment of Special Tax for the CFD were valid and in conformity with the Act.

7. Within 15 days of the date hereof, the City Clerk shall execute and cause to be recorded in the office of the County Recorder of the County of Placer, an amendment to the Notice of Special Tax Lien as required by Section 3117.5 of the California Streets and Highways Code.

* * * * *

I hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Roseville, California, at a regularly scheduled meeting thereof, held on the ____ day of _____, 2019, by the following vote of the City Council:

AYES:	COUNCILMEMBERS
NOES:	COUNCILMEMBERS
ABSENT:	COUNCILMEMBERS
ABSTAIN:	COUNCILMEMBERS

Mayor

ATTEST:

City Clerk of the City of Roseville

EXHIBIT A

**CITY OF ROSEVILLE
Villages at Sierra Vista Community Facilities District No. 1
(Public Facilities)**

2019 Amendment of CFD Authorizations

CANVASS AND STATEMENT OF RESULT OF ELECTION

I hereby certify that on this date, I canvassed the returns of the election held on this date, in the territory affected by increased special taxes arising out of the proposed amendment of the special tax formula of Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities) of the City of Roseville which election is designated as the 2019 Amendment of CFD Authorizations, and the total number of ballots cast in the territory of the CFD and the total number of votes cast for and against the measures are as follows and the totals as shown for and against the measure are full, true and correct:

	Qualified Landowner Votes	Votes Cast	YES	NO
City of Roseville, Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities) 2019 Amendment of CFD Authorizations Election, January 16, 2019.	_____	_____	_____	_____

BALLOT MEASURE: Shall the measure to allow the City of Roseville, by and for its Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities) (the "CFD"), to be authorized to amend authorized facilities to add certain services and to amend the tax formula for determining the levy of special taxes within certain territory in the CFD, as described in the "Resolution Authorizing Amendment of the Special Tax Formula and Authorized Facilities for Villages at Sierra Vista Community Facilities District No. 1 and Submission of Amendments to Qualified Electors" **be adopted?**

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND this ____ day of _____, 2019.

CITY OF ROSEVILLE

By: _____
City Clerk

The Economics of Land Use



Amended Hearing Report

Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities)

Prepared for:

City of Roseville

Prepared by:

Economic & Planning Systems, Inc. (EPS)

December 2018

*Economic & Planning Systems, Inc.
400 Capitol Mall, 28th Floor
Sacramento, CA 95814
916 649 8010 tel
916 649 2070 fax*

*Oakland
Sacramento
Denver
Los Angeles*

www.epsys.com

EPS #172043

Table of Contents

1.	INTRODUCTION.....	1
	Background.....	1
	Purpose of the CFD	1
	Organization of the Report	3
2.	LAND USES	4
3.	AUTHORIZED FACILITIES, SERVICES, AND ESTIMATED FACILITY COSTS	6
	Authorized Facilities of the CFD	6
	Authorized Services.....	9
4.	CFD BOND AUTHORIZATION AND MAXIMUM SPECIAL TAXES.....	12
	CFD Bond Authorization and Funding Strategy.....	12
	Maximum Annual Special Tax	13
	Overall Tax Burden for Single-Family Residential	14
5.	STRUCTURE OF THE CFD.....	19
	Description of the CFD.....	19
	The CFD Funding Program.....	19
	Transition Event for Special Taxes.....	19
	Determining the Maximum Annual Special Tax	19
	Base Year	20
	Annual Tax Escalation Factor.....	20
	Duration of the Special Tax	20
	Definition of Initial Bonding Period	20
	Definition of Annual Facilities Costs	20
	Transition Event and Maintenance Special Taxes.....	23
	Definition of Annual Maintenance Costs	23
	Assignment of Maximum Annual Special Tax	23
	Affordable Units.....	25
	Transfer of the Assigned Maximum Annual Facilities Special Tax	25

Conversion of a Tax-Exempt Parcel to a Taxable Parcel.....	25
Taxable Parcels Acquired by a Public Agency	25
Determination of Parcels Subject to Special Tax.....	26
Setting the Facilities Special Tax Levy for Taxable Parcels	26
Setting the Maintenance Special Tax Levy for Taxable Parcels	27
Prepayment of the Special Tax Obligation	27
Interpretation, Application, and Appeal of Special Tax Formula and Procedures	28
Manner of Collection	28

Exhibits:

- Exhibit A: Facilities Rate, Method of Apportionment, and Manner of Collection of Special Tax
- Exhibit B: List of Authorized Facilities and Services

List of Map and Tables

Map 1	Villages at Sierra Vista CFD No. 1	2
Table 1	Proposed CFD Boundary Parcels.....	4
Table 2	Parcels that May Annex into CFD No. 1	5
Table 3	Estimated Backbone Infrastructure Costs	11
Table 4	Maximum Special Tax in the Base Year of FY 2018–19.....	15
Table 5	Maximum Special Tax per Acre in the Base Year of FY 2018–19	16
Table 6	Maximum Annual Maintenance Special Taxes by Tax Category for the Base Year of 2018-19	17
Table 7	Overall Tax Burden for Single-Family Residential Parcels.....	18

1. INTRODUCTION

Background

The City of Roseville (City) retained Economic & Planning Systems, Inc. (EPS) to support its efforts to create a Mello-Roos Community Facilities District (CFD) for the Villages at Sierra Vista (Villages or Project) development, located in the Sierra Vista Specific Plan (SVSP) area, south of Westpark and west of Fiddymont Road. The objective of establishing a CFD is to create a land-secured funding mechanism to be used to fund construction of authorized facilities of the CFD. With consideration to the anticipated phasing of development, the CFD boundary initially is proposed to include a subset of the Project area reflecting the anticipated first phase of development. The remainder of the Project area has been designated as a future annexation area with the ability to annex into the CFD as subsequent phases of development proceed.

The Project land uses within the initial CFD boundary include approximately 307 low-density residential (LDR) units and 88 medium-density residential (MDR) units over roughly 73.6 acres. Spanning the remainder of the Villages area, expected land uses for the annexation area include an additional approximately 1,900 LDR and MDR units, approximately 500 high-density residential (HDR) units, and approximately 25 acres of commercial or mixed-use area.

Formation of the City's CFD No. 1 (Public Infrastructure) is now being modified with the City's adoption of the Resolution of Consideration to amend the Special Tax Formula and Authorized Facilities and Services of the CFD. The City Council (Council) adopted the resolution to amend the CFD on November 28, 2018. The Resolution of Formation (ROF) will be considered by the Council on January 16, 2019.

Purpose of the CFD

The CFD is being formed to fund major road improvements, potable and non-potable water system improvements, wastewater system improvements, solid waste improvements, park and paseo improvements, open space improvements, and other authorized facilities under the Mello-Roos Act, serving the Project as a condition of the City's approval of the development Project.

Through the transition of the facilities special tax to the maintenance special tax, the CFD may also fund long term repair and replacement of authorized facilities once CFD bonds have been defeased and other obligations of the CFD for authorized facilities have been fulfilled. Once these facilities special tax obligations have been fulfilled, the City has the discretion to levy the maintenance special tax to help fund long term repair and replacement of such facilities.

Authorized to issue up to \$310 million in bonds, the first series of bonds is anticipated to be issued within the 2019 calendar year. **Map 1** shows the proposed boundaries of the CFD.

PROPOSED BOUNDARY OF THE VILLAGES AT SIERRA VISTA

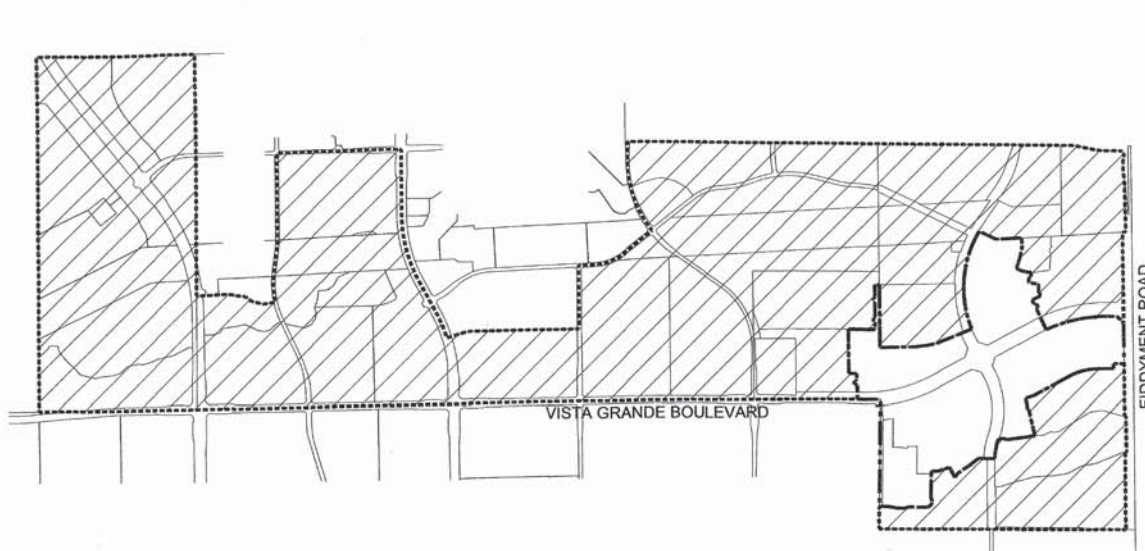
COMMUNITY FACILITIES DISTRICT NO. 1

(PUBLIC FACILITIES)

CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA

SCALE: 1" = 800'

SHEET 1 OF 1

**LEGEND:**

PROPOSED CFD BOUNDARY



AREAS OF FUTURE ANNEXATION

CITY CLERK'S STATEMENT:

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF ROSEVILLE, COUNTY OF PLACER,
STATE OF CALIFORNIA THIS 21 DAY OF March, 2018.

SONIA OROZCO, CITY CLERK
CITY OF ROSEVILLE
PLACER COUNTY, CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF THE
VILLAGES AT SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES), CITY
OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA WAS APPROVED BY THE CITY
COUNCIL OF THE CITY OF ROSEVILLE, AT A REGULAR MEETING THEREOF HELD ON THE 21
DAY OF March, 2018, BY ITS RESOLUTION NUMBER 18-86.

SONIA OROZCO, CITY CLERK
CITY OF ROSEVILLE
PLACER COUNTY, CALIFORNIA

RECORDER'S STATEMENT:

FILED THIS 26th DAY OF March, 2018, AT THE HOUR OF 11:46 O'CLOCK, A.M.,
IN BOOK 3 OF MAPS OF COMMUNITY FACILITIES DISTRICT, AT PAGE 77,
IN THE OFFICE OF THE RECORDER OF THE COUNTY OF PLACER, STATE OF CALIFORNIA.

DOC NO. 2018-0019977

RYAN RONCO
PLACER COUNTY RECORDER

FEE: \$ 8.00

BY:
DEPUTY

MAP PREPARED BY:

MARCH, 2018



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SHEET 1 OF 1

JOB NO. 12-10-070

Organization of the Report

This report consists of these 5 chapters and 2 exhibits:

- **Chapter 1** includes this introduction.
- **Chapter 2** describes the proposed land uses in the CFD.
- **Chapter 3** describes authorized facilities and authorized services to be funded in the CFD, the costs, and the cost allocations.
- **Chapter 4** describes the maximum CFD bond authorization and the maximum annual special taxes.
- **Chapter 5** describes the structure of the CFD.
- **Exhibit A** provides the Facilities Rate, Method of Apportionment, and Manner of Collection of Special Tax (RMA).
- **Exhibit B** provides the List of Authorized Facilities and Services.

2. LAND USES

The City intends to form the Villages at Sierra Vista CFD No. 1 over a portion of JMC Homes' first tentative map (TM 1) in the northeastern portion of the SVSP. The overall Villages area, including areas designed as TM 1, Federico-Mourier, and Conley, includes more than 400 acres of developable property approved for approximately 2,800 units (approximately 2,300 LDR/MDR units and approximately 500 HDR units). The entire Villages property is anticipated to be developed over several phases, with development activity commencing within the TM 1 area in the spring of 2018.

Expected Phase 1 land uses within the initial CFD boundary include approximately 307 LDR units and 88 MDR units over roughly 73.6 acres. **Table 1**, below, identifies the villages as designated in the SVSP that are within the proposed CFD boundary. The objective of establishing a CFD is to create a land-secured funding mechanism to be used to fund construction of authorized facilities of the CFD. With consideration to the anticipated phasing of development, the CFD boundary initially is proposed to include a subset of the Project area reflecting the anticipated first phase of development. The remainder of the Villages area has been designated as a future annexation area with the ability to annex into the CFD as subsequent phases of development proceed.

Table 1
Proposed CFD Boundary Parcels

Village (Parcel)	Land Use	Acres	Units
JM-2 (portion)	LDR	15.27	92
JM-3 (portion)	LDR	19.54	83
JM-4	LDR	25.64	132
JM-20 (portion)	MDR	12.46	88
Total Proposed CFD Boundary		72.91	395

Spanning the remainder of the holdings of JMC or its affiliates, expected land uses in the future annexation area include an additional 899 LDR units, 1,042 MDR units, 503 HDR units, and approximately 25 acres of Community Commercial (CC) and Commercial Mixed Use (CMU) development, as well as tax-exempt parks, public/quasi-public, and open space land uses.

Table 2 identifies the developable parcels in the annexation area based on SVSP parcel designations. While not required to annex, all or a portion of the parcels identified in **Table 2** may annex into CFD No. 1.

Table 2
Parcels that May Annex into CFD No. 1

Village (Parcel)	Land Use	Acres	Units
JM-1	LDR	17.00	84
JM-2 (portion)	LDR	14.40	95
JM-3 (portion)	LDR	10.63	44
JM-20 (portion)	MDR	27.19	231
JM-21	MDR	18.28	171
JM-30	HDR	7.51	159
JM-40	CMU	5.65	40
JM-41	CC	13.48	-
FD-6	LDR	14.37	69
FD-7	LDR	8.8	42
FD-8A	LDR	16.21	78
FD-8B	LDR	18.82	86
FD-10	LDR	20.26	93
FD-21	MDR	24.39	204
FD-23	MDR	17.4	143
FD-24	MDR	10.71	96
FD-32	HDR	8.9	178
FD-33 (1/2 owner)	HDR	4.30	86
FD-41	CMU	5.92	40
CO-1	LDR	17.38	86
CO-2A	LDR	14.04	71
CO-2B	LDR	14.65	73
CO-3	LDR	17.16	78
CO-20	MDR	11.61	84
CO-21	MDR	9.15	70
CO-22	MDR	6.01	43
CO-41	CC	0.16	-
Subtotal Future Annexation Area		354.38	2,444

3. *AUTHORIZED FACILITIES, SERVICES, AND ESTIMATED FACILITY COSTS*

This chapter describes the authorized facilities eligible to be financed or otherwise funded through the CFD with the proceeds of CFD bonds and on a pay-as-you-go basis from special taxes levied under the CFD.

Authorized Facilities of the CFD

The CFD is authorized to fund certain facilities required to serve the Project. Authorized facilities are identified in the List of Authorized Facilities (**Exhibit B** of this report). Authorized facilities are briefly discussed below.

Transportation Improvements

Public roadway improvements designed to meet the needs of the Project, including those improvements identified in the Project Development Agreement (DA) Sections 3.5.17 and 3.5.18, including but not limited to:

- Federico Drive.
- Fiddymment Road.
- Market Street.
- Santucci Boulevard.
- Summerfaire Drive.
- Silver Spruce Drive.
- Sierra Glen Drive.
- Vista Park Drive.
- Vista Grande Boulevard.
- Westbrook Boulevard.

Eligible roadway improvements include the following items: acquisition of land and easements; roadway design; Project management; geotechnical engineering, testing and observations, bridge crossings and culverts; clearing, grubbing, and demolition; grading, soil import/export, paving (including slurry seal), and decorative/enhanced pavement concrete or pavers; power pole relocations; joint trenches, underground utilities, and undergrounding of existing utilities; dry utilities and appurtenances; curbs, gutters, sidewalks, bike trails (including on- and off-site), park and ride facilities, bus rapid transit improvements, including transfer stations and regional public transit improvements; retaining walls, sound walls, 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; masonry walls; traffic control and agency fees; and other improvements related thereto. Eligible improvements for the roads listed above also include any and all necessary underground potable and non-potable water, sanitary sewer, and storm drainage system improvements.

Potable and Non-Potable Water System Improvements

Authorized facilities include any and all on- and off-site backbone water facilities designed to meet the needs of development of the Project. These facilities include potable and non-potable mains, valves, services, and appurtenances; wells; and water treatment and storage facilities, and related improvements, including site clearing, grading, and paving; curbs and gutters; recycled water storage tanks, booster pump stations, and all appurtenances thereto; wells; water treatment; stand-by generator; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates and fencing; striping and signage; and these:

- Water lines in/associated with authorized facility roads.
- Recycled water lines in/associated with authorized facility roads.
- Well construction or financial contributions thereto on, but not limited to, JM-60.
- Water tank site improvements (DA Section 3.8.2).
- Recycled water storage tank facility.
- Reimbursement obligation for the Baseline Road 24" water line (DA Section 3.8.3).
- CFD obligations for recycled water tank(s) required by DA Section 3.9.

Drainage System Improvements

Authorized facilities include any and all on- and off-site backbone drainage and storm drainage improvements designed to meet the needs of development of the Project. These facilities include mains, pipelines and appurtenances, outfalls and water quality measures, temporary drainage facilities, detention/retention basins, and drainage pretreatment facilities; drainage ways/channels, pump stations, landscaping, and irrigation; access roads, gates, and fencing; striping and signage; and these:

- All storm drain lines and facilities in/associated with authorized facility roadways.
- Retention, detention, hydro-modification, and other drainage facilities.

Wastewater System Improvements

Authorized facilities include any and all on- and off-site backbone wastewater facilities designed to meet the needs of development of the Project. These facilities include pipelines and all appurtenances thereto; manholes; tie-in to existing main line; force mains; lift stations; odor-control facilities; sewer treatment plant improvements and permitting related thereto; and related sewer system improvements, including:

- All wastewater facilities in/associated with authorized facility roadways.

Solid Waste Improvements

Authorized facilities include any and all backbone solid waste improvements designed to meet the needs of development of the Project. Eligible improvements also include the Project's pro-rata contribution, as described in the Project DA, to the SVSP Solid Waste Recycling Center (DA Section 3.26(iii)).

Park, Landscape Corridor, and Paseo Improvements

Authorized facilities include any and all improvements to parks, landscape corridors, and paseos located in the Project, including:

- Construction of Park Sites as identified by the Specific Plan.
- Construction of Paseos as identified by the Specific Plan.

Open Space Improvements

Authorized facilities include any and all open space improvements designed to meet the needs of development of the Project, including bike trails, bike/pedestrian bridges, storm drain crossings, storm drain detention/retention, wetland mitigation, tree mitigation, on- and off-site hawk/raptor mitigation, agricultural or wetland mitigation, property acquisition, endowment payments for open space management, landscaping and irrigation, access gates and fencing, and related open space improvements, including:

- Improvements as identified by the Specific Plan.
- Wetland creation mitigation, fencing, etc.

Utilities

Authorized facilities include any and all on- and off-site utility improvements designed to meet the needs of development of the Project. All utility improvements, easement payments, and land acquisition not located under or alongside transportation improvements are considered authorized facilities. Authorized facilities will also include costs related to the acquisition of the off-site electric substation site; site clearing; grading; street frontage improvements, including curbs, gutters, and paving; and construction of an all-weather access road to the site from the nearest public street or extension of temporary 12kV overhead lines as described in the Project DA, including but not limited to:

- SVSP Electric Substation site acquisition and improvements required by DA Section 3.11.3.
- Temporary overhead 12kV lines to loop SVSP substation to line in West Roseville Specific Plan (WRSP) Phases 3 and 4.

Other Public Facilities

Authorized facilities include any and all public facilities or infrastructure, including the Project's pro-rata contribution to the land acquisition of the off-site fire station site, site clearing, grading, and street frontage improvements including curbs, gutters, and paving, including but not limited to:

- Fire station site reimbursement obligations in DA Section 3.23.

Development Impact Fees

Authorized facilities include development impact fees paid and not otherwise reimbursed, whether standard City or Placer County fees levied at the time of the issuance of a building permit or required as part of the DA for the property. Fees include the South Placer Regional

Transportation Authority (SPRTA) Tier II Traffic Fee, the City's Citywide Park Fee, the City Public Facilities Fee, and Public Benefit Fee (as defined in Section 3.14.3 of the DA for the property).

Formation, Administrative, and Incidental Expenses

In addition to the above facilities, other expenses incidental to the above facilities and authorized by the Mello-Roos Community Facilities Act of 1982, including but not limited to the cost of planning, permitting, and designing the facilities (including the cost of environmental evaluation, orthophotography, environmental remediation/mitigation, and preparation of an overarching Operation and Maintenance Plan for the City Open Space Preserves); land acquisition and easement payments for the facilities; Project management; construction staking; engineering studies and reports; utility relocation and demolition costs incidental to construction of the facilities; wetland/species mitigation purchase; reimbursements to other areas for infrastructure facilities or planning serving development in the CFD; SVSP planning, legal, engineering, and technical studies costs related to the facilities and any other expenses incidental to the construction, completion, and inspection of the facilities.

In addition, costs eligible to be financed by the CFD shall include all costs associated with the formation and ongoing administration of the CFD and issuance of bonds; determination of the amount of taxes and collection of taxes; inspection, plan check, and other costs related to acceptance of the facilities by the City; payment of taxes; and any other costs incurred to carry out the authorized purposes of the CFD.

Authorized Services

The authorized services to be funded from the levy and collection of annual maintenance special taxes are the provision of public services, maintenance and operation related to any facilities authorized to be funded by the CFD with a useful life of five or more years, including but not limited to performance by employees of functions and repair activities. Maintenance as used herein includes replacement and the creation and funding of a reserve fund to pay for replacement of such facilities. The maintenance special taxes shall only fund authorized services to the extent that they are in addition to those provided to land within the CFD prior to the creation of the CFD.

In addition, costs eligible to be financed by the CFD shall include all costs associated with the formation and ongoing administration of the CFD and issuance of bonds; determination of the amount of taxes and collection of taxes; inspection, plan check, and other costs related to acceptance of the facilities by the City; payment of taxes; and any other costs incurred to carry out the authorized purposes of the CFD.

Authorized Facilities Estimated Costs

The City is administering the SVSP Fee Program that includes approximately \$138 million in backbone infrastructure and other public improvements. With this CFD, the developer intends to fund as much of the Project's proportional obligation to SVSP Fee Program infrastructure as possible. To that end, the developer is about to begin construction of backbone infrastructure with costs estimated to be approximately \$23.5 million. **Table 3** identifies the backbone

infrastructure anticipated to begin being constructed in spring of 2018. Costs are shown in 2018 dollars and come from recent bid documents.

In the future, properties included within the CFD annexation area may annex into this CFD. If those annexations occur, the developer will seek to fund additional backbone infrastructure through the issuance of one or more series of CFD bond sales. As is often the case, during buildout of a project, the developer anticipates being required to construct more backbone infrastructure than would be able to be entirely reimbursed through CFD bond proceeds. Development Impact Fee Deferrals

In addition to backbone infrastructure, the CFD is authorized to fund deferred impact fees. Through the DA, the developer is entitled to defer certain impact fees identified in the DA, which may be amended from time to time. These are the fees eligible for deferral:

- SPRTA Tier II Traffic Fees
- City Citywide Park Fee
- City Public Facilities Fee
- City Public Benefit Fee

As described in more detail later in this report, repayment of impact fee deferrals will follow reimbursement for eligible backbone infrastructure.

Table 3
Villages at Sierra Vista CFD No. 1 (Public Facilities)
Summary of Estimated Infrastructure Costs for TM 1

Item	Segment/Portion	Estimated Hard Cost with Contingency	Soft Costs	Estimated Total Cost
Fiddymment Road	Segment 1	\$1,528,118	\$305,624	\$1,833,742
Vista Grande Boulevard	Segment 1	\$2,508,717	\$501,743	\$3,010,460
Vista Grande Boulevard	Segment 2	\$2,437,585	\$487,517	\$2,925,102
Vista Grande Boulevard Storm Drainage	Segment 2	\$688,767	\$137,753	\$826,520
Vista Grande Boulevard	Segment 3	\$996,455	\$199,291	\$1,195,746
Sierra Glen Storm Drainage	Partial	\$560,822	\$112,164	\$672,986
Market Street	Segment 1 - Partial	\$1,083,143	\$216,629	\$1,299,772
Market Street	Segment 2 - Partial	\$1,262,873	\$252,575	\$1,515,448
Market Street	Segment 3 - Partial	\$538,961	\$107,792	\$646,753
Upland Drive	Segment 1 - Partial	\$855,698	\$171,140	\$1,026,838
Upland Drive	Segment 2	\$2,361,519	\$472,304	\$2,833,823
Upland Drive	Segment 3	\$2,357,573	\$471,515	\$2,829,088
Upland Drive	Segment 4 - Partial	\$1,055,692	\$211,138	\$1,266,830
Preserve Area Earthwork	Partial	\$510,000	\$102,000	\$612,000
Wetland Mitigation	n/a			\$794,850
Swainson's Hawk Mitigation	n/a			\$188,156
Total		\$18,745,923	\$3,749,185	\$23,478,114

ph1cost

Source: JMC Homes

4. *CFD BOND AUTHORIZATION AND MAXIMUM SPECIAL TAXES*

This chapter will discuss the maximum CFD bond authorization and maximum annual special taxes as proposed by the developer for each taxable land use type. The CFD will have special tax programs for the funding of authorized facilities. This annual facilities special tax will be transitioned to an annual maintenance special tax to fund authorized services of the CFD when authorized facilities obligations of the CFD have been fulfilled. These special tax programs will be discussed further in **Section 5** of this report.

CFD Bond Authorization and Funding Strategy

The DA authorized the use of the CFD to fund authorized facilities of the CFD and also outlined a basic structure for the CFD.

The DA identified the following sources of potential funding for authorized facilities of the CFD:

- CFD Bonds
- CFD Pay-As-You-Go
- Owner Equity/Private Financing

Each funding source is discussed below.

Maximum CFD Bond Authorization and Series A Bond Sale

The CFD is authorized to issue up to \$310 million in bonds. The property owner is seeking to sell the first series of bonds within the 2019 calendar year. Depending on market conditions and the structure of the first series of CFD bonds, subsequent series of CFD bonds may be issued in multiple sales following the first CFD bond sale.

CFD Pay-As-You-Go

Special taxes levied and not needed to fund CFD bond debt service or City administration of the CFD may be used for pay-as-you-go expenditures for authorized CFD facilities not reimbursed with CFD bond proceeds. As memorialized in the DA, the City has agreed to provide pay-as-you-go funding to the developer for the first 30 years of the CFD.

Following developer use of CFD pay-as-you-go revenues, the City reserves the right to continue the special tax levy to pay the development impact fee deferral on a pay-as-you-go basis. The City also has discretion to reimburse itself for deferred fees through a CFD bond sale, after the initial bonding period as defined in the RMA, in addition to pay-as-you-go revenues.

Owner Equity / Private Financing

To the extent there are any shortfalls in the funding sources for authorized facilities, owner equity or private financing will be used to fund construction of such facilities.

Maximum Annual Special Tax

A facilities special tax will be assigned to taxable parcels at formation of the CFD. This facilities special tax will initially be used to fund the costs of authorized facilities (as defined in the previous chapter). Once all facilities special tax obligations to fund facilities have been completed, the maintenance special tax will be assigned to taxable parcels for the City's use for long term repair and replacement of authorized facilities. The CFD No. 1 RMA includes the following two special taxes:

- Facilities Special Tax
- Maintenance Special Tax

The facilities special tax will be assigned and collected prior to the "transition event" for the special tax programs. Following the "transition event" the facilities special tax will no longer be assigned to taxable parcels, and will be replaced by the maintenance special tax. The "transition event" is discussed in detail in the following chapter.

Each special tax program is discussed below.

Facilities Special Tax

The developer provided the City with recommended maximum facilities special tax for various land use categories, based on market conditions and the range of maximum facility special tax rates in neighboring City areas. **Table 4**, which is **Attachment 2** from the RMA, shows the maximum facilities special tax rates before and after the "transition event" for the following tax categories:

- LDR
- MDR
- MDR affordable—middle
- High-density affordable—low
- High-density affordable—very low
- Nonresidential

Table 4 shows the maximum annual facilities special tax per tax category and for each zone in the base year of Fiscal Year (FY) 2018-19. The maximum annual facilities special tax for LDR is \$1,800. The maximum facilities special tax for MDR units is \$1,600. The maximum annual facilities special tax for MDR affordable MDR is \$800 per unit. The maximum annual facilities special tax for HDR uses—whether for sale or for rent—has been established at \$0.

Nonresidential uses also are assigned a maximum annual facilities special tax of \$0 at CFD formation. While the special tax is set at zero, the HDR and nonresidential parcels were included in the CFD boundary at CFD formation to collect a special tax from these parcels if they were to rezone to taxable residential uses at some time in the future. If the City were to permit a rezone of the HDR or nonresidential parcels to another taxable use, such as residential uses, then the parcels would be assigned a maximum annual facilities special tax in accordance with the land uses shown in **Table 4**.

Maintenance Special Tax

The maximum annual maintenance special tax is shown in **Table 6** for all tax categories. The maintenance special tax is set at 50-percent of the maximum annual facilities special tax in the base year. The maintenance special tax will not be levied at the same time as the facilities special tax and would only be assigned to taxable parcels following the “transition event.”

Overall Tax Burden for Single-Family Residential

The DA and City policies stipulate that the overall tax burden after formation of the CFD not exceed 2 percent of the estimated sales price of a single-family residential home. Estimated sales prices of residential homes were provided by the Project developer. **Table 7** shows the estimated total effective tax rate for prototypical uses in the CFD. The test includes all current ad valorem property taxes, the CFD special tax, an estimated services CFD special tax, and the City CFD No. 3. Three different residential products are shown in **Table 7**:

- LDR
- MDR
- MDR Affordable

Ad valorem property tax rates were derived from copies of the FY 2017-18 property tax bills. The overall tax burden for single-family residential homes proposed for the CFD ranges from 1.63 percent to 1.71 percent.

Table 4
Villages at Sierra Vista CFD No. 1 (Public Facilities)
Maximum Annual Facilities Special Taxes by Tax Category
for the Base Year of FY 2018-19 [1]

Expected Land Uses (Tax Category)	Facilities Special Tax per Unit/Taxable Acre	
	Before Transition Event [1]	After Transition Event
Residential Uses	<u>per Unit</u>	<u>per Unit</u>
Low Density Residential (LDR)	\$1,800.00	\$0.00
Medium Density Residential (MDR)	\$1,600.00	\$0.00
High Density Residential (HDR) [2]		
High Density Residential (HDR) For-Sale [2]	\$0.00	\$0.00
High Density Residential (HDR) For-Rent [2]	\$0.00	\$0.00
Affordable Medium Density Residential	\$800.00	\$0.00
Affordable High Density Residential [2]	\$0.00	\$0.00
Nonresidential Uses [2]	<u>per Taxable Acre</u>	<u>per Taxable Acre</u>
Mixed Use (MU) [2]	\$0.00	\$0.00
Business Professional (BP) [2]	\$0.00	\$0.00
Community Commercial (CC) [2]	\$0.00	\$0.00
Undeveloped Property	\$9,500.00	\$0.00

"att2"

[1] This amount is subject to increase by the Tax Escalation Factor in each Fiscal Year following the Base Year as described in this RMA.

[2] If a Low Density Residential, Medium Density Residential or Affordable Medium Density Residential Parcel with a Special Tax is rezoned to a use with an identified Special Tax of \$0 in this attachment, the Special Tax would be assigned to the Parcel using the provisions of Section 4 of this RMA.

Table 5**Villages at Sierra Vista CFD No. 1 (Public Facilities)****Assigned Maximum Annual Facilities Special Tax for Original Parcels (Base Year of FY 2018-19) [1] [2]**

Original Parcel	Village Number	Expected Land Uses			Planned Units per Acre	Assigned Maximum Annual Special Tax per Unit [1] [2]	Assigned Maximum Annual Special Tax per Village [1] [2]
		Tax Category	Acres	Planned Units			
498-010-036	JM-20, Phase 1	MDR	13.2	88	6.7	\$1,600.00	\$140,800.00
498-010-037	JM-2, Phase 1	LDR	15.3	92	6.0	\$1,800.00	\$165,600.00
498-010-040	JM-3 - Phase 1	LDR	19.5	83	4.3	\$1,800.00	\$149,400.00
498-010-042	JM-4, Phase 1	LDR	18.6	92	4.9	\$1,800.00	\$165,600.00
498-010-043	JM-4, Phase 2	LDR	7.0	40	5.7	\$1,800.00	\$72,000.00
CFD Totals			73.6	395			\$693,400.00

"att3"

[1] This amount is subject to increase by the Tax Escalation Factor in each Fiscal Year following the Base Year as described in this RMA.

[2] If amended to include Annexation Parcels, the Maximum Annual Special Tax for Annexation Parcels would also be subject to the Tax Escalation Factor.

Table 6
Villages at Sierra Vista CFD No. 1 (Public Facilities)
Maximum Annual Maintenance Special Taxes by Tax Category
for the Base Year of FY 2018-19 [1]

Expected Land Uses (Tax Category)	Maintenance Special Tax per Unit/Taxable Acre	
	Before Transition Event [1]	After Transition Event [1]
Residential Uses	<u>per Unit</u>	<u>per Unit</u>
Low Density Residential (LDR)	\$0.00	\$900.00
Medium Density Residential (MDR)	\$0.00	\$800.00
High Density Residential (HDR) [2]		
High Density Residential (HDR) For-Sale	\$0.00	\$0.00
High Density Residential (HDR) For-Rent	\$0.00	\$0.00
Affordable Medium Density Residential	\$0.00	\$400.00
Affordable High Density Residential [2]	\$0.00	\$0.00
Nonresidential Uses [2]	<u>per Taxable Acre</u>	
Mixed Use (MU) [2]	\$0.00	\$0.00
Business Professional (BP) [2]	\$0.00	\$0.00
Community Commercial (CC) [2]	\$0.00	\$0.00
Undeveloped Property	\$0.00	\$4,750.00

"att4"

[1] This amount is subject to increase by the Tax Escalation Factor in each Fiscal Year following the Base Year as described in this RMA.

[2] If a Low Density Residential, Medium Density Residential or Affordable Medium Density Residential Parcel with a Special Tax is rezoned to a use with an identified Special Tax of \$0 in this attachment, the Special Tax would be assigned to the Parcel using the provisions of Section 4 of this RMA.

Table 7
Villages at Sierra Vista CFD No. 1 (Public Facilities)
Base Year FY 2018-2019 Estimated Annual Taxes and Assessments

Item	Assumption	Residential			
		LDR	LDR	LDR	MDR
Estimated Home Price		\$620,000	\$564,000	\$475,000	\$440,000
Homeowner's Exemption		(\$7,000)	(\$7,000)	(\$7,000)	(\$7,000)
Estimated Assessed Value		\$613,000	\$557,000	\$468,000	\$433,000
Ad Valorem Property Taxes (TRA 005-070) [1]	<u>FY 2017/18</u>				
General Ad Valorem	1.000000%	\$6,130	\$5,570	\$4,680	\$4,330
Center Joint Unified B&I	0.227500%	\$1,395	\$1,267	\$1,065	\$985
Subtotal Ad Valorem Property Taxes	1.227500%	\$7,525	\$6,837	\$5,745	\$5,315
Direct Charges and Assessments					
City of Roseville CFD No. 1 (Public Facilities)		\$1,800	\$1,800	\$1,800	\$1,600
City of Roseville CFD No. 2 (Public Services) [2]		\$326	\$326	\$326	\$326
City of Roseville CFD No. 3 (Municipal Services) [3]		\$439	\$439	\$439	\$257
Placer Mosquito & Vector Control		\$27	\$27	\$27	\$27
Subtotal Direct Charges and Assessments		\$2,592	\$2,592	\$2,592	\$2,210
Total Ad Valorem Property Taxes and Direct Charges		\$10,117	\$9,429	\$8,337	\$7,525
Overall Tax Burden		1.63%	1.67%	1.76%	1.71%

2 percent

Source: County of Placer; City of Roseville; EPS.

[1] Ad Valorem tax rates based on FY 2017-2018.

[2] Tax Zone A of Sierra Vista Specific Plan CFD No. 2 (Public Services).

[3] Based on CFD No. 3 as identified in the project Development Agreement escalated to 2018-19.

5. STRUCTURE OF THE CFD

Description of the CFD

The CFD is being formed to fund backbone infrastructure and other facilities, both local and regional, that will serve development in the Villages. The attached exhibits are documents contained in the ROF. **Exhibit A** is the CFD RMA. **Exhibit B** is the List of Authorized Facilities and Services. Through the transition of the facilities special tax to the maintenance special tax, the CFD may also fund long term repair and replacement of authorized facilities once CFD bonds have been defeased and other obligations of the CFD for authorized facilities have been fulfilled. Once these facilities special tax obligations have been fulfilled, the City has the discretion to levy the maintenance special tax to help fund long term repair and replacement of such facilities.

The CFD Funding Program

The CFD will be authorized to levy and collect the special tax to pay all annual costs of the CFD, including funding for authorized facilities not funded through CFD bond proceeds, which is anticipated to be paid on a pay-as-you-go basis, during the first 30 years of the special tax levy.

The CFD will be authorized to levy and collect the special tax to pay all annual maintenance costs of the CFD following transition event.

Transition Event for Special Taxes

The special taxes for the CFD are intended to first fund authorized facilities of the CFD and then to fund authorized services of the CFD. As described below, the facilities special tax shall be effective during an initial bonding period and thereafter during a deferral bonding period. The idea is that the facilities special tax may be levied to fund authorized facilities and to repay the City for deferred impact fees. The full estimated term of the deferred bonding period may not be required if deferred development impact fees are funded through special tax revenues on a pay-as-you go basis.

Once all obligations to fund authorized facilities have been satisfied, the facilities special tax will “transition” to a maintenance special tax to fund long term repair and replacement costs for authorized facilities. The “Transition Event” from the levy of the annual facilities special tax to the maintenance special tax is discussed in further detail below.

Determining the Maximum Annual Special Tax

As stated in the previous chapter, the maximum annual special tax rates for the various tax categories were provided by the developer and based, in part, on maximum annual special tax rates for other neighboring City areas. The maximum annual special tax rates are designed to be competitive with other residential development projects in south Placer County. **Table 4** shows the maximum annual special tax rates by tax category for the facilities special tax.

Table 5 shows the maximum annual special tax rates by tax category for the maintenance special tax.

Base Year

The base year is FY 2018-19. A base year is defined in the RMA as a means of defining the special tax base in a given fiscal year that is allowed to increase by a given factor over a period of time.

Annual Tax Escalation Factor

The administrator shall increase the maximum annual facilities special tax, the maximum annual maintenance special tax, and the related maximum annual special tax rates by the tax escalation factor in all fiscal years following the base year, up to the Transition Event. After Transition Event, the maximum annual maintenance special tax may be increased up to 2-percent annually at the City's discretion.

Duration of the Special Tax

The facilities special tax will be levied and collected until the earlier of (i) the transition year or (ii) Fiscal Year 2082-83. The maintenance special tax may be levied and collected in perpetuity beginning with the transition year and in each year thereafter at the discretion of the City. The maintenance special tax will be levied and collected beginning in the transition year.

Definition of Initial Bonding Period

Because the CFD includes payment of deferred development impact fees, the CFD RMA distinguishes between the initial bonding period during which authorized facilities may be financed and the subsequent period where development impact fees may be reimbursed. As defined in the RMA, Initial Bond Period means "the period in which Bonds are outstanding which financed Authorized Facilities costs other than the Development Impact Fee Deferral or Bonds that were issued for the purpose of refunding Bonds whose original use links back to Authorized Facilities."

Definition of Annual Facilities Costs

The maximum annual facilities special tax established under the RMA is the maximum exposure to an annual special tax levy for a given parcel of land. The actual amount of the levy is derived through determining the "annual facilities costs" of the CFD. The RMA identifies the annual facilities costs components as these:

- a. Debt service to be paid from facilities special taxes.
- b. The amount needed to replenish the reserve fund for the bonds to the level required under the bond indenture, to the extent not included in a computation of annual facilities costs in a previous fiscal year.

- c. Administrative expenses for such fiscal year.
- d. The amount needed (1) to cure any delinquencies in the payment of principal or interest on bonds, which have occurred in the prior fiscal year and (2) to fund any foreseeable deficiency of the amount to be available for the payment of principal or interest on bonds, which are expected to occur in such fiscal year to the extent not included in a previous computation of annual costs in the current or any previous fiscal years.
- e. The amount needed (1) to cure any delinquencies in the payment of the facilities special tax in the prior fiscal year, to the extent not otherwise included in a computation of annual facilities costs in the current or any previous fiscal year and (2) to fund any foreseeable deficiency in the payment of the facilities special tax for that fiscal year, which is expected to occur in such fiscal year, to the extent not included in a computation of annual facilities costs in the current or any previous fiscal year.
- f. Authorized facilities funded on a pay-as-you-go basis.
- g. During the deferral bonding period, the amount needed to pay development impact fee deferrals not financed by bonds.
- h. Less any available earnings on the reserve fund, special tax funds, or any other available revenues of the CFD or the City that may be used to fund annual facilities costs.

Debt Service

Debt service would be that portion of the maximum annual special tax required to pay a parcel's share of the debt service. The proposed financing structure of the CFD anticipates that one or more series of CFD bonds may be issued.

Amount Needed to Replenish Reserve Fund

In the event the reserve fund is drawn on to pay debt service or expenses of the CFD, a facilities special tax may be levied to replenish the bond reserve fund to required funding levels. A facilities special tax should be levied once for each draw on the bond reserve fund, to the extent the bond reserve fund can be brought back to required funding levels with just one such levy. If for any reason the bond reserve fund remains underfunded in a fiscal year following the fiscal year in which special taxes were levied to replenish it, a second facilities special tax levy should not be required to replenish the bond reserve fund.

Administrative Expenses

Administrative expenses of the CFD are the reasonable costs of administering the CFD each fiscal year. Examples of administrative expenses are costs of computing facilities special taxes and preparing annual facilities special taxes collection schedules; costs of collecting the special taxes; costs of remitting the facilities special taxes to the Trustee; costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Bond Indenture; costs to the City, CFD, or their designees of complying with arbitrage rebate requirements; costs complying with the City, CFD, or obligated persons disclosure requirements; costs associated with preparing special taxes disclosure statements; costs incurred in responding to public inquiries regarding the

facilities special taxes; costs related to any appeal of the facilities special taxes; and amounts estimated to be advanced or advanced by the City for any other administrative purposes, including attorney's fees and other costs related to collection of the facilities special taxes and commencing and pursuing to completion any foreclosure of delinquent special taxes.

Amounts for Unpaid Special Taxes and Anticipated Delinquencies

The RMA allows for the levy of a facilities special tax to fund costs of unpaid facilities special taxes from a previous fiscal year or to fund anticipated facilities special tax delinquencies that may occur in the current fiscal year for which facilities special taxes are being levied. To the extent an amount is levied for a past delinquency, a second facilities special tax levy should not be levied for a facilities special tax delinquency that has already been accounted for in a previous year facilities special tax levy.

Generally, facilities special taxes eventually are brought current, either through payment by a property owner, or through judicial foreclosure proceedings. When facilities special tax installments are paid current, the amount needed to fund debt service and CFD administration will have been collected for previous years, including additional amounts that were needed only to cover delinquencies that are now current. As such, these additional amounts should be considered as being available by the CFD to fund annual facilities costs in the following fiscal year.

Authorized Facilities Funded on a Pay-As-You-Go Basis

During the first 30 years, the DA entitles the developer to use pay-as-you-go revenues to fund authorized facilities. As such, facilities special tax revenues not needed to pay debt service during the first 30 years of the facilities special tax levy may be used to fund authorized CFD costs not otherwise funded with CFD bond proceeds.

Development Impact Fee Deferrals

As stated earlier, the DA entitles the developer to defer certain development impact fees identified in the DA, which may be amended from time to time. Eligible fees include the SPRTA Tier II Traffic Fee and three selected City fees. To preserve the City's ability to obtain reimbursement for deferred fees, each series of CFD bonds that may be issued will be structured based on the revenues that are pledged toward that bond sale without consideration of wrapping debt service around a previous CFD bond sale. The concept generally is that once a taxable parcel has been taxed as a developed parcel for 30 years and that tax was used to pay debt service on a series of CFD bonds, the future special tax levy on that parcel should be available for the City to recover deferred impact fees for that parcel.

By way of a simple example, assume an initial CFD bond sale (Series A bonds) were sized (in CFD year 1) assuming maximum annual facilities special tax revenue from 400 units, even though all 400 units were not considered developed parcels at the time of the CFD bond sale. If a second series of CFD bonds were being issued in year 4 (Series B bonds) based on another project phase with 300 dwelling units, the CFD Series B bond sizing would not count on CFD facilities special tax revenues from any of the first 400 units in years 31, 32, and 33 when facilities special tax revenues from those first 400 units would no longer be needed to service

outstanding bond debt for the Series A bonds. In this example, facilities special tax revenues from the first 400 units, beginning in Year 31, would be available to reimburse for deferred impact fees for those first 400 units.

Earnings on Reserve Funds, Special Tax Funds, and Other Funds

All interest earnings on bond reserve funds, facilities special tax funds, or other funds should be used to offset annual costs when determining the amount required for the annual facilities special tax levy.

Transition Event and Maintenance Special Taxes

Following the Initial Bonding period, and when the administrator determines that the Development Impact Fee Deferral has been repaid in full, or beginning FY 2083-84 (whichever occurs first), the administrator will determine that the "Transition Event" has occurred. In the fiscal year following the Transition Event, the City shall no longer levy and collect the facilities special tax, and will in turn, begin the levy and collection of the maintenance special tax to fund the costs of authorized services, as defined in a previous chapter.

Definition of Annual Maintenance Costs

The maximum annual maintenance special tax established under the RMA is the maximum exposure to an annual maintenance special tax levy for a given parcel of land. The actual amount of the levy is derived through determining the "annual maintenance costs" of the CFD. The RMA identifies the annual maintenance costs components as these:

- a. Authorized services costs to be paid from maintenance special taxes.
- b. Administrative expenses for such fiscal year.
- c. The amount needed (1) to cure any delinquencies in the payment of the maintenance special tax in the prior fiscal year, to the extent not otherwise included in a computation of annual maintenance costs in the current or any previous fiscal year and (2) to fund any foreseeable deficiency in the payment of the maintenance special tax for that fiscal year, which is expected to occur in such fiscal year, to the extent not included in a computation of annual maintenance costs in the current or any previous fiscal year.
- d. Less any available earnings on any reserve fund, maintenance special tax funds or any other available revenues of the CFD or the City that may be used to fund annual maintenance costs.

Assignment of Maximum Annual Special Tax

Sections 4 and **5** of the RMA describe in detail the precise method for assigning the maximum annual facilities special tax, maximum annual maintenance special tax, and maximum annual special tax to parcels in the CFD. The RMA assigns a total maximum annual special tax to taxable parcels based on parcel configurations at the time of formation of the CFD and then as subdivision maps are recorded. Original parcels are those parcel configurations when the CFD is

formed. Successor parcels are created as large lot subdivision maps are recorded, and then small lot final maps are recorded defining individual buildable residential lots.

Original Parcels

Original parcels are assigned a maximum annual facilities special tax using **Attachment 3** of the RMA. **Attachment 3 (Table 5)** of this document shows the total maximum annual facilities annual special tax and maximum annual facilities special tax per unit or per acre for each of the 5 original parcels.

Attachment 4 (Table 6) shows the assigned maximum annual maintenance special tax before and after the transition event, for all tax categories.

Successor Parcels

Successor parcels are created when original parcels are subdivided by the recording of large lot subdivision maps or other parcel reconfigurations, such as through a lot line adjustment, and further subdivided into buildable residential lots. The RMA provides specific detail and definitions used in allocating the maximum annual facilities special tax to parcels in their final use, whether as residential or nonresidential parcels.

Attachment 3 (Table 5) of this document shows the maximum annual facilities special tax for planned large lot parcels. Each large lot is assigned one tax category, the number of planned residential units, and a maximum annual facilities special tax per unit or per acre. The maximum annual facilities special tax for a large lot parcel is the sum of the number of units in the tax category multiplied by the maximum annual facilities special tax for the tax category.

If fewer units are realized at recordation of a final map defining buildable lots than shown in **Table 5**, the maximum annual facilities special tax for the large lot parcel is divided by the actual number of residential units created by the final map to determine the maximum annual facilities special tax per unit. If more residential units are created by a final map than shown in **Table 5**, the maximum annual facilities special tax per unit is that amount shown in **Table 5**.

The RMA is structured to ensure that the maximum annual facilities special tax for a large lot is not reduced over time by anticipated development of each large lot. The facilities special tax revenue for large lot parcels may increase if higher densities are realized over time.

Maximum annual maintenance special taxes are identified for tax categories in **Attachment 4 (Table 6)** of this document).

Annexation Parcels

Parcels are anticipated to be annexed into the CFD in the future. If parcels are annexed into the CFD after formation, the maximum annual facilities special tax, maximum annual maintenance special tax, and maximum annual special tax will be assigned to these annexation parcels using the definitions in **Section 2** of the RMA and the maximum annual facilities special tax per unit or per acre shown in **Attachment 2 (Table 4)** of this document as adjusted by the tax escalation factor applied by the administrator, unless the annexation parcels are annexed with a new set of maximum annual facilities special taxes. **Attachment 3 (Table 5)** will be amended, or a new

attachment created, to include the annexation parcels and, if necessary, the applicable tax rates. If new maximum annual facilities special taxes are created, **Attachments 2 and 3** should be amended to reflect the maximum annual facilities special taxes for the annexation parcels. Once annexed, these annexed parcels will be considered original and successor parcels and will be subject to the same procedures for assignment of the maximum annual facilities special tax to successor parcels described in **Section 4.d** of the RMA. The owner of the annexation parcels will be responsible for paying all costs associated with annexing the annexation parcels into the CFD, but otherwise will not be required to pay any other charge, fee, or catch-up special tax in connection with or as a condition of such annexation unless otherwise agreed to by the owner of the annexation parcel in connection with the annexation.

Maximum annual maintenance special taxes are identified for tax categories in **Attachment 4 (Table 6)** of this document).

Affordable Units

The RMA recognizes affordable housing units to be built in the CFD. These units are assigned lower maximum annual special tax rates than market-rate units. **Section 4.d** of the RMA discusses the assignment of the maximum annual special tax to residential lots and to those residential lots anticipated to include affordable units.

Transfer of the Assigned Maximum Annual Facilities Special Tax

The City may, in its sole discretion, allow for a transfer of the maximum annual facilities special tax from one large lot parcel to another. Such a transfer will be allowed only if (1) all adjustments are agreed to in writing by the affected property owners and the Finance Director and (2) there is no reduction in the CFD maximum annual facilities special tax revenues as a result of the transfer. Provisions for such a transfer are discussed in **Section 4.f** of the RMA.

Conversion of a Tax-Exempt Parcel to a Taxable Parcel

If a tax-exempt parcel is not needed for public use or other nontaxable use and is converted to a taxable use or transferred to a private owner, it will become subject to the special tax. The maximum annual special tax for the newly assigned tax category for such a parcel is determined using the provisions of **Sections 4 and 5** of the RMA.

Taxable Parcels Acquired by a Public Agency

A taxable parcel that is acquired by a public agency after the CFD is formed will remain subject to the applicable special tax unless the special tax obligation is satisfied pursuant to Section 53317.5 of the Government Code. An exception to this may be made if a public parcel, such as a school site, is relocated to a taxable parcel, in which case the previously tax-exempt parcel of comparable acreage becomes a taxable parcel and the maximum annual special tax from the previously taxable parcel is transferred to the new taxable parcel. This trading of a parcel from a

taxable parcel to a public parcel will be permitted to the extent there is no net loss in maximum CFD special tax revenue and the transfer is agreed to by the owners of the parcels involved in the transfer and the Finance Director.

Determination of Parcels Subject to Special Tax

By June 30 of each Fiscal Year, using the definitions in **Section 2** of the RMA, the parcel records of the Assessor's Secured Tax Roll as of January 1, and other City development approval records, the Administrator will cause:

1. Each parcel to be classified as a taxable parcel or a tax-exempt parcel.
2. Each parcel to be classified as a developed parcel, a small lot tentative map parcel, a large lot parcel (including remainder parcels), or an undeveloped parcel.

Setting the Facilities Special Tax Levy for Taxable Parcels

To determine the annual levy, the administrator will use the process presented in **Section 7** of the RMA. In general, the provisions of **Section 7** describe the following procedures to set the annual facilities special tax levy for each taxable parcel:

- First, the administrator must compute the annual facilities costs using the definitions in **Section 2** of the RMA. Next, the administrator will levy the facilities special tax proportionately on all developed parcels, up to the amount of annual facilities costs or 100 percent of the maximum facilities special tax for developed property, whichever is less.
- If additional revenue is needed for annual facilities costs, the administrator shall levy the facilities special tax proportionately on all small lot tentative map parcels, such that when added to the levy on developed parcels, is up to the amount of annual facilities costs or up to 100 percent of the maximum facilities special tax for small lot tentative map parcels, whichever is less.
- If additional revenue is needed for annual facilities costs, the administrator shall levy the facilities special tax proportionately on all large lot parcels, such that when added to the levies on parcels described above, is up to the amount of annual facilities costs or up to 100 percent of the maximum facilities special tax for large lot parcels, whichever is less.
- If additional revenue is needed for annual facilities costs, the administrator shall levy the facilities special tax proportionately on all undeveloped parcels, such that when added to the levies on parcels described above, is up to the amount of annual facilities costs or up to 100 percent of the maximum facilities special tax for large lot parcels, whichever is less.

Once the facilities special tax levy is determined for a fiscal year, the administrator creates the tax schedule to deliver to the County Auditor-Controller.

Setting the Maintenance Special Tax Levy for Taxable Parcels

Beginning in the Transition Year, the administrator will use the process presented in **Section 7** of the RMA to set the annual maintenance special tax levy. In general, the provisions of **Section 7** describe the following procedures to set the annual maintenance special tax levy for each taxable parcel:

- First, the administrator must compute the annual maintenance costs using the definitions in **Section 2** of the RMA. Next, the administrator will levy the maintenance special tax proportionately on all developed parcels, up to the amount of annual maintenance costs or 100 percent of the maximum maintenance special tax for developed property, whichever is less.
- If additional revenue is needed for annual maintenance costs, the administrator shall levy the maintenance special tax proportionately on all small lot tentative map parcels, such that when added to the levy on developed parcels, is up to the amount of annual maintenance costs or up to 100 percent of the maximum maintenance special tax for small lot tentative map parcels, whichever is less.
- If additional revenue is needed for annual maintenance costs, the administrator shall levy the maintenance special tax proportionately on all large lot parcels, such that when added to the levies on parcels described above, is up to the amount of annual maintenance costs or up to 100 percent of the maximum maintenance special tax for large lot parcels, whichever is less.
- If additional revenue is needed for annual maintenance costs, the administrator shall levy the maintenance special tax proportionately on all undeveloped parcels, such that when added to the levies on parcels described above, is up to the amount of annual maintenance costs or up to 100 percent of the maximum maintenance special tax for large lot parcels, whichever is less.

Once the maintenance special tax levy is determined for a fiscal year, the administrator creates the tax schedule to deliver to the County Auditor-Controller.

Prepayment of the Special Tax Obligation

For residential uses, a property owner may at any time prepay 50 percent, but not more or less than 50 percent of the maximum annual facilities special tax. Full prepayment is permissible for nonresidential use parcels. In addition to the above, full or partial prepayment is permitted only under the following conditions:

- The City determines that the prepayment of the facilities special tax does not jeopardize its ability to make timely payments of debt service on outstanding bonds.
- The landowner prepaying the facilities special tax on a parcel has paid any delinquent special tax and penalties on that parcel before prepayment.

The full and partial prepayment calculations are described in detail in **Section 8** of the RMA. Partial prepayments also must account for collection of any development impact fee deferral for a given parcel.

Interpretation, Application, and Appeal of Special Tax Formula and Procedures

Any taxpayer who feels the amount of the special tax assigned to a parcel is in error may file a notice with the administrator appealing the levy of the special tax. The administrator then will promptly review the appeal and, if necessary, meet with the applicant. If the administrator verifies that the tax should be modified or changed, the special tax levy will be corrected and, if applicable in any case, a credit or refund will be granted.

Interpretations may be made by the City, without resolution or ordinance of the Council, for purposes of clarifying any vagueness or ambiguity as it relates to the special tax rate, the method of apportionment, the classification of properties, or any definition applicable to CFD.

Without Council approval, the Finance Director may make minor, non-substantive administrative and technical changes to the provisions of the RMA that do not materially affect the rate, the method of apportionment, or manner of collection of the special tax for purposes of administrative efficiency or convenience or to comply with new applicable federal, state, or local law.

Manner of Collection

The special tax will be collected in the same manner and at the same time as ad valorem property taxes. As specified in **Section 10** of the RMA, the administrator or their designee may directly bill the special tax and may collect the special tax at a different time, such as on a monthly or other periodic basis, or in a different manner, if necessary, to meet the City's financial obligations.



EXHIBITS:

- Exhibit A: Rate, Method of Apportionment, and
Manner of Collection of Special Tax
- Exhibit B: List of Authorized Facilities and
Services



EXHIBIT A:
Rate, Method of Apportionment, and
Manner of Collection of Special Tax

EXHIBIT A

City of Roseville
Villages at Sierra Vista Community Facilities District No. 1
(Public Facilities)
Placer County, California

AMENDED RATE, METHOD OF APPORTIONMENT, AND
MANNER OF COLLECTION OF SPECIAL TAX

1. Basis of Special Tax Levy

A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 (Act) applicable to the land in the Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities) (CFD) of the City of Roseville (City) shall be levied and collected according to the tax liability determined by the City through the application of the appropriate amount or rate, as described below.

2. Definitions

"Acre" or **"Acreage"** means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map or other Development Plan.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311 and following of the California Government Code.

"Administrative Expenses" means the actual or reasonably estimated costs related to the administration of the CFD, including, but not limited to, these:

- a. Costs of computing Special Taxes and preparing annual Special Tax collection schedules (whether by the City or any designee thereof or both).
- b. Costs of collecting the Special Taxes (whether by the County, the City, or otherwise).
- c. Costs of remitting the Special Taxes to the Trustee.
- d. Costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Bond Indenture.
- e. Costs to the City, CFD, or any designee thereof of complying with arbitrage rebate requirements.
- f. Costs to the City, CFD, or any designee thereof of complying with City, CFD, or obligated persons disclosure requirements.

- g. Costs associated with preparing Special Tax disclosure statements.
- h. Costs incurred in responding to public inquiries regarding the Special Taxes.
- i. Costs to the City, CFD, or designee thereof related to any appeal of the Special Taxes.
- j. Costs associated with the release of funds from an escrow account, if any.
- k. Costs to the City for the issuance of Bonds authorized by the CFD that are not recovered through the Bond sale proceeds.
- l. Amounts estimated to be advanced or already advanced by the City for any other administrative purposes, including attorney's fees and other costs related to collection of the Special Taxes and commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

"Administrator" means a City official in the Finance Department, or their designee responsible for determining or overseeing the levy and collection of the Special Taxes.

"Affordable Housing Director" means, at any point in time, the person in the City who serves as head of the department that is in charge of the City's affordable housing program.

"Affordable Unit" means a Unit built on a Residential Use Parcel for which an Affordable Unit agreement has been entered into for the property designating the Unit as affordable. A Multifamily Parcel may have only a portion of the Units assigned as Affordable Units. The City Manager, or his or her designee, shall determine which Units are designated as Affordable Units and maintain an Affordable Unit listing, which shall contain all designated buildable parcels by tract and lot number, and in the case of Large Lot Parcels remaining before May 1 of the preceding Fiscal Year, the number of designated Affordable Units for each such Large Lot Parcel; all entries shall indicate the effective date of designation. The Affordable Unit listing also shall be updated to reflect those Units no longer qualifying as Affordable Units, also known as Market-Rate Units. The Affordable Unit listing, which shall contain all qualifying Affordable Units as of April 30, shall be made available to the Administrator by July 1 of each year for purposes of determining the Maximum Annual Special Tax for Parcels pursuant to **Section 4**.

"Annexation Parcels" means a Parcel or Parcels annexed to the CFD after formation. The Maximum Annual Special Tax will be assigned to such Parcels using the provisions of **Section 4**. Annexation Parcels may be assigned a different Maximum Annual Special Tax Rate or Maximum Annual Special Tax per Parcel using a methodology different from the other Parcels in the CFD and may be placed in an area designated as a separate zone or improvement area of the CFD, all of which shall be set forth in revised attachments hereto as needed, without further CFD proceedings.

"Annual Facilities Costs" means, for any Fiscal Year, the total of these:

- a. Debt Service to be paid from Facilities Special Taxes.
- b. The amount needed to replenish the reserve fund for the Bonds to the level required under the Bond Indenture, to the extent not included in a computation of Annual Facilities Costs in a previous Fiscal Year.

- c. Administrative Expenses for such Fiscal Year.
- d. The amount needed to (1) cure any delinquencies in the payment of principal or interest on Bonds, which have occurred in the prior Fiscal Year, to the extent not otherwise included in a computation of Annual Facilities Costs in the current or any previous Fiscal Year, and (2) to fund any foreseeable deficiency of the amount to be available for the payment of principal or interest on Bonds, which are expected to occur in such Fiscal Year, to the extent not included in a computation of Annual Facilities Costs in the current or any previous Fiscal Year.
- e. The amount needed to (1) cure any delinquencies in the payment of the Facilities Special Tax in the prior Fiscal Year, to the extent not otherwise included in a computation of Annual Facilities Costs in the current or any previous Fiscal Year, and (2) to fund any foreseeable deficiency in the payment of the Facilities Special Tax for that Fiscal Year which is expected to occur in such Fiscal Year, to the extent not included in a computation of Annual Facilities Costs in the current or any previous Fiscal Year.
- f. Authorized Pay-As-You-Go Costs.
- g. During the Deferral Bonding Period, the amount needed to pay Development Impact Fee Deferrals not financed by Bonds.
- h. Less any available earnings on any reserve fund or Facilities Special Tax funds, available capitalized interest or any other available revenues of the CFD or the City that may be used to fund Annual Facilities Costs.

“Annual Maintenance Costs” means, for any Fiscal Year, the total of these:

- a. Authorized Services costs to be paid from Maintenance Special Taxes.
- b. Administrative Expenses for such Fiscal Year.
- c. The amount needed to (1) cure any delinquencies in the payment of the Maintenance Special Tax in the prior Fiscal Year, to the extent not otherwise included in a computation of Annual Maintenance Costs in the current or any previous Fiscal Year, and (2) to fund any foreseeable deficiency in the payment of the Maintenance Special Tax for that Fiscal Year which is expected to occur in such Fiscal Year, to the extent not included in a computation of Annual Maintenance Costs in the current or any previous Fiscal Year.
- d. Less any available earnings on any reserve fund, Maintenance Special Tax funds or any other available revenues of the CFD or the City that may be used to fund Annual Maintenance Costs.

“Assessor’s Parcel” means a lot or Parcel with an assigned Assessor’s Parcel Number in the maps used by the County Assessor in preparing the tax roll.

“Assessor’s Parcel Map” means an official map of the County Assessor designating Parcels by Assessor’s Parcel Number.

“Assessor’s Parcel Number” means the Parcel and Parcel Number as assigned by the County Assessor on the equalized tax roll.

"Assigned Maximum Annual Special Tax" means the maximum Facilities Special Tax or Maintenance Special Tax assigned to each Large Lot Parcel that is an Original Parcel based on the Expected Land Uses at CFD formation, or at annexation, as shown in **Attachment 1**.

"Authorized Facilities" means those facilities and fees to be financed, as identified in the resolution forming the CFD.

"Authorized Services" means those services authorized to be funded, as defined in the resolution forming the CFD.

"Base Year" means the Fiscal Year beginning July 1, 2018, and ending June 30, 2019.

"Bond(s)" means any bond(s) issued by the City for the CFD under the Act and any other debt, as defined in the Act, the City incurs to further the CFD's purposes.

"Bond Indenture" means the indenture, resolution, fiscal agent agreement, or other financing document pursuant to which any Bonds are issued.

"Building Permit" means a permit issued by the City for the construction of a Residential Use or Nonresidential Use structure.

"Business Professional" means a Parcel or Parcels zoned to provide for office uses and other uses that are related to and supportive of office uses.

"CFD" means the Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities) of the City of Roseville, Placer County, California.

"City" means the City of Roseville in Placer County, California.

"Community Commercial" means a Parcel or Parcels zoned to serve the principal retail shopping needs of the entire community by providing areas for shopping centers, and other retail and service uses.

"Council" means the City Council of the City acting for the CFD under the Act.

"County" means the County of Placer, California.

"Debt Service" means the total annual amount of Bond principal, interest, and the scheduled sinking fund payments of the Bonds in a calendar year.

"Deferral Bonding Period" means the period after the Initial Bonding Period has ended and during which the City finances the Development Impact Fee Deferral.

"Developed Parcel" means, in any Fiscal Year:

- a. For Single-Family Parcels: All Parcels for which a Final Small Lot Subdivision Map was recorded before May 1 of the preceding Fiscal Year.
- b. For Multifamily Parcels: All Parcels for which a Building Permit for new construction of a Residential Use structure was issued before May 1 of the preceding Fiscal Year.

- c. For all Nonresidential Use Parcels: All Parcels for which a Building Permit for new construction of a Nonresidential Use structure was issued before May 1 of the preceding Fiscal Year.

“Development Agreement” means the Development Agreement By and Between the City of Roseville and Mourier Investments, LLC, relative to the Sierra Vista Specific Plan dated April 28, 2010.

“Development Impact Fee Deferral” means the deferred payment of development impact fees due to the City or the South Placer Regional Transportation Authority (SPRTA) for Developed Parcels, using the approach and amounts identified in the Development Agreement, which may be amended from time to time.

“Development Plan” means a condominium plan, apartment plan, site plan, or other development plan that identifies such information as the type of structure, acreage, square footage, or number of Units that are approved to be developed on Single-Family Parcels, Multifamily Parcels, and Nonresidential Parcels.

“Expected Land Use(s)” means the total number of Units or Acres of each land use type by Tax Category expected in each Large Lot Parcel and Original Parcel at CFD formation as identified in **Attachment 3** of this RMA.

“Facilities Special Tax” means the Special Tax authorized to fund Annual Facilities Cost. Facilities Special Taxes are shown in **Attachments 2 and 3**.

“Final Use Small Lot Parcel” means a Parcel designated for development as a single-family residence, which is part of a Final Small Lot Subdivision Map.

“Final Small Lot Subdivision Map” means a recorded map designating the final Parcel subdivision for individual Single-Family Parcels.

“Finance Director” means the Finance Director for the City, or their designee.

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

“Full Prepayment” means the complete fulfillment of a Parcel’s Facilities Special Tax obligation, as determined by following the procedures in **Section 8**.

“High Density Residential” means, per the Sierra Vista Specific Plan, a land use designation that primarily accommodates attached housing, but depending on the unit type, could also include detached housing, within the density range of 13.0 or greater dwelling units per gross developable acre. Typical housing product types include, but shall not be limited to, detached townhomes, courtyard townhomes/condominiums, garden-style apartments, and podium design apartments/condominiums.

“Initial Bonding Period” means the period in which Bonds are outstanding or refunded which financed Authorized Facilities costs other than the Development Impact Fee Deferral.

“Large Lot Parcel” means a Parcel created by a Large Lot Subdivision Map.

"Large Lot Subdivision Map" means a recorded subdivision map creating Parcels by land use. However, the Large Lot Subdivision Map does not delineate Single-Family Parcels. A Final Small Lot Subdivision Map will create individual Single-Family Parcels.

"Low Density Residential" means, per the Sierra Vista Specific Plan, a land use designation that supports single-family detached homes on conventional lots within the density range of up to 6.9 dwelling units per gross developable acre. Typical housing product types include, but shall not be limited to, standard, alley-loaded, or clustered, single-family detached units.

"Maintenance Special Tax" means the Special Tax authorized to fund Annual Maintenance Costs. The Maintenance Special Tax will be levied and collected beginning with the Transition Year. Maintenance Special Taxes are shown in **Attachment 4**.

"Market-Rate Unit" means a Unit that is not an Affordable Unit.

"Maximum Annual Special Tax" means the greatest amount of Facilities Special Tax or Maintenance Special Tax that can be levied against a Parcel in a given Fiscal Year, as shown in **Attachments 2, 3, and 4**.

"Maximum Annual Facilities Special Tax" means the greatest amount of Facilities Special Tax that can be levied against a Parcel in a given Fiscal Year, as shown in **Attachments 2, 3, or 4**.

"Maximum Annual Maintenance Special Tax" means the greatest amount of Maintenance Special Tax that can be levied against a Parcel in a given Fiscal Year, as shown in **Attachments 2, 3, or 4**.

"Maximum Annual Special Tax Rate" means the rate of Facilities Special Tax or Maintenance Special Tax charged per Unit or per Taxable Acre, as shown in **Attachments 2, 3, and 4**.

"Maximum Annual Facilities Special Tax Revenue" means the greatest amount of Facilities Special Tax revenue that can be collected in total from a group of Parcels (such as Developed Parcels) by levying the Maximum Annual Facilities Special Tax.

"Maximum Annual Maintenance Special Tax Revenue" means the greatest amount of Maintenance Special Tax revenue that can be collected in total from a group of Parcels (such as Developed Parcels) by levying the Maximum Annual Maintenance Special Tax.

"Maximum Annual CFD Special Tax Revenue" means the sum of the Maximum Annual Special Tax levied on all Taxable Parcels in the CFD in a Fiscal Year.

"Medium Density Residential" means, per the Sierra Vista Specific Plan, a land use designation that accommodates both single-family detached homes and attached homes within the density range of 7.0 to 12.9 dwelling units per gross developable acre. Typical housing product types include, but shall not be limited to, standard or alley-loaded lots, courtyard lots, green court lots, auto courts, alley clusters, zero-lot lines, or z-shaped lots. In addition, duet/half-plex homes, townhomes, or condominiums may be accommodated in Medium Density Residential areas.

"Mixed Use Parcel" means a Parcel or Parcels designated for a combination of Residential Uses and Nonresidential Uses.

"Multifamily For-Rent" or **"Multifamily For-Rent Parcel"** means any Parcel designated or developed for more than one residential dwelling Unit per Parcel and where such units are initially offered for rent to the general public and cannot be purchased by individual homeowners. Such uses may consist of apartments or structures such as duplexes or triplexes, including land uses defined as High Density Residential. Each residential dwelling Unit within Multifamily For-Rent or Multifamily For-Rent Parcels is not expected to have its own distinct Assessor's Parcel Number.

"Multifamily For-Sale" or **"Multifamily For-Sale Parcel"** means any Parcel designated or developed for more than one residential dwelling Unit within a single building or structure and that may share at least one common wall where such units are not initially offered for rent to the general public and initially may be offered for sale to individual homeowners. Such uses may consist of condominiums or buildings such as half-plexes or time-share units, including land uses defined as High Density Residential. Multifamily For-Sale Parcels are anticipated to have their own distinct Assessor's Parcel Number as is the case in residential condominium projects. Once designated as Multifamily For-Sale or Multifamily For-Sale Parcel, the Parcel shall remain so designated unless the original structures are demolished.

"Nonresidential Use" means a Taxable Parcel zoned for land uses other than Residential Uses which may include Business Professional, Community Commercial and Mixed Use.

"Original Parcel" means a Taxable Parcel identified in **Attachment 1** at formation of the CFD.

"Parcel" means any Assessor's Parcel in the CFD based on the equalized tax rolls of the County as of January 1 of each Fiscal Year.

"Partial Prepayment" means the partial fulfillment of a Parcel's Facilities Special Tax obligation, as determined by following the procedures in **Section 8**.

"Pay-As-You-Go Costs" means that portion of costs of acquisition, construction, and improvement of Authorized Facilities not financed by Bonds.

"Prepayment" means the full or partial fulfillment of a Parcel's Facilities Special Tax obligation, as determined by following the procedures in **Section 8**.

"Proportionately" means that the ratio of the actual Special Tax levy to the Maximum Annual Special Tax is equal for all Developed Parcels. For Small Lot Tentative Map Parcels, Proportionately means that the ratio of the actual Special Tax levy to the Maximum Annual Special Tax is equal for all Small Lot Tentative Map Parcels. For Large Lot Parcels, Proportionately means that the ratio of the actual Special Tax levy to the Maximum Annual Special Tax is equal for all Large Lot Parcels. For Undeveloped Parcels, Proportionately means that the ratio of the actual Special Tax levy to the Maximum Annual Special Tax is equal for all Undeveloped Parcels.

"Public Parcel" means any Parcel that is or is intended to be publicly owned, as designated in any final map, that is normally exempt from the levy of general ad valorem property taxes under California law, including, but not limited to, public streets, schools, parks, and public drainageways, landscaping, wetlands, greenbelts, and open space.

“Remainder Parcel” means a portion of a unit of land that is created as a result of the recording of a Large Lot Parcel Map or Final Small Lot Subdivision Map, which results in a designated remainder as defined in Government Code Section 66424.6(a) (Remainder Parcel). Such a Remainder Parcel may contain taxable and tax-exempt uses, such as Residential Uses, and Public Parcels, such as park sites. Once designated as a Remainder Parcel, such Parcel will be considered a Large Lot Parcel for the purposes of future Subdivisions and for the provisions of **Sections 4** through **6**.

“Residential Use” means a Parcel designated for residential use, such as single-family residential Units, residential condominiums, townhouses, or apartments that would be included in the definitions of Low-Density Residential, Medium Density Residential or High Density Residential.

“RMA” means this Rate and Method of Apportionment, and Manner of Collection of Special Tax, as it may be amended from time to time in connection with Annexation Parcels or otherwise.

“Single-Family Parcel” means, in any Fiscal Year, all Parcels in the CFD for which a building permit was issued or may be issued for construction of a Unit that is a single-family residential, residential condominium, or townhouse Unit.

“Small Lot Tentative Map” means a map that is approved by the City for the purpose of showing the design of a proposed Subdivision, including the individual buildable lots expected in the Subdivision, as well as the conditions pertaining thereto. A Small Lot Tentative Map is not based on a detailed survey of the property in the map and is not recorded at the County Recorder’s Office to create legal lots.

“Small Lot Tentative Map Parcel” means, in any Fiscal Year, all Parcels included in a Small Lot Tentative Map that was approved before May 1 of the prior Fiscal Year and which have not yet become a Developed Parcel.

“Special Tax(es)” mean(s) any tax levy under the Act in the CFD.

“Subdivision” or **“Subdivided”** means a division of a Parcel into two or more Parcels through Parcel reconfiguration, lot-line adjustments, or the Subdivision Map Act process. A Subdivision also may include the merging of two or more Parcels to create new Parcels.

“Successor Parcel” means a Parcel created by the Subdivision of an Original Parcel or a Successor Parcel.

“Tax Category” means the categories of taxable land uses shown in **Attachments 2** and **4**.

“Tax Collection Schedule” means the document prepared by the Administrator for the County Auditor-Controller to use in levying and collecting the Special Taxes each Fiscal Year.

“Tax Escalation Factor” means a factor of 2 percent by which the Maximum Annual Facilities Special Tax, Maximum Annual Maintenance Special Tax and related Maximum Annual Special Tax Rates shall be increased annually until the Transition Event. After the Transition Event, the Maximum Annual Maintenance Special Tax may be increased up to 2 percent annually at the City’s discretion. The Administrator should refer to Section 4a for application of the Tax Escalation Factor.

"Taxable Acreage" means that area of a Parcel determined by the Administrator to become a Taxable Parcel or Parcels upon further Subdivision. An example might be that a Large Lot Parcel Map creates a Remainder Parcel that, according to **Attachment 1**, contains both taxable uses and tax-exempt uses.

"Taxable Parcel" means any Parcel that is not a Tax-Exempt Parcel.

"Tax-Exempt Parcel" means a Parcel not subject to the Annual Special Tax. Tax-Exempt Parcels include (a) Public Parcels, and (b) Parcels owned by the City, school districts, special districts, or the state or federal government. A Taxable Parcel that is acquired by a public agency, the Parcel shall remain a Taxable Parcel as per the provisions of **Section 4.h**.

Certain privately-owned Parcels also may be exempt from the levy of Annual Special Taxes, including common areas owned by homeowner's associations or property owner associations, wetlands, detention basins, water quality ponds, and open space, as determined by the Administrator.

"Transition Event" means the earlier of (a) after the Initial Bonding period, the Fiscal Year in which the Administrator determines the Development Impact Fee Deferral has been repaid in full to the City and City determines funding is no longer needed for Annual Facilities Costs, or (b) Fiscal Year 2083-84.

"Transition Year" means the first Fiscal Year following the Fiscal Year in which the Transition Event occurred.

"Trustee" means a national banking association organized and existing under the laws of the United States acting as a trustee or fiscal agent for Bonds.

"Undeveloped Parcel" means a Taxable Parcel that is not a Developed Parcel, Small Lot Tentative Map Parcel, or a Large Lot Parcel.

"Unit" means, for a Single-Family Parcel, the individual residential unit on such Parcel, or for a Multifamily For-Rent Parcel or Multifamily For-Sale Parcel, an individual residential unit in a multifamily building.

3. Duration of the Special Tax

The Facilities Special Tax will be levied and collected until the earlier of (i) the Transition Year or (ii) Fiscal Year 2082-83. The Maintenance Special Tax will be levied and collected beginning in the Transition Year. The Maintenance Special Tax will be collected in perpetuity.

4. Administrative Tasks for the Facilities Special Tax

Tasks required of the Administrator are discussed below:

- a. **Annual Special Tax Escalation.** Until the Transition Event, the Administrator shall increase the Maximum Annual Facilities Special Tax, the Maximum Annual Maintenance Special Tax and Maximum Annual Special Tax Rates by the Tax Escalation Factor in all Fiscal Years following the Base Year. After the Transition Event, the City, in its sole discretion, may

determine whether to apply the Tax Escalation Factor to the Maximum Annual Maintenance Special Tax in any Fiscal Year.

- b. Assignment of the Maximum Annual Facilities Special Tax to Original Parcels. **Attachment 3** identifies the Assigned Maximum Annual Facilities Special Tax for each Original Parcel at CFD formation, which is determined for each Large Lot Parcel based on the Expected Land Uses in each Large Lot Parcel at CFD Formation. The Assigned Maximum Annual Facilities Special Tax shall continue to apply to the geographic area to which it was assigned. If, before further Subdivision, the Administrator determines there are multiple Assessor's Parcels in a Large Lot Parcel, the Administrator shall assign the Maximum Annual Facilities Special Tax to each Assessor's Parcel on a pro rata basis to all Assessor's Parcels in that Large Lot Parcel based on the percentage share of Taxable Acreage identified for each Assessor's Parcel. Similarly, if the Administrator determines there are multiple Large Lot Parcels in an Assessor's Parcel, the Maximum Annual Facilities Special Tax shall equal the sum of the Assigned Maximum Annual Facilities Special Tax for all Large Lot Parcels in that Assessor's Parcel.
- c. Assignment of the Maximum Annual Facilities Special Tax to Annexation Parcels. If Parcels are annexed to the CFD after formation, the Maximum Annual Facilities Special Tax shall be assigned to these Annexation Parcels using the definitions in **Section 2** and the Maximum Annual Facilities Special Tax per Unit or Acre shown in **Attachment 2** as adjusted by the Tax Escalation Factor applied by the Administrator, unless the Annexation Parcels are annexed with a new set of Maximum Annual Facilities Special Taxes. **Attachment 1** or **2** shall be amended, or a new attachment created, to include the Annexation Parcels and, if necessary, the applicable tax rates. If new Maximum Annual Facilities Special Taxes are created, **Attachments 1, 2, and 3** should be amended to reflect the Maximum Annual Facilities Special Taxes for the Annexation Parcels. Once annexed, these annexed Parcels shall be considered Original and Successor Parcels and will be subject to the same procedures for assignment of the Maximum Annual Facilities Special Tax to Successor Parcels described in **Section 4.d**. The owner of the Annexation Parcels shall be responsible for paying all costs associated with annexing the Annexation Parcels to the CFD, but otherwise shall not be required to pay any other charge, fee or catch-up special tax in connection with or as a condition of such annexation unless otherwise agreed to by the owner of the Annexation Parcel in connection with the annexation.
- d. Assignment of the Maximum Annual Facilities Special Tax to Successor Parcels. As Original Parcels and Successor Parcels are Subdivided through creation of Final Small Lot Subdivision Maps, lot line adjustments or other Parcel amendments through the Subdivision Map Act process, the Administrator shall use the following steps to assign the Maximum Annual Facilities Special Tax to new Successor Parcels. As a result of each assignment of the Maximum Annual Facilities Special Tax upon Subdivision of an Original Parcel or Successor Parcel, the sum of the Maximum Annual Facilities Special Taxes assigned to the newly created Taxable Parcels shall never be less, but may be greater, than the Assigned Maximum Annual Facilities Special Tax for that Original Parcel or Successor Parcel.
 - 1. If an Original Parcel or Successor Parcel is Fully Subdivided into Single-Family Parcels with No Remainder Parcel(s). There shall be no net loss of Maximum CFD Special Tax Revenue as a result of the assignment of the Maximum Annual Facilities Special Tax to

Single-Family Parcels. The Administrator shall use the following procedures to assign the Maximum Annual Facilities Special Tax to Single-Family Parcels. All references to Maximum Annual Facilities Special Taxes in the attachments are subject to application by the Tax Escalation Factor by the Administrator:

- A. Multiply the Maximum Annual Facilities Special Tax per Unit by Tax Category from **Attachment 2** by the number of Units for each Single-Family Parcel created by the Subdivision. Sum the Maximum Annual Facilities Special Taxes for all Single-Family Parcels created by the Subdivision.
 - B. If the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.1.A above is equal to or greater than the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided, assign the Maximum Annual Facilities Special Tax per Unit by Tax Category as calculated in Step 4.1.d.A above to each Single-Family Parcel created by the Subdivision.
 - C. If the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.1.A above is less than the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided, unless 100 percent of the Units are designated Affordable Units, (i) assign the Maximum Annual Facilities Special Tax for Affordable Units shown in **Attachment 2** to each Affordable Unit (if any) and, (ii) Proportionately increase the Maximum Annual Facilities Special Tax per Unit for all Units that are not Affordable Units until the sum of resulting Maximum Annual Facilities Special Taxes from all Units (including Affordable Units) equals the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided. Assign the Maximum Annual Facilities Special Tax calculated in this step to each new Single-Family Parcel created by the Subdivision.
 - D. If the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.1.A above is less than the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided **and** if 100 percent of the Single-Family Parcels created by Subdivision are designated as Affordable Units, increase Proportionately the Maximum Annual Facilities Special Tax per Unit for each Affordable Unit until the sum of Maximum Annual Facilities Special Taxes from all Affordable Units on the new Single-Family Parcels created by the Subdivision equal the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel that was Subdivided. Assign the Maximum Annual Facilities Special Tax calculated in this step to each new Single-Family Parcel created by the Subdivision.
2. If Original or Successor Parcel Is Subdivided into Single-Family Parcels and One or More Remainder Parcels. When an Original or Successor Parcel is Subdivided into Single-Family Parcels and one or more Large Lot Parcels (or Remainder Parcels), the Assigned Maximum Annual Facilities Special Tax is apportioned to the Single-Family Parcels and Large Lot Parcels created by the Subdivision in the following manner:
- A. Apportion the Assigned Maximum Annual Facilities Special Tax to the area(s) that is/are being Subdivided into Single-Family Parcels and to the area(s) that will be Remainder Parcel(s) on a pro rata basis, based on the percentage share of Taxable

Acreage represented by each such area as compared to the total area of the Original or Successor Parcel.

- B. For each area Subdivided into Single-Family Parcels, multiply the Maximum Annual Facilities Special Tax per Unit by Tax Category from **Attachment 2** by the number of Units for each Single-Family Parcel created by the Subdivision. Sum the Maximum Annual Facilities Special Taxes for all Single-Family Parcels created by the Subdivision.
- C. For each area Subdivided into Single-Family Parcels, if the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.2.B above is equal to or greater than the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels, assign the Maximum Annual Facilities Special Tax per Unit by Tax Category as calculated in Step 4.d.2.B above to each Single-Family Parcel created by the Subdivision.
- D. For each area Subdivided into Single-Family Parcels, if the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.2.B above is less than the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels, unless 100 percent of the Units are designated Affordable Units, (i) assign the Maximum Annual Facilities Special Tax for Affordable Units shown in **Attachment 2** to each Affordable Unit (if any) and, (ii) Proportionately increase the Maximum Annual Facilities Special Tax per Unit for all Units that are not Affordable Units until the sum of resulting Maximum Annual Facilities Special Taxes from all Units (including Affordable Units) equals the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels. Assign the Maximum Annual Facilities Special Tax calculated in this step to each new Single-Family Parcel created by the Subdivision.
- E. For each area Subdivided into Single-Family Parcels, if the sum of Maximum Annual Facilities Special Taxes calculated in Step 4.d.2.B above is less than the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels **and** if 100 percent of the Single-Family Parcels created by Subdivision are designated as Affordable Units, increase Proportionately the Maximum Annual Facilities Special Tax per Unit for each Affordable Unit until the sum of Maximum Annual Facilities Special Taxes from all Affordable Units on the new Single-Family Parcels created by the Subdivision equal the Assigned Maximum Annual Facilities Special Tax apportioned to that area of the Original or Successor Parcel that was Subdivided into Single-Family Parcels. Assign the Maximum Annual Facilities Special Tax calculated in this step to each new Single-Family Parcel created by the Subdivision.
- F. For the Remainder Parcel or Parcels, identify the Maximum Annual Facilities Special Tax for the entire Original or Successor Parcel that has been Subdivided. Sum the Maximum Annual Facilities Special Tax for all Single-Family Parcels created by the Subdivision, including Single-Family Parcels with Affordable Units. Subtract the sum of the Maximum Annual Facilities Special Tax for all Single-Family Parcels from the Assigned Maximum Annual Facilities Special Tax for the Original or Successor Parcel

being subdivided and compare it to the Maximum Annual Facilities Special Tax assigned to the Remainder Parcel or Parcels in Step 4.d.2.A. Assign to each Remainder Parcel, the lesser of the calculations in this step or in Step 4.d.2.A, but in no event less than the difference between the previously Assigned Maximum Annual Facilities Special Tax for the Original Parcel or Successor Parcel being Subdivided and the total of the Maximum Annual Facilities Special Tax for all Single-Family Parcels created by such Subdivision.

Once designated as a Remainder Parcel, such Parcel will be considered a Large Lot Parcel for the purposes of future Subdivisions and for the provisions of **Sections 4** through **6**.

3. If an Original or Successor Parcel is Subdivided creating multiple land uses and Tax Categories or for any rezones of land uses on Original or Successor Parcels:
 - A. Identify the Assigned Maximum Annual Facilities Special Tax for the Original Parcel or Successor Parcel that is being Subdivided or rezoned.
 - B. For each Taxable Parcel subject to rezone or created by Subdivision multiply the Maximum Annual Facilities Special Tax per Unit or per Acre by the number of Units or by the number of Acres by the appropriate Tax Category. For each Taxable Parcel created by Subdivision that includes Affordable Units, multiply the number of Affordable Units by the Tax per Unit for such Affordable Units.
 - C. Sum the Maximum Annual Facilities Special Tax for each Taxable Parcel and compare it to the Assigned Maximum Annual Facilities Special Tax of the Original or Successor Parcel that is subject to rezone or is being Subdivided. If the sum of Maximum Annual Facilities Special Tax for each Taxable Parcel is greater than the Assigned Maximum Annual Facilities Special Tax for the Original Parcel, the Administrator shall apply the Maximum Annual Facilities Special Tax calculated above for each Taxable Parcel.
 - D. If the Assigned Maximum Annual Facilities Special Tax for the Original Parcel or Successor Parcel subject to rezone or that is being subdivided is greater than the sum of Maximum Annual Facilities Special Tax for each Successor Parcel being created, increase Proportionately the Maximum Annual Facilities Special Tax per Unit or per Acre for all Tax Categories on each Taxable Parcel such that the sum of Maximum Annual Facilities Special Tax for all Taxable Parcels equals the Assigned Maximum Annual Facilities Special Tax for the Original Parcel.
- e. Affordable Units that Become Market-Rate Units. If, in any Fiscal Year, the City Manager, or his or her designee, determines that a Unit that previously had been designated as an Affordable Unit no longer qualifies as such, the Affordable Housing Director shall update the Affordable Unit listing by denoting the change in status of the Unit, together with the effective date thereof. For all Affordable Units that are converted to Market-Rate Units, such Units shall be assigned the Maximum Annual Facilities Special Tax per Unit based on their Tax Category as shown in **Attachment 2**, as adjusted by the Tax Escalation Factor.
- f. Transfer of the Assigned Maximum Annual Facilities Special Tax from One Large Lot Parcel to Another. The Maximum Annual Facilities Special Taxes shown in **Attachment 3** were determined based on the Expected Land Uses for each Large Lot Parcel shown in

Attachment 1. If the number of planned residential Units or Nonresidential Acreage is transferred from one Large Lot Parcel to another before recording of a Final Small Lot Subdivision Map in any portion of the Large Lot Parcel, the City may, in its sole discretion, allow for a transfer of the Maximum Annual Facilities Special Tax from one Large Lot Parcel to another. Such a transfer shall be allowed only if (1) all adjustments are agreed to in writing by the affected property owners and the Finance Director, and (2) there is no reduction in the Maximum Annual CFD Special Tax Revenues as a result of the transfer. Should a transfer result in an amendment to **Attachment 1, 2, or 3** of the Notice of Special Tax Lien, the requesting property owner shall bear the costs to effect the transfer in the CFD records and prepare the required amendments to the Notice of Special Tax Lien and **Attachments 1, 2, or 3**. Before the transfer, the City may require a deposit from the requesting property owner for such costs.

- g. Conversion of a Tax-Exempt Parcel to a Taxable Parcel. If a Tax-Exempt Parcel is not needed for public use and is converted to a taxable use or transferred to a private owner, it shall become subject to the Facilities Special Tax. The Maximum Annual Facilities Special Tax for the newly Taxable Parcel will be determined using the provisions of **Sections 4 and 5** of the RMA.
- h. Taxable Parcels Acquired by a Public Agency. A Taxable Parcel that is acquired by a public agency after the CFD is formed will remain subject to the applicable Special Tax unless the Special Tax obligation is satisfied pursuant to Section 53317.5 of the Government Code. An exception to this may be made if a Public Parcel, such as a park site, is relocated to a Taxable Parcel, in which case the previously Tax-Exempt Parcel of comparable acreage becomes a Taxable Parcel and the Maximum Annual Facilities Special Tax from the previously Taxable Parcel is transferred to the new Taxable Parcel. This trading of a Parcel from a Taxable Parcel to a Public Parcel will be permitted to the extent there is no net loss in Maximum Annual CFD Special Tax Revenue and the transfer is agreed to by the owners of the Parcels involved in the transfer and the Finance Director.

5. Administrative Tasks for the Maintenance Special Tax

This section discusses the administrative tasks for the Maintenance Special Tax, which shall be applicable after the Transition Event.

Tasks required of the Administrator are discussed below:

- a. Assignment of the Maximum Annual Maintenance Special Tax to Developed Parcels. After the Transition Event, the Administrator shall assign the Maximum Annual Maintenance Special Tax to all Developed Parcels using the Maximum Annual Special Tax Rates for the Maintenance Special Tax by Tax Category shown in **Attachment 4**, as adjusted by the Tax Escalation Factor.
- b. Assignment of the Maximum Annual Maintenance Special Tax to Successor Parcels. After the Transition Event, if Original Parcels and Successor Parcels are Subdivided through creation of Final Small Lot Subdivision Maps, lot line adjustments or other Parcel amendments through the Subdivision Map Act process, the Administrator shall use the steps in **Section 4.d** to assign the Maximum Annual Maintenance Special Tax to new Successor Parcels. **When**

applying Section 4.d after the Transition Event, the Administrator shall substitute Maintenance Special Tax for Facilities Special Tax and shall substitute Maximum Annual Maintenance Special Tax for Maximum Annual Facilities Special Tax.

- c. Assignment of the Maximum Annual Maintenance Special Tax to Annexation Parcels. If Parcels are annexed to the CFD after formation, the Maximum Annual Maintenance Special Tax shall be assigned to these Annexation Parcels using the definitions in Section 2 and the Maximum Annual Maintenance Special Tax per Unit or Acre shown in **Attachment 4** as adjusted by the Tax Escalation Factor applied by the Administrator, unless the Annexation Parcels are annexed with a new set of Maximum Annual Maintenance Special Taxes. **Attachment 1** may be amended, or a new attachment created, to include the Annexation Parcels and, if necessary, the applicable tax rates. If new Maximum Annual Maintenance Special Taxes are created, **Attachment 4** should be amended to reflect the Maximum Annual Maintenance Special Taxes for the Annexation Parcels. Once annexed, these annexed Parcels shall be considered Original and Successor Parcels and will be subject to the same procedures for assignment of the Maximum Annual Maintenance Special Tax to Successor Parcels described in this section. The owner of the Annexation Parcels shall be responsible for paying all costs associated with annexing the Annexation Parcels to the CFD, but otherwise shall not be required to pay any other charge, fee or catch-up special tax in connection with or as a condition of such annexation unless otherwise agreed to by the owner of the Annexation Parcel in connection with the annexation.
- d. Affordable Units that Become Market-Rate Units. If, in any Fiscal Year, the City Manager, or his or her designee, determines that a Unit that previously had been designated as an Affordable Unit no longer qualifies as such, the Affordable Housing Director shall update the Affordable Unit listing by denoting the change in status of the Unit, together with the effective date thereof. For all Affordable Units that are converted to Market-Rate Units, such Units shall be assigned the Maximum Annual Maintenance Special Tax per Unit based on their Tax Category as shown in **Attachment 4**, as adjusted by the Tax Escalation Factor.
- e. Conversion of a Tax-Exempt Parcel to a Taxable Parcel. If a Tax-Exempt Parcel is not needed for public use and is converted to a taxable use or transferred to a private owner, it shall become subject to the Maintenance Special Tax. The Maximum Annual Maintenance Special Tax for the newly Taxable Parcel will be determined using the provisions of **Sections 5 and 6** of the RMA.
- f. Taxable Parcels Acquired by a Public Agency. A Taxable Parcel that is acquired by a public agency after the CFD is formed will remain subject to the applicable Special Tax unless the Special Tax obligation is satisfied pursuant to Section 53317.5 of the Government Code. An exception to this may be made if a Public Parcel, such as a park site, is relocated to a Taxable Parcel, in which case the previously Tax-Exempt Parcel of comparable acreage becomes a Taxable Parcel and the Maximum Annual Maintenance Special Tax from the previously Taxable Parcel is transferred to the new Taxable Parcel. This trading of a Parcel from a Taxable Parcel to a Public Parcel will be permitted to the extent there is no net loss in Maximum Annual CFD Special Tax Revenue and the transfer is agreed to by the owners of the Parcels involved in the transfer and the Finance Director

6. Assignment of the Maximum Annual Special Tax

- a. Classification of Parcels. For purposes of the next Fiscal Year tax levy, by June 30 of each Fiscal Year, using the Definitions in **Section 2**, the Parcel records of the Assessor's secured tax roll as of January 1, and other City development approval records, the Administrator shall cause:
 1. Each Parcel to be classified as a Taxable Parcel or Tax-Exempt Parcel.
 2. Each Parcel to be classified as a Developed Parcel, a Small Lot Tentative Map Parcel, a Large Lot Parcel (including Remainder Parcels), or an Undeveloped Parcel.
- b. Assignment of the Maximum Annual Facilities Special Tax to Taxable Parcels. The Maximum Annual Facilities Special Tax will be assigned to each Taxable Parcel each Fiscal Year using the procedures (not all steps may be applicable for each such Parcel) in **Section 4**.
- c. Assignment of the Maximum Annual Maintenance Special Tax to Taxable Parcels. The Maximum Annual Maintenance Special Tax will be assigned to each Taxable Parcel each Fiscal Year using the procedures (not all steps may be applicable for each such Parcel) in **Sections 4 and 5**.

7. Calculating Annual Special Taxes

This section discusses the levy of the Facilities Special Tax and the Maintenance Special Tax. Collectively, these Special Taxes are included in the discussion of the assignment of the Maximum Annual Special Taxes. For the period following CFD formation until the Transition Event, the Maximum Annual Special Tax shall refer to the Facilities Special Tax. Beginning with the Transition Year, the Maximum Annual Special Tax shall refer to the Maintenance Special Tax.

The Administrator will compute the Annual Facilities Costs or Annual Maintenance Costs and determine the annual Special Tax levy for each Taxable Parcel based on the assignment of the Special Tax in **Sections 4, 5, and 6**. The Administrator then will determine the tax levy for each Taxable Parcel using the following process:

Facilities Special Tax Levy

- a. Compute the Annual Facilities Costs using the definition of Annual Facilities Costs in **Section 2**.
- b. For all Taxable Parcels, calculate the Facilities Special Tax levy for each using the following steps:
 - Step 7.b.1. The Facilities Special Tax shall be levied proportionately on all Developed Parcels up to the amount of Annual Facilities Cost or up to 100 percent of the Maximum Annual Facilities Special Tax Revenue for all Developed Parcels, whichever is less.
 - Step 7.b.2. If additional revenue is needed after *Step 7.b.1.*, the Facilities Special Tax shall be levied proportionately on each Small Lot Tentative Map Parcel until the revenue from the Facilities Special Tax levy in this step, when added to the levy amount computed in *Step 7.b.1.*, equals the Annual Facilities Costs, or up to

100 percent of the Maximum Annual Facilities Special Tax Revenue for all Small Lot Tentative Map Parcels. As necessary, the Facilities Special Tax shall be levied on Small Lot Tentative Map Parcels for the entire portion of Annual Facilities Costs, excluding Pay-As-You-Go Costs.

Step 7.b.3. If additional revenue is needed after *Step 7.b.2.*, the Facilities Special Tax shall be levied proportionately on each Large Lot Parcel until the revenue from the Facilities Special Tax levy in this step, when added to the levy amount computed through *Step 7.b.2.*, equals the Annual Facilities Costs, or up to 100 percent of the Maximum Annual Facilities Special Tax Revenue for all Large Lot Parcels. As necessary, the Facilities Special Tax shall be levied on Large Lot Parcels for the entire portion of Annual Facilities Costs, excluding Pay-As-You-Go Costs.

Step 7.b.4. If additional revenue is needed after *Step 7.b.3.*, the Facilities Special Tax shall be levied on each Undeveloped Parcel until the revenue from the Facilities Special Tax levy in this step, when added to the levy amounts computed through *Step 7.b.3.*, equals the Annual Facilities Costs, or up to 100 percent of the Maximum Annual Facilities Special Tax Revenue for all Undeveloped Parcels. As necessary, the Facilities Special Tax shall be levied on Undeveloped Parcels for the entire portion of Annual Facilities Costs, excluding Pay-As-You-Go Costs.

Maintenance Special Tax Levy

c. Beginning in the Transition Year, compute the Annual Maintenance Cost using the definition of Annual Maintenance Costs in **Section 2**.

d. For all Taxable Parcels, calculate the Maintenance Special Tax levy for each using the following steps:

Step 7.d.1. The Maintenance Special Tax shall be levied proportionately on all Developed Parcels up to the amount of Annual Maintenance Cost or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Developed Parcels, whichever is less.

Step 7.d.2. If additional revenue is needed after *Step 7.d.1.*, the Maintenance Special Tax shall be levied proportionately on each Small Lot Tentative Map Parcel until the revenue from the Maintenance Special Tax levy in this step, when added to the levy amount computed in *Step 7.d.1.*, equals the Annual Maintenance Costs, or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Small Lot Tentative Map Parcels.

Step 7.d.3. If additional revenue is needed after *Step 7.d.2.*, the Maintenance Special Tax shall be levied proportionately on each Large Lot Parcel until the revenue from the Maintenance Special Tax levy in this step, when added to the levy amount computed through *Step 7.d.2.*, equals the Annual Maintenance Costs, or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Large Lot Parcels

Step 7.d.4. If additional revenue is needed after *Step 7.d.3.*, the Maintenance Special Tax shall be levied on each Undeveloped Parcel until the revenue from the Maintenance Special Tax levy in this step, when added to the levy amounts computed through *Step 7.d.3.*, equals the Annual Maintenance Costs, or up to 100 percent of the Maximum Annual Maintenance Special Tax Revenue for all Undeveloped Parcels.

- e. Levy on each Taxable Parcel the amount calculated above.
- f. Prepare the Tax Collection Schedule and, unless an alternative method of collection has been selected pursuant to **Section 9**, send it to the County Auditor requesting that it be placed on the general, secured property tax roll for the Fiscal Year. The Tax Collection Schedule will be sent no later than the date required by the County Auditor for such inclusion.

The Administrator will make every effort to calculate the Special Tax correctly for each Parcel. It will be the burden of the taxpayer to identify any errors in determining which Parcels are subject to the tax and their Special Tax assignments.

8. Prepayment of the Facilities Special Tax Obligation

A property owner may at any time prepay 50 percent, but not more or less than 50 percent of the Maximum Annual Facilities Special Tax. For Nonresidential Use Parcels, Full Prepayment is permissible at any time. Full Prepayment is not allowable for Residential Use Parcels.

In addition to the conditions above, the City may allow a Full or Partial Prepayment if the City determines that the Prepayment will not jeopardize its ability to make timely payments of Debt Service and maintain a 110-percent annual Debt Service coverage based on Maximum Annual Special Tax Revenues in all years where there will be Outstanding Bonds. Prepayments must be made by May 1 to have the Prepayment reflected in the following Fiscal Year's Special Tax levy. Prepayment is permitted only under the following conditions:

- The landowner prepaying the Facilities Special Tax on a Parcel has paid any delinquent Facilities Special Tax and penalties on that Parcel before Prepayment.
- Following Prepayment, amounts in the reserve fund are equal to or greater than the reserve fund requirement.
- The City determines that the Prepayment will not jeopardize its ability to make timely payments of Debt Service and maintain a 110-percent annual Debt Service coverage based on Maximum Annual Special Tax Revenues in all years in which issued Bonds will be outstanding.
- The portion of the Prepayment for the Development Impact Fee Deferral shall only be used to pay for the Development Impact Fee Deferral whether it was or is to be funded through annual special tax payments or through bonded indebtedness.

When permitted, the Administrator shall calculate Prepayments using the following steps:

a. The Full Prepayment amount shall be established by following the steps below:

- Step 8.a.1: Determine the Facilities Special Tax for the Taxable Parcel for which the Facilities Special Tax is to be prepaid using the provisions of **Sections 4, 5, and 6**. If the Parcel is not designated as a Developed Parcel, determine the applicable Facilities Special Tax for the Parcel assuming it is a Developed Parcel.
- Step 8.a.2: Increase the Facilities Special Tax by 2 percent per annum for the longer of (i) 30 years from the year in which the Parcel was first subject to the Facilities Special Tax as a Developed Parcel, or (ii) the end of the then-remaining Initial Bonding Period.
- Step 8.a.3: Using a discounted rate equal to the most current yield for the 30-Year Treasury Constant Maturity, calculate the net present value of the revenue stream determined *Step 8.a.2*. If this yield is no longer available, the Administrator will select a yield rate from the most comparable type of security.
- Step 8.a.4: Add to the amount calculated in *Step 8.a.3* interest on the Bonds being redeemed to the next redemption date.
- Step 8.a.5: Add to the amount calculated in *Step 8.a.4* a redemption premium on the Bonds being redeemed (if any).
- Step 8.a.6: Add to the amount calculated in *Step 8.a.5* the Development Impact Fee Deferral amount applicable to the Parcel, as adjusted for inflation. If Bonds have been issued to finance the Development Impact Fee Deferral, follow *Step 8.a.2* and *8.a.3*, using for *Step 8.a.2* the longer of (i) 30 years from the year in which the Parcel was first subject to the Facilities Special Tax during the Deferral Bonding Period, or (ii) the end of the then-remaining Deferral Bonding Period.
- Step 8.a.7: Add the administrative cost of processing the Prepayment to the amount calculated in *Step 8.a.6*.
- Step 8.a.8: The amount in *Step 8.a.7* is the amount of the Full Prepayment of the Maximum Annual Special Tax for the Taxable Parcel.

b. Partial Prepayments will be calculated as described below:

The amount of any Partial Prepayment is limited to 50 percent of the Full Prepayment amount determined in *Step 8.a.8*. A Partial Prepayment may only be made in an amount equal 50 percent of the Full Prepayment desired by the party making a Partial Prepayment, except that the full amount of Administrative fees and expenses determined in *Step 8.a.7* shall be included in the Partial Prepayment. The Facilities Special Tax that can be levied on a Parcel after a Partial Prepayment is made is equal to one-half of the Facilities Special Tax that could have been levied before the Partial Prepayment.

9. Interpretation, Application, and Appeal of Special Tax Formula and Procedures

Any taxpayer who feels the amount of the Special Tax assigned to a Parcel is in error may file a notice with the Finance Director appealing the levy of the Special Tax. The Finance Director then will promptly review the appeal and, if necessary, will meet with the applicant. If the Finance Director verifies that the tax should be modified or changed, the Special Tax levy will be corrected and, if applicable in any case, a credit or refund will be granted.

Interpretations may be made by the City, without Resolution or Ordinance of the Council, for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax rate, the method of apportionment, the classification of properties, or any definition applicable to the CFD.

Without Council approval, the Finance Director may make minor, non-substantive administrative and technical changes to the provisions of this RMA that do not materially affect the rate, method of apportionment, or manner of collection of the Special Tax for purposes of administrative efficiency or convenience or to comply with new applicable federal, state, or local law.

The City, upon request of an owner of land in the CFD that is not a Developed Parcel, also may amend this RMA in any manner acceptable to the City, without Resolution or Ordinance of the Council, upon the affirmative vote of such owner and without the vote of owners of any other land in the CFD, provided such amendment is only applicable to such owner's land and does not reduce the total Maximum Annual CFD Special Tax Revenue.

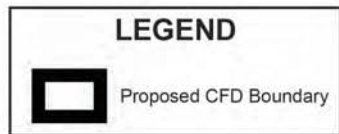
10. Manner of Collection

The Special Tax will be collected in the same manner and at the same time as ad valorem property taxes, provided, however, the Administrator or its designee may directly bill the Special Tax and may collect the Special Tax at a different time, such as on a monthly or other periodic basis, or in a different manner, if necessary, to meet the City's financial obligations.

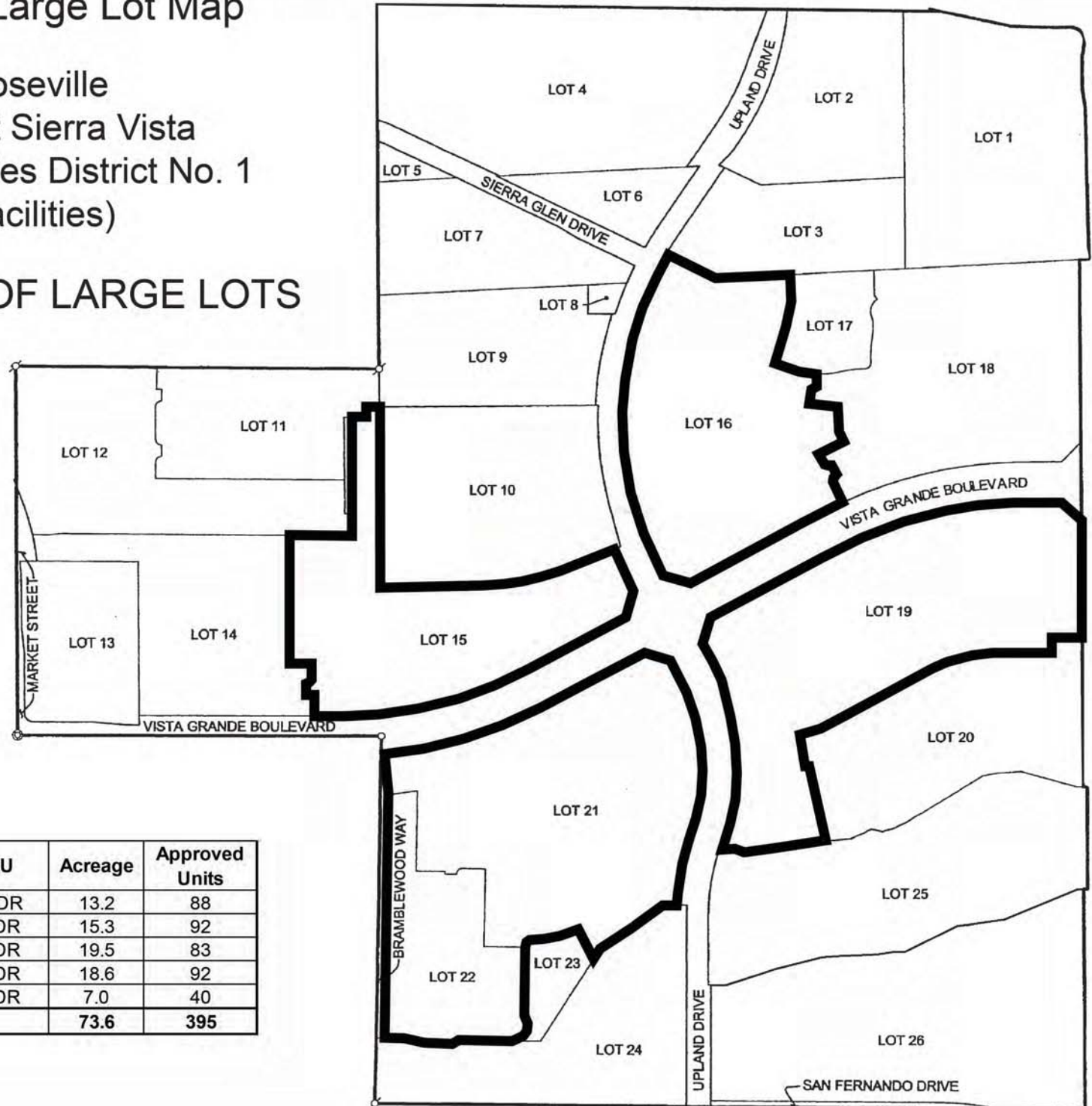
Attachment 1 - Large Lot Map

City of Roseville The Villages at Sierra Vista Community Facilities District No. 1 (Public Facilities)

IDENTIFICATION OF LARGE LOTS



Lot #	APN	SVSP ID	LU	Acreage	Approved Units
15	498-010-036	JM-20	MDR	13.2	88
16	498-010-037	JM-2	LDR	15.3	92
19	498-010-040	JM-3	LDR	19.5	83
21	498-010-042	JM-4	LDR	18.6	92
22	498-010-043	JM-4	LDR	7.0	40
TOTAL				73.6	395



Attachment 2
Villages at Sierra Vista CFD No. 1 (Public Facilities)
Maximum Annual Facilities Special Taxes by Tax Category
for the Base Year of FY 2018-19 [1]

Expected Land Uses (Tax Category)	Facilities Special Tax per Unit/Taxable Acre	
	Before Transition Event [1]	After Transition Event
Residential Uses	<u>per Unit</u>	<u>per Unit</u>
Low Density Residential (LDR)	\$1,800.00	\$0.00
Medium Density Residential (MDR)	\$1,600.00	\$0.00
High Density Residential (HDR) [2]		
High Density Residential (HDR) For-Sale [2]	\$0.00	\$0.00
High Density Residential (HDR) For-Rent [2]	\$0.00	\$0.00
Affordable Medium Density Residential	\$800.00	\$0.00
Affordable High Density Residential [2]	\$0.00	\$0.00
Nonresidential Uses [2]	<u>per Taxable Acre</u>	<u>per Taxable Acre</u>
Mixed Use (MU) [2]	\$0.00	\$0.00
Business Professional (BP) [2]	\$0.00	\$0.00
Community Commercial (CC) [2]	\$0.00	\$0.00
Undeveloped Property	\$9,500.00	\$0.00

"att2"

[1] This amount is subject to increase by the Tax Escalation Factor in each Fiscal Year following the Base Year as described in this RMA.

[2] If a Low Density Residential, Medium Density Residential or Affordable Medium Density Residential Parcel with a Special Tax is rezoned to a use with an identified Special Tax of \$0 in this attachment, the Special Tax would be assigned to the Parcel using the provisions of Section 4 of this RMA.

Attachment 3

Villages at Sierra Vista CFD No. 1 (Public Facilities)

Assigned Maximum Annual Special Tax for Original Parcels (Base Year of FY 2018-19) [1] [2]

Original Parcel	Village Number	Expected Land Uses				Assigned Maximum Annual Special Tax per Unit [1] [2]	Assigned Maximum Annual Special Tax per Village [1] [2]
		Tax Category	Acres	Planned Units	Planned Units per Acre		
498-010-036	JM-20, Phase 1	MDR	13.2	88	6.7	\$1,600.00	\$140,800.00
498-010-037	JM-2, Phase 1	LDR	15.3	92	6.0	\$1,800.00	\$165,600.00
498-010-040	JM-3 - Phase 1	LDR	19.5	83	4.3	\$1,800.00	\$149,400.00
498-010-042	JM-4, Phase 1	LDR	18.6	92	4.9	\$1,800.00	\$165,600.00
498-010-043	JM-4, Phase 2	LDR	7.0	40	5.7	\$1,800.00	\$72,000.00
CFD Totals			73.6	395			\$693,400.00

"att3"

[1] This amount is subject to increase by the Tax Escalation Factor in each Fiscal Year following the Base Year as described in this RMA.

[2] If amended to included Annexation Parcels, the Maximum Annual Special Tax for Annexation Parcels would also be subject to the Tax Escalation Factor.

Attachment 4
Villages at Sierra Vista CFD No. 1 (Public Facilities)
Maximum Annual Maintenance Special Taxes by Tax Category
for the Base Year of FY 2018-19 [1]

Expected Land Uses (Tax Category)	Maintenance Special Tax per Unit/Taxable Acre	
	Before Transition Event [1]	After Transition Event [1]
Residential Uses	<u>per Unit</u>	<u>per Unit</u>
Low Density Residential (LDR)	\$0.00	\$900.00
Medium Density Residential (MDR)	\$0.00	\$800.00
High Density Residential (HDR) [2]		
High Density Residential (HDR) For-Sale	\$0.00	\$0.00
High Density Residential (HDR) For-Rent	\$0.00	\$0.00
Affordable Medium Density Residential	\$0.00	\$400.00
Affordable High Density Residential [2]	\$0.00	\$0.00
Nonresidential Uses [2]	<u>per Taxable Acre</u>	
Mixed Use (MU) [2]	\$0.00	\$0.00
Business Professional (BP) [2]	\$0.00	\$0.00
Community Commercial (CC) [2]	\$0.00	\$0.00
Undeveloped Property	\$0.00	\$4,750.00

"att4"

[1] This amount is subject to increase by the Tax Escalation Factor in each Fiscal Year following the Base Year as described in this RMA.

[2] If a Low Density Residential, Medium Density Residential or Affordable Medium Density Residential Parcel with a Special Tax is rezoned to a use with an identified Special Tax of \$0 in this attachment, the Special Tax would be assigned to the Parcel using the provisions of Section 4 of this RMA.

PROPOSED BOUNDARY OF THE VILLAGES AT SIERRA VISTA

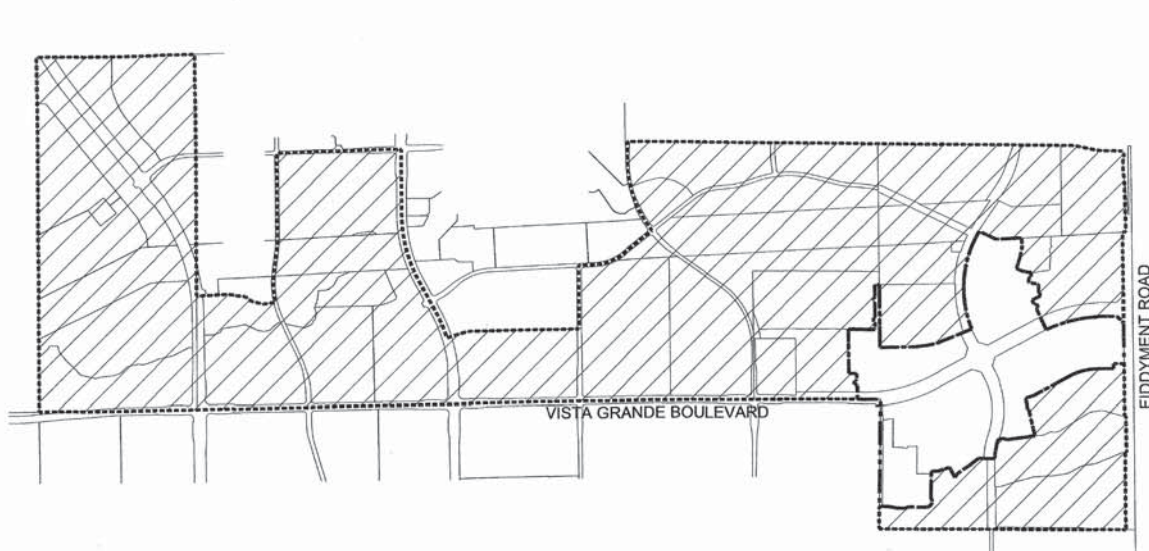
COMMUNITY FACILITIES DISTRICT NO. 1

(PUBLIC FACILITIES)

CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA

SCALE: 1" = 800'

SHEET 1 OF 1

**LEGEND:**

PROPOSED CFD BOUNDARY



AREAS OF FUTURE ANNEXATION

CITY CLERK'S STATEMENT:

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF ROSEVILLE, COUNTY OF PLACER,
STATE OF CALIFORNIA THIS 21 DAY OF March, 2018.

SONIA OROZCO, CITY CLERK
CITY OF ROSEVILLE
PLACER COUNTY, CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF THE
VILLAGES AT SIERRA VISTA COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES), CITY
OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA WAS APPROVED BY THE CITY
COUNCIL OF THE CITY OF ROSEVILLE, AT A REGULAR MEETING THEREOF HELD ON THE 21
DAY OF March, 2018, BY ITS RESOLUTION NUMBER 18-86.

SONIA OROZCO, CITY CLERK
CITY OF ROSEVILLE
PLACER COUNTY, CALIFORNIA

RECORDER'S STATEMENT:

FILED THIS 26th DAY OF March, 2018, AT THE HOUR OF 11:46 O'CLOCK, A.M.,
IN BOOK 3 OF MAPS OF COMMUNITY FACILITIES DISTRICT, AT PAGE 77,
IN THE OFFICE OF THE RECORDER OF THE COUNTY OF PLACER, STATE OF CALIFORNIA.

DOC NO. 2018-0019977

RYAN RONCO
PLACER COUNTY RECORDER

FEE: \$ 8.00

BY:
DEPUTY

MAP PREPARED BY:

MARCH, 2018



BAKER-WILLIAMS ENGINEERING GROUP

Engineering / Surveying / Land Planning / Entitlement Processing / GPS Services
8020 Rutland Drive, Suite 19 - Carmichael, CA 95608
(916) 331-4336 - fax (916) 331-4430 - office@bweengineers.com

SHEET 1 OF 1



EXHIBIT B:
List of Authorized Facilities and Services

EXHIBIT B

City of Roseville
Villages at Sierra Vista
Community Facilities District No. 1
(Public Facilities)
Placer County, California

LIST OF AUTHORIZED FACILITIES AND SERVICES

Authorized Facilities

Transportation Improvements

Public roadway improvements designed to meet the needs of the project, including those improvements identified in the project Development Agreement (DA) Sections 3.5.17 and 3.5.18, including but not limited to;

- Federico Drive.
- Fiddymment Road.
- Market Street.
- Santucci Boulevard.
- Summerfaire Drive.
- Silver Spruce Drive.
- Sierra Glen Drive.
- Vista Park Drive.
- Vista Grande Boulevard.
- Westbrook Boulevard.

Eligible roadway improvements include the following items: acquisition of land and easements; roadway design; project management; geotechnical engineering, testing and observations, bridge crossings and culverts; clearing, grubbing, and demolition; grading, soil import/export, paving (including slurry seal), and decorative/enhanced pavement concrete or pavers; power pole relocations; joint trenches, underground utilities, and undergrounding of existing utilities; dry utilities and appurtenances; curbs, gutters, sidewalks, bike trails (including on- and off-site), park and ride facilities, bus rapid transit improvements, including transfer stations and regional public transit improvements; retaining walls, sound walls, 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; masonry walls; traffic control and agency fees; and other improvements related thereto. Eligible improvements for the roads listed above also include any and all necessary underground potable and non-potable water, sanitary sewer, and storm drainage system improvements.

Potable and Non-Potable Water System Improvements

Authorized facilities include any and all on- and off-site backbone water facilities designed to meet the needs of development of the project. These facilities include potable and non-potable mains, valves, services, and appurtenances; wells; and water treatment and storage facilities, and related improvements, including but not limited to: site clearing, grading, and paving; curbs and gutters; recycled water storage tanks, booster pump stations, and all appurtenances thereto; wells; water treatment; stand-by generator; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates and fencing; striping and signage; and the following:

- Water lines in/associated with authorized facility roads.
- Recycled water lines in/associated with authorized facility roads.
- Well construction or financial contributions thereto on, but not limited to JM-60.
- Water Tank Site Improvements (DA Section 3.8.2).
- Recycled Water Storage Tank Facility
- Reimbursement obligation for the Baseline Road 24" water line (DA Section 3.8.3).
- CFD obligations for RW tank(s) required by DA Section 3.9.

Drainage System Improvements

Authorized facilities include any and all on- and off-site backbone drainage and storm drainage improvements designed to meet the needs of development of the project. These facilities include mains, pipelines and appurtenances, outfalls and water quality measures, temporary drainage facilities, detention/retention basins, and drainage pretreatment facilities; drainage ways/channels, pump stations, landscaping, and irrigation; access roads, gates, and fencing; striping and signage; and the following:

- All storm drain lines and facilities in/associated with authorized facility roadways.
- Retention, detention, hydro-modification, and other drainage facilities.

Wastewater System Improvements

Authorized facilities include any and all on- and off-site backbone wastewater facilities designed to meet the needs of development of the project. These facilities include pipelines and all appurtenances thereto; manholes; tie-in to existing main line; force mains; lift stations; odor-control facilities; sewer treatment plant improvements and permitting related thereto; and related sewer system improvements, including but not limited to:

- All wastewater facilities in/associated with authorized facility roadways.

Solid Waste Improvements

Authorized facilities include any and all backbone solid waste improvements designed to meet the needs of development of the project. Eligible improvements also include the project's pro-rata contribution, as described in the project DA, to the Sierra Vista Specific Plan (SVSP) Solid Waste Recycling Center (DA Section 3.26(iii)).

Park, Landscape Corridor and Paseo Improvements

Authorized facilities include any and all improvements to parks, landscape corridors and paseos located in the project, including but not limited to:

- Construction of Park Sites as identified by the Specific Plan.
- Construction of Paseos as identified by the Specific Plan.

Open Space Improvements

Authorized facilities include any and all open space improvements designed to meet the needs of development of the project, including bike trails, bike/pedestrian bridges, storm drain crossings, storm drain detention/retention, wetland mitigation, tree mitigation, on- and off-site hawk/raptor mitigation, agricultural mitigation or wetland mitigation, property acquisition, endowment payments for open space management, landscaping and irrigation, access gates and fencing, and related open space improvements, including but not limited to:

- Improvements as identified by the Specific Plan.
- Wetland creation mitigation, fencing, etc.

Utilities

Authorized facilities include any and all on- and off-site utility improvements designed to meet the needs of development of the project. All utility improvements, easement payments, and land acquisition not located under or alongside transportation improvements are considered authorized facilities. Authorized facilities also shall include costs related to the acquisition of the off-site electric substation site; site clearing; grading; street frontage improvements, including curbs, gutters, and paving; and construction of an all-weather access road

to the site from the nearest public street or extension of temporary 12kV overhead lines as described in the project DA, including but not limited to:

- SVSP Electric Substation site acquisition, and improvements required by DA Section 3.11.3.
- Temporary overhead 12kV lines to loop SVSP substation to line in WRSP Phase 3 and 4.

Other Public Facilities

Authorized facilities includes any and all public facilities or infrastructure, including the project's pro-rata contribution to the land acquisition of the off-site fire station site, site clearing, grading, and street frontage improvements including curbs, gutters, and paving, including but not limited to:

- Fire Station site reimbursement obligations in DA Section 3.23.

Development Impact Fees

Authorized facilities include development impact fees paid and not otherwise reimbursed, whether standard City or County fees levied at the time of the issuance of a building permit or required as part of the DA for the property. Fees include, but are not limited to, the South Placer Regional Transportation Authority Tier II Traffic Fee, City of Roseville City Wide Park Fee, City of Roseville Public Facilities Fee, and Public Benefit Fee (as defined in Section 3.14.3 of the DA for the property).

Formation, Administrative, and Incidental Expenses

In addition to the above facilities, other expenses incidental to the above and authorized by the Mello-Roos Community Facilities Act of 1982, including but not limited to: the cost of planning, permitting, and designing the facilities (including the cost of environmental evaluation, orthophotography, environmental remediation/mitigation, and preparation of an overarching Operation and Maintenance Plan for the City of Roseville Open Space Preserves); land acquisition and easement payments for the facilities; project management; construction staking; engineering studies and reports; utility relocation and demolition costs incidental to construction of the facilities, wetland/Species mitigation purchase; reimbursements to other areas for infrastructure facilities or planning serving development in the CFD; Sierra Vista Specific Plan planning, legal, engineering, technical studies costs related to the facilities and any other expenses incidental to the construction, completion, and inspection of the facilities.

In addition, costs eligible to be financed by the CFD shall include all costs associated with the formation and ongoing administration of the CFD and issuance

of bonds; determination of the amount of taxes and collection of taxes; inspection, plan check and other costs related to acceptance of the facilities by the City, payment of taxes; and any other costs incurred to carry out the authorized purposes of the CFD.

Authorized Services

The authorized services to be funded from the levy and collection of annual maintenance special taxes are the provision of public services, maintenance and operation related to any facilities authorized to be funded by the CFD with a useful life of five or more years, including but not limited to performance by employees of functions and repair activities. Maintenance as used herein includes replacement and the creation and funding of a reserve fund to pay for a replacement of such facilities. The maintenance special taxes shall only fund authorized services to the extent that they are in addition to those provided to land within the CFD prior to the creation of the CFD. In addition, costs eligible to be financed by the CFD shall include all costs associated with the ongoing administration of the CFD, determination of the amount of taxes and collection of taxes, and other costs related to the authorized services provided by the City as permitted by the Act, payment of taxes; and any other costs incurred to carry out the authorized purposes of the CFD.



COUNCIL COMMUNICATION

CC #: 9747

File #: 0709-03-02

Title: HOUSING SUCCESSOR - Main Street Plaza Housing Project (304 Washington Boulevard) - Third Amended and Restated Disposition and Development Agreements

Contact: Danielle Foster 916-774-5446 dfoster@roseville.ca.us

Meeting Date: 1/16/2019

Item #: 8.3.

RECOMMENDATION TO COUNCIL

Staff recommends that the City Council, acting as the Housing Successor hold a public hearing and approve the attached resolution approving the:

- 1) Third Amended and Restated Disposition and Development Agreement (DDA) for the Main Street Plaza 4 affordable housing project (4% DDA); and
- 2) Disposition and Development Agreement (DDA) for the Main Street Plaza 9 affordable housing project (9% DDA).

BACKGROUND

Current Changes

This request is to update and split the previous Disposition and Development Agreement (DDA) by and between the City of Roseville and the Main Street Plaza, LLC, for the Main Street Plaza Housing Project at Washington Boulevard and Main Street into two DDAs.

The proposed split into two DDAs allows the project to be split into two projects:

- One 44-unit project, Main Street Plaza 4 Project being developed by Main Street Plaza, LLC that is utilizing 4% tax-exempt bond financing (Third Amended and Restated Disposition and Development Agreement-4% DDA); and
- One 21-unit project, Main Street Plaza 9 Project being developed by Roseville Apartments, LP that is utilizing 9% tax credit financing (Disposition and Development Agreement – 9% DDA).

Although split, the two projects will be built simultaneously using 4% tax-exempt bond financing for the 44-unit project and 9% tax credits for the 21-unit project. Splitting the project into two projects enables each project to pursue and secure the necessary financing to commence development in March 2019. This financing structure is called a hybrid model, which utilizes two types of state-award financing by the California Debt Limit Allocation Committee (CDLAC) through their 4% tax-exempt bond financing program and the California Tax Credit Allocation Committee (TCAC)'s 9%

tax credit program. The TCAC regulations require that hybrid projects that are split, still complete construction within six months of each other. The proposed DDAs amend the current City/Successor Agency agreement in two ways:

1. It splits the original DDA into two DDAs that allows for the separate simultaneous construction of the 44-unit and 21-unit projects, using the committed local, state, and federal funding sources; and
2. the 21-unit project is now executed with a newly created entity, Roseville Apartments, L.P., for purposes of fulfilling the requirements of the awarded 9% tax credit financing.

Meta Housing is still the developer of both projects, the 44-unit and 21-unit project, as originally approved.

Project Background

On January 18, 2017, the City Council, acting as the Housing Successor, approved the Exclusive Right to Negotiate Agreement (ENA) with Meta Housing Corporation for the affordable housing site at 304 Washington Boulevard and subsequently approved a Disposition and Development Agreement on February 15, 2017 and an Amended and Restated Disposition and Development Agreement (DDA) on March 15, 2017. The subsequent Amended and Restated DDA was with Main Street Plaza, LLC, owned and controlled by Meta Housing, the developer of the approved Main Street Plaza affordable housing development.

Award of this site to this project results in each project carrying a Note for the value of the awarded property that is payable to the City, acting as the Housing Successor. The development and approval of the project's ENA and subsequent DDA documents were in response to a proposal from Meta Housing to develop the site at 130-134 Main Street in conjunction with a neighboring city-owned affordable housing parcel at 304 Washington Boulevard. The parcel at 130-134 Main Street had an existing building that was mostly vacant and partially condemned. The Main Street Plaza project included the demolition of the nuisance building that consisted of: the deteriorating Roseville Hotel on the second floor, and vacant commercial space on the first floor, including the former space of Fast Freddie's, a pizza business. The property was plagued with code violations for more than ten years, and demolition of the building was completed last spring. This demolition resulted in the removal of blight and the health and safety nuisance, improving the neighborhood value and decreasing calls for service to public safety. Meta shored up the shared wall between the old building and the existing space occupied by Kids First and will complete the necessary outstanding improvements to the previous common wall in coming months as part of the construction process. In regards to the demolition of the Roseville Hotel building, staff coordinated with the Roseville Historical Society to preserve an antique light fixture from the building.

Fast Freddie's pizza business received relocation assistance by Meta Housing. Additionally, technical assistance (real estate broker services) was provided to Fast Freddie's to assist them in finding another business location. Meta Housing and staff worked to retain Fast Freddie's locally; however they were unable to find a location that fit their needs. With assistance, Fast Freddie's was able to find a turnkey restaurant location in Rocklin, CA and is working to move to its new space.

With these updates to the DDA into two DDAs and the necessary financing secured, Meta Housing will begin development of the property in conjunction with 304 Washington Boulevard as a mixed-use project including a minimum of 3,000 square feet of commercial space and affordable apartment units. This development includes permanent supportive housing units to assist individuals and families who are homeless or at-risk of homelessness, including veterans

and those with a physical or mental disability. There will be additional services provided to residents to ensure their success in remaining housed.

The two projects together will provide 65 affordable units, offering a range of affordability, on-site services, a bbq area, a tot lot and other amenities, including the pedestrian paseo where the Placer Street currently exists. Here is a breakdown of funding and unit types, as reflected in the attached DDAs:

Main Street Plaza 4 (4% DDA) – 44 affordable units

- Apartments from one to three bedrooms serving extremely low to low incomes
- \$2,000,000 affordable housing loan from Housing Successor
- \$508,207 land loan repayable to the Housing Successor

Main Street Plaza 9 (9% DDA) – 21 affordable units

- Apartments from one to three bedrooms serving extremely low and low incomes
- \$793,503 of Community Development Block Grant (CDBG) loan from City
- \$366,793 land loan repayable to the Housing Successor

Conclusion

Staff supports the third amendment to the DDA splitting the project into two projects (which are fully funded and ready to start construction). Staff finds completion of the two projects to be a public benefit, including the removal of the blighted Roseville Hotel building from the Historic Old Town district and the furtherance of City goals to provide affordable housing for low, very-low, and extremely-low income households. Staff also finds the projects to be consistent with the last adopted implementation plan (fiscal years 2009-2014) implementing the Redevelopment Plan adopted in 1989 by the former City of Roseville Redevelopment Agency.

FISCAL IMPACT

No General Fund resources will be used for this project. The project consists of housing loans from the City in the updated amount of \$793,503 from CDBG funds and \$2,000,000 from affordable housing loan subsidy repayments, housing trust fund, and the redevelopment low/moderate housing fund.

The project also includes the sale of 304 Washington Boulevard, which was approved by Council in March 2017 and consists of three vacant parcels totaling 0.80 acres, by the City to the Developer in the amount of the \$875,000, which is the fair market value of the site at its highest and best use according to an appraisal prepared. The City is taking back promissory notes from each of the two projects that totals the \$875,000 value. All of these loans are for a term of 55 years and will bear interest at a simple interest rate of 3% per annum. The City's Housing Authority will also provide 30 project-based Housing Choice Vouchers to the project, including veterans VASH vouchers. All of these funding sources are sources set-aside for the development of affordable housing and similar restricted activities that benefit low-income households.

ECONOMIC DEVELOPMENT / JOBS CREATED

Estimates of total employment created can be based on expenditure data, consistent with guidance from the Council of Economic Advisers (CEA). Total employment not only includes direct and indirect jobs, but also induced jobs. CEA estimates that total employment is increased

by one job-year for every \$92,000 in direct government spending. Therefore, this project has the potential to generate 29 jobs with the expenditure of these funds.

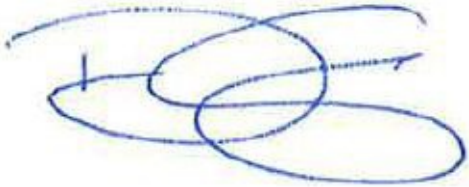
ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment (CEQA Guidelines Section 15061(b)(3)). The Third Amended and Restated Disposition and Development Agreements for this project does not include the potential for a significant environmental effect, and therefore is not subject to CEQA.

Respectfully Submitted,

Danielle Foster, Housing Manager

Laura Matteoli, Economic Development Director



Dominick Casey, City Manager

ATTACHMENTS:

Description

Resolution No. 19-20

Third Amended and Restated Disposition and Development Agreement Main Street Plaza 4 (4% DDA)

Resolution No. 19-21

Disposition and Development Agreement Main Street Plaza 9 (9% DDA)

HOUSING SUCESSOR AGENCY

RESOLUTION NO. 19-20

APPROVING A THIRD AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT AGREEMENT, BY AND BETWEEN MAIN STREET PLAZA, LLC AND THE CITY OF ROSEVILLE, AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE

WHEREAS, a Third Amended and Restated Disposition and Development Agreement, Bifurcated for 4% State Tax Credits, for the development of the Main Street Plaza Housing Project at Washington Boulevard and Main Street, by and between Main Street Plaza, LLC, and City of Roseville, has been reviewed by the City Council; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Roseville, acting in its role as Housing Successor, that said agreement is hereby approved and that the City Manager is authorized to execute it on behalf of the City of Roseville.

PASSED AND ADOPTED by the Council of the City of Roseville this ____ day of _____, 20__, by the following vote on roll call:

AYES COUNCILMEMBERS/AUTHORITY MEMBERS:

NOES COUNCILMEMBERS/AUTHORITY MEMBERS:

ABSENT COUNCILMEMBERS/AUTHORITY MEMBERS:

MAYOR

ATTEST:

City Clerk & Secretary

**THIRD AMENDED AND RESTATED
DISPOSITION AND DEVELOPMENT AGREEMENT**

By and Between

CITY OF ROSEVILLE

and

MAIN STREET PLAZA, LLC

BIFURCATED FOR 4% STATE TAX CREDITS

(4% DDA)

Dated as of _____, 2019

TABLE OF CONTENTS

1.	DEFINITIONS AND INTERPRETATION	2
1.1	Defined Terms	2
1.2	Singular and Plural Terms	5
1.3	Accounting Principles	5
1.4	References and Other Terms	5
1.5	Attachments Incorporated.....	6
2.	SUBJECT OF THE AGREEMENT	6
2.1	Purpose of the Agreement.....	6
2.2	The Project.....	6
2.3	The Site.....	6
2.4	Parties to the Agreement.....	6
3.	SCHEDULE OF PERFORMANCE	7
4.	DUE DILIGENCE; LAND USE REQUIREMENT.....	7
4.1	Due Diligence Period; Permission to Enter Site.....	7
4.2	Developer Obligations	8
4.3	Land Use Entitlements.....	8
4.4	Developer Right to Terminate	8
5.	DEVELOPMENT OF THE PROPERTY.....	8
5.1	Scope of Development	8
5.2	City's Right to Review Plans and Specifications.....	9
5.3	Approval of Plans.....	9
5.4	Changes in Construction Drawings.....	10
5.5	Construction Contract.....	10
5.6	Local, State and Federal Laws.....	11
5.7	Nondiscrimination During Construction.....	11

5.8	Entitlements.....	11
5.9	Defects in Plans.....	11
5.10	Marketing Plan.....	12
5.11	Performance and Payment Bonds	12
5.12	Public Safety Protections	12
5.13	City Access to the Site.....	12
5.14	Project Sign	12
5.15	Notification of General Contractors, Architects and Engineers	13
5.16	Prevailing Wages.....	13
5.17	DIR Registration	13
5.18	Relocation	13
6.	FINANCING FOR THE PROJECT	13
6.1	Financing Plan.....	13
6.2	Final Project Budget	14
6.3	Financing Commitments	14
6.4	Developer Right to Terminate	14
7.	CONVEYANCE OF PROPERTY.....	14
7.1	Purchase and Sale of Site	14
7.2	Escrow.....	15
7.2.1	Costs of Escrow	15
7.2.2	Escrow Instructions	15
7.2.3	Closing.....	15
7.3	Title Insurance	16
7.4	City's Conditions to Conveyance of the Site.....	16
7.5	Developer's Conditions to Acquire the Site	17
7.6	Developer Right to Terminate	19

7.7	City Right to Terminate	19
7.8	Waiver of Conditions.....	19
8.	AFFORDABILITY COVENANTS	20
9.	PHYSICAL CONDITION OF PROPERTY	20
9.1	Hazardous Materials Remediation	20
9.2	Hazardous Materials Indemnity.....	21
10.	CITY FINANCING	21
10.1	City Land Loan	21
10.2	City Housing Loan	22
10.3	Intentionally Deleted	22
10.4	Affordable Housing Regulatory Agreement.....	22
10.5	General Terms and Conditions.	22
11.	CERTIFICATE OF COMPLETION	23
12.	INTENTIONALLY DELETED.....	23
13.	INDEMNIFICATION AND INSURANCE	24
13.1	Nonliability of City	24
13.2	Indemnity.....	25
13.3	Insurance.....	25
13.4	Reimbursement of City	27
14.	DEFAULTS AND REMEDIES	28
14.1	Event of Default	28
14.2	No Waiver.....	28
14.3	Rights and Remedies are Cumulative.....	28
15.	NOTICES	28
16.	LIMITATIONS ON TRANSFERS AND ASSIGNMENT OF THIS AGREEMENT	28
16.1	Transfer and Assignment.....	28

16.2	Security Financing; Rights of Holders	29
17.	ADMINISTRATION.....	29
18.	MISCELLANEOUS.....	30
18.1	Counterparts.....	30
18.2	Prior Agreements; Amendments; Consents	30
18.3	Governing Law; Venue	31
18.4	Severability of Provisions.....	31
18.5	Headings	31
18.6	Time of the Essence	31
18.7	Conflict of Interest.....	31
18.8	Warranty Against Payment of Consideration.....	31
18.9	Nonliability of City Officials and Employees	31
18.10	Submission of Documents and Other Matters for Approval.....	31
18.11	Force Majeure	32
18.12	Inspection of Books and Records	32
18.13	Ownership of Data.....	32

LIST OF ATTACHMENTS

ATTACHMENT NO. 1	LEGAL DESCRIPTION OF THE PROPERTY
ATTACHMENT NO. 2	SCHEDULE OF PERFORMANCE
ATTACHMENT NO. 3	SCOPE OF DEVELOPMENT
ATTACHMENT NO. 4	CITY LAND LOAN PROMISSORY NOTE FORM
ATTACHMENT NO. 5	CITY LAND LOAN DEED OF TRUST FORM
ATTACHMENT NO. 6	CITY HOUSING LOAN PROMISSORY NOTE FORM
ATTACHMENT NO. 7	CITY HOUSING LOAN DEED OF TRUST FORM
ATTACHMENT NO. 8	CITY AFFORDABLE HOUSING REGULATORY AGREEMENT FORM
ATTACHMENT NO. 9	GRANT DEED

**THIRD AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT AGREEMENT
BIFURCATED FOR 4% STATE TAX CREDITS
(4% DDA)**

THIS THIRD AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT AGREEMENT (the "Agreement") dated, for identification purposes only, as of _____, 2019 (the "Effective Date") is made and entered into by and between the CITY OF ROSEVILLE, a municipal corporation ("City" or "the City"), and MAIN STREET PLAZA, LLC, a California limited liability company ("Developer" or "the Developer"), with reference to the following:

RECITALS

A. WHEREAS, the sole member of Developer is an experienced owner and developer of affordable housing for low, very low, and extremely low income households; and

B. WHEREAS, the City, as Housing Successor to the former Redevelopment Agency of the City of Roseville, currently owns that certain real property as more particularly described in the Legal Description of the Master Site attached hereto this Agreement as Attachment No. 1 A (the "Master Site") and incorporated herein by this reference. The Master Site was purchased by the former Roseville Redevelopment Agency with housing funds for the development of affordable housing; and

C. WHEREAS, in 2010, the City issued a request for proposals for the development of the Master Site and selected a response from USA Properties. This proposal was pursued for some time and ultimately deemed infeasible. There is no current proposal or agreement on the Master Site; and

D. WHEREAS, on January 18, 2017, the City and Meta Housing Corporation, which owns and controls Developer, entered into an Exclusive Right to Negotiate Agreement in order to continue further discussions about the Master Site and the Developer's planned development; and

F. WHEREAS, on February 15, 2017, the parties entered into a Disposition and Development Agreement ("Original Agreement") outlining the terms and conditions related to the City's conveyance of the Master Site to Developer, and the City's financial commitments to the project described therein; and

G. WHEREAS, on March 15, 2017, the City and Developer entered into an Amended and Restated Disposition and Development Agreement and a Second Amended and Restated Disposition Agreement, dated December 20, 2017 as further amendment that certain First Amendment thereto dated June 20, 2018 (collectively, "Amended Agreement"); and

H. WHEREAS, to enhance the financial feasibility of the Project described in the Amended Agreement, the parties now desire to bifurcate the "Project" as described in the Amended Agreement into a 21 unit 9% federal tax credit financed project to be developed by Developer's successor, Roseville Apartments, LP, on a portion of the Master Site described in a separate Disposition and Development Agreement to be executed concurrently herewith (the "9% DDA"), and 44 unit tax exempt bond financed project to be developed by Developer on a portion

of the Master Site as more particularly described in the Legal Description of the Site attached hereto as Attachment No. 1B (the "Site") pursuant to the terms of this Agreement; and

I. WHEREAS, the City finds development of the Site with the approved Project to be highly beneficial to the Site's development and the overall public benefit; and

J. WHEREAS, this Agreement contains the terms and conditions negotiated and agreed to by the Parties, whereby the City plans to convey to the Developer, and the Developer will accept conveyance of the Site, for development of an affordable housing project with no fewer than 44 units that includes commercial space and the associated parking spaces, as described in the Scope of Development (the "Project") pursuant to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and conditions herein contained, City and Developer hereto agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Defined Terms

As used in this Agreement (including in the Recitals above), capitalized terms are defined where first used or as set forth in this Section 1.1. Capitalized terms used in an attachment attached hereto and not defined therein shall also have the meanings set forth in this Section 1.1.

"Affordable Housing Regulatory Agreement" has the meaning set forth in Section 10.6.

"AHP Lender" means the lender of the AHP Loan and its successors, and its successors.

"AHP Loan" means the construction and permanent loan made by the AHP Lender to the Developer from funds awarded by the Federal Home Loan Bank.

"Building Permit" means all permits issued by the City of Roseville and required for commencement of construction of the Improvements.

"Certificate of Completion" has the meaning set forth in Section 11.

"City" has the meaning set forth in the opening paragraph of this Agreement.

"City Land Loan" means the loan in the amount of the purchase price to be made to Developer by City pursuant to Section 10.1.

"City Land Note" means the City Land Note attached hereto as Attachment No. 4.

"City Land Deed of Trust" means the City Land Deed of Trust attached hereto as Attachment No. 5.

"City Housing Loan" means the loan in the amount of Two Million Dollars (\$2,000,000) to be made to the Developer by the City pursuant to Section 10.2.

o "City Housing Note" means the City Housing Note attached hereto as Attachment No. 6.

"City Housing Deed of Trust" means the City Housing Deed of Trust attached hereto as Attachment No. 7.

"City Manager" means the City Manager for the City of Roseville, California, and his or her designee.

"Construction Lender" means the first trust deed lender that provides construction financing for the Project.

"Construction Loan" means the construction loan for the Project.

"Construction Loan Closing" means the date of recordation of the Loan Documents in the Official Records.

"Consumer Price Index" means United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for Urban Wage Earners and Clerical Workers, Subgroup "All Items," for the San Francisco-Oakland-San Jose area, 1982-84 = 100, or successor or equivalent index in case such index is no longer published.

"County" means the County of Placer, California.

"Developer" has the meaning set forth in the opening paragraph of this Agreement.

"Developer Title Policy" has the meaning set forth in Section 7.3.

"Economic Development Director" means the Economic Development Director for the City of Roseville, California.

"Environmental Law" means any federal, state or local law, statute, ordinance or regulation pertaining to health, industrial hygiene or the environmental conditions on, under or about the premises, including, without limitation, (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. Sections 9601 et seq.; (ii) the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. Sections 6901 et seq.; (iii) California Health and Safety Code Sections 25100 et seq.; (iv) the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code Section 25249.5 et seq.; (v) California Health and Safety Code Section 25359.7; (vi) California Health and Safety Code Section 25915; (vii) the Federal Water Pollution Control Act, 33 U.S.C. Sections 1317 et seq.; (viii) California Water Code Section 1300 et seq.; and (ix) California Civil Code Section 3479 et seq., as such laws are amended and the regulations and administrative codes applicable thereto.

"Escrow" means the escrow through which the Construction Loan Closing is conducted and through which the Lender's Title Policy and the Developer's Title Policy are obtained.

"Escrow Holder" means the firm that holds the Escrow.

"Event of Default" has the meaning set forth in Section 14.1.

"Federal Tax Credits" has the meaning set forth in Section 6.1(a).

"Final Project Budget" has the meaning set forth in Section 6.2.

"Final Construction Documents" means plans, drawings and specifications in sufficient detail to support issuance of a Building Permit for the Project.

"Grant Deed" means the grant deed for the conveyance of the Site from the City to Developer, in the form of Attachment No. 11 attached hereto which is incorporated herein.

"HCD" means the State of California Department of Housing and Community Development.

"HCD II Grant/Loan" means a loan in the approximate amount of \$1,259,709 to be funded with HCD Infill Infrastructure Grant funds received by the IIG Lender.

"HCD VHHP Loan" means that certain permanent loan from HCD to Developer in the approximate principal amount of \$4,418,534, to be made pursuant to the terms and conditions set forth in the documents evidencing the HCD VHHP Loan.

"Hazardous Materials" includes, without limitation, any material or substance which is (i) defined or listed as a "hazardous waste", "extremely hazardous waste", "restrictive hazardous waste" or "hazardous substance" or considered a waste, condition of pollution or nuisance under the Environmental Laws; (ii) petroleum or a petroleum product or fraction thereof; (iii) asbestos; and/or (iv) substances known by the State of California to cause cancer and/or reproductive toxicity. Hazardous Materials expressly exclude substances typically used in the construction, development, operation and maintenance of an apartment complex provided such substances are used in accordance with all applicable laws.

"IIG Lender" means the lender of the HCD II Grant/Loan.

"Improvements" means the improvements to be made to the Site substantially in accordance with this Agreement, including, without limitation, substantially in accordance with the Scope of Development and the Final Construction Documents.

"Indemnitees" means the City and its officers, employees, representatives, agents, and volunteers.

"Issuance of the Developer Title Policy" has the meaning set forth in Section 7.3.

"Lender's Title Policy" has the meaning set forth in Section 7.4(g).

"Management Agreement" has the meaning set forth in Section 7.4(j).

"MHSA Lender" means the County of Placer, and its successors and assigns.

"MHSA Financing" means the construction and permanent financing made available by the MHSA Lender to the Developer from the proceeds of funds made available under the Mental Health Services Act Housing Program jointly administered by the California Department of Mental Health and MHSA Lender, which program provides funding for development, acquisition, construction and/or rehabilitation of permanent supportive housing for individuals and their families who have a mental illness and are homeless or at risk of homelessness.

"Notes" means the City Housing Note, and City Land Note as defined in Section 10.

"Notices" has the meaning set forth in Section 15.

"Official Records" means the Official Records of the County.

"Permanent Lender" means the lending institution that makes the Permanent Loan and its successors and assigns.

"Permanent Loan" means the long-term loan made by the Permanent Lender to Developer in order to take out the Construction Loan.

"Project" has the meaning set forth in Recital H above.

"Project Architect" means the lead architect for the Project.

"Project Budget" means the final budget approved by Developer.

"Project Costs" means all costs of any nature incurred in connection with development of the Project.

"Project Documents" means, collectively, this Agreement, and any other agreement, document or instrument that the Developer and City enter into pursuant to this Agreement or in order to effectuate the purposes of this Agreement.

"Project Financing" has the meaning set forth in Section 6.1.

"Schedule of Performance" means the Schedule of Performance attached hereto as Attachment No. 2.

"Scope of Development" means the Scope of Development attached hereto as Attachment No. 3.

"Site" means that certain real property described in Attachment No. 1.

"Site Plan Approval" has the meaning set forth in Section 4.2.

"Syndication" has the meaning set forth in Section 6.1(a).

"Title Company" means First American Title Company or such other title insurance company agreed to by Developer and the City.

1.2 Singular and Plural Terms

Any defined term used in the plural in this Agreement shall refer to all members of the relevant class and any defined term used in the singular shall refer to any number of the members of the relevant class.

1.3 Accounting Principles

Any accounting term used and not specifically defined in this Agreement shall be construed in conformity with, and all financial data required to be submitted under this Agreement

shall be prepared in conformity with, generally accepted accounting principles applied on a consistent basis or in accordance with such other principles or methods as are reasonably acceptable to the City.

1.4 References and Other Terms

References herein to Articles, Sections and Attachments shall be construed as references to this Agreement unless a different document is named. References to subparagraphs shall be construed as references to the same Section in which the reference appears. The terms "including" and "include" mean "including (include) without limitation".

1.5 Attachments Incorporated

All attachments to this Agreement, as now existing and as the same may from time to time be modified, are incorporated herein by this reference.

2. SUBJECT OF THE AGREEMENT

2.1 Purpose of the Agreement

The provision of affordable housing is in the interest of the City and the general public. The purpose of this Agreement is to assist in the construction of affordable housing to benefit the community of Roseville. This Agreement and the attachments hereto are intended to effectuate the purpose of providing affordable housing to the residents of the City of Roseville ("City").

2.2 The Project

For purposes of this Agreement, the Project, as more particularly described in the Scope of Development in Attachment No. 3, will consist of the construction of a residential housing project consisting of no fewer than 44 residential units, one of which may be a manager's unit and the rest of which shall be rented to qualified lower income persons and families for the longest feasible time but no less than fifty-five (55) years from the date of recordation of the Certificate of Completion. The Project will also include a minimum of 3,000 square feet of commercial space on the ground floor and the associated parking spaces.

2.3 The Site

The Site is located within the boundaries of the City of Roseville and is owned by the City. The parties hereto acknowledge that Placer Street is a public right of way that bisects the Master Site and that in order to construct the Project, the City will need to relinquish its rights (excluding public utility easements) in and to the strip of land lying adjacent to the Site commonly known as Placer Street. The City hereby agrees to effectuate the foregoing through a vacation or extinguishment of its rights (excluding public utility easements) prior to the Closing.

2.4 Parties to the Agreement

(a) City. City is the City of Roseville and any successor to its rights, powers and responsibilities. The principal offices of the City are located at 311 Vernon Street, Roseville, CA 95678.

(b) Developer. Developer is Main Street Plaza, LLC, a California limited liability company. The principal offices of the Developer are located at 11150 West Olympic Blvd., Suite 620, Los Angeles, CA 90064.

3. **SCHEDULE OF PERFORMANCE**

A Schedule of Performance for the Project is attached hereto as Attachment No. 2 and incorporated herein by this reference. Subject to force majeure delays, the Schedule of Performance sets forth the times by which the parties are to perform certain obligations under this Agreement. The Schedule of Performance may be modified from time to time by written agreement of Developer and City.

4. **DUE DILIGENCE; LAND USE REQUIREMENT**

4.1 Due Diligence Period; Permission to Enter Site

City shall permit Developer and Developer's representatives and agents to enter onto the Site commencing on the Effective Date and continuing for a period of ninety (90) calendar days thereafter ("Due Diligence Period") for the purpose of enabling Developer to examine, inspect, and investigate the physical and environmental condition of the Site, including any foundations, soil, subsurface soils, drainage, seismic, and other geological and topographical matters, location of asbestos, toxic substances, Hazardous Materials, if any, and, at Developer's sole and absolute discretion, to enable Developer to determine whether the Site is acceptable to Developer and suitable for Developer's intended use. Developer and Developer's representatives and agents shall also be entitled to enter onto the Site to conduct additional examinations and investigations at any time after expiration of the Due Diligence Period and through the Closing.

(i) As a condition to Developer's entry onto the Site prior to the Closing, whether before or after the expiration of the Due Diligence Period, Developer shall, without any representation or warranty, provide to City a copy of all reports, studies, and test results prepared by Developer's consultants. Developer shall notify City, in writing, at least twenty-four (24) hours prior to any entry by Developer or Developer's representatives on the Site. City shall have the right, but not the obligation, to accompany the Developer during such investigations. As an additional condition of such entry, Developer shall (i) conduct all work or studies in a diligent, expeditious, and safe manner and not allow any dangerous or hazardous conditions to occur on the Site during or after the investigation, (ii) obtain any required governmental permits and comply with all applicable laws and governmental regulations; (iii) keep the Site free and clear of all materialmen's liens, lis pendens, and other liens or notices arising out of the entry and work performed under this paragraph; (iv) maintain or assure maintenance of workers' compensation insurance (or state approved self-insurance) for all persons entering the Site in the amounts required by the State of California; and (v) provide to

City prior to initial entry a certificate of insurance evidencing that Developer and/or the persons entering the Site have procured and have in effect commercial general liability insurance with a combined single limit of liability not less than two million dollars (\$2,000,000.00). City shall be named as an additional insured upon such insurance. Such coverage shall provide that the policy shall not be cancelled, modified or allowed to lapse without the insurer providing to City thirty (30) calendar days' prior written notice. Developer shall provide the certificate of such insurance with the attached endorsement prior to, and as a condition of, any entry.

Additionally, Developer shall, in a timely manner, repair any and all damage to the Site caused by such inspections or investigations and shall indemnify, defend, and hold harmless Indemnitees from and against any claims, liabilities, and losses arising from the entries of Developer and its representatives and agents on the Site pursuant to this Section 4.1.

Notwithstanding Developer's right to enter the Site after expiration of the Due Diligence Period pursuant to the second sentence in the first paragraph of this Section 4.1, Developer shall notify City in writing on or before the expiration of the Due Diligence Period of Developer's approval or disapproval of the physical and environmental condition of the Site and Developer's investigations with respect thereto. Developer's disapproval shall constitute Developer's election to terminate this Agreement and cancel the Escrow and the parties shall have no further liability hereunder. Developer's failure to deliver notice to City on or before the expiration of the Due Diligence Period shall be conclusively deemed Developer's approval thereof and Developer shall be deemed to have waived its termination/cancellation right set forth in this Section 4.1.

4.2 Developer Obligations

The Developer shall make commercially reasonable efforts to secure, by the time provided in the Schedule of Performance and under applicable laws, regulations and ordinances, the site plan and design review approval (collectively, the "Site Plan Approval").

4.3 Land Use Entitlements

Subject to the terms of Section 4.1 hereof, the City will provide all required assistance and cooperation to the Developer in connection with Developer obtaining all required land use entitlement applications, including but not limited to, General Plan Amendment, Zoning Code Amendment, Conditional Use Permit, California Environmental Quality Act approval, or any and all permits and fees required by the City, County, and other governmental agencies with jurisdiction over the Improvements. All related costs associated with any land use entitlements required under this Agreement shall be at the sole cost of Developer and execution of this Agreement does not constitute the granting of or a commitment to obtain any required land use permits, entitlements, or approvals required by the City.

4.4 Developer Right to Terminate

At any time prior to Construction Loan Closing, the Developer may terminate this Agreement by giving thirty (30) calendar days' notice to City if the Developer is unable, by the time provided in the Schedule of Performance, to secure the Site Plan Approval.

5. DEVELOPMENT OF THE PROPERTY

5.1 Scope of Development

5.1.1 Developer shall perform the tasks set forth on the Schedule of Performance by the deadlines set forth in the Schedule of Performance, subject to force majeure delays as described in Section 18.11 below.

5.1.2 Without limiting the foregoing, Developer shall complete the Improvements in accordance with the Scope of Development, the Plans and Specifications, and the Schedule of Performance. Subject to force majeure delays as provided in Section 18.11 below, construction of the Improvements shall commence no later than the date specified therefor in the Schedule of Performance and be diligently prosecuted to completion, and the Developer shall otherwise comply with all deadlines and tasks in the Schedule of Performance.

5.1.3 The Developer shall also comply with any and all applicable federal, state and local laws, rules and regulations, and any applicable mitigation measures adopted pursuant to the California Environmental Quality Act.

5.2 City's Right to Review Plans and Specifications

This Agreement is both a real property purchase and sale document and financing document of the City, and is not a land use or planning document. Approval of the Project under this Agreement by the City is not and shall not be considered an approval of land use entitlements or structural design of the Project, or the aesthetic design of the Project except as an approval by the City of the Project design "concept" as presented in this Agreement. Developer shall comply with all applicable land use, planning and design laws, rules and regulations of each governmental agency acting in proper exercise of their respective jurisdictions, including without limitation, departments, staff, boards and commissions of the City. The City shall have the right, but not the obligation, to review the plans to assure their conformity with the provisions of this Agreement and approvals given under this Agreement, and to assure that any City funds which may be obligated under this Agreement are used as intended by the City. City's right of review includes, without limitation, the right to review architectural and engineering plans and specifications, off-site plans and specifications, and landscaping designs and specifications. City's approval of plans is not an assurance of their adequacy or correctness.

In connection with design of the Improvements, the Developer shall submit basic concept drawings, preliminary plans, landscaping plans, and final plans and specifications to the City for the City's review and approval, which review and approval shall not be unreasonably delayed or withheld, provided, however, that if City has not responded within thirty (30) calendar days after submission to the City, City shall be deemed to have approved the item submitted. Final plans and specifications shall consist of the set of construction documents from which the Improvements will be constructed. The Developer shall construct the Improvements in substantial compliance with the plans and specifications approved by the City. This section shall not apply to the review and approval of concept drawings, preliminary plans, landscaping plans, and final plans and specifications required as part of the City's entitlement and building permit process.

5.3 Approval of Plans

The City shall reasonably approve or disapprove such plans, drawings, and related documents referred to in Section 5.2 in a reasonably timely fashion but in no event, longer than thirty (30) calendar days after the Developer submits such plans, drawings and related documents referred to in Section 5.2. In the event the City fails to approve or disapprove such plans, drawings and related documents within thirty (30) calendar days after submittal by the Developer, the plans, drawings and related documents shall be deemed approved by the City. Any disapproval shall state in writing the reasons for disapproval. The Developer, upon receipt of a notice of disapproval, shall revise such portion of the plans, drawings or related documents in a manner that satisfies the reasons for disapproval and shall resubmit such revised portions to the City as soon as possible after receipt of the notice of disapproval. The City shall approve or disapprove such revised portions in the same manner as provided in this Agreement for approval or disapproval of plans, drawings, and related documents initially submitted to the City, which approval or disapproval shall be provided within a reasonable time taking into consideration the scope and detail of the plans, drawings and documents submitted. All approvals or disapprovals to be made by the City pursuant to this Section 5 may be made by the Economic Development Director of the City or the Economic Development Director's designated staff members. Notwithstanding the above, City approval hereunder shall only pertain to the approval of the design and concept. All final building permit and public safety approvals shall be approved by the applicable building and safety departments of the City. This section shall not apply to the review and approval of plans, drawings, and related documents required as part of the City's entitlement and building permit process.

5.4 Changes in Construction Drawings

If the Developer desires to make any changes in the construction drawings and related documents after their approval by the City, the Developer shall submit the proposed changes to the Economic Development Director for his/her reasonable approval. The City shall approve or disapprove such changes in the same manner as provided in Section 5.3 for approval or disapproval of plans, drawings, and related documents initially submitted to the City, which approval or disapproval shall be provided within a reasonable time taking into consideration the scope and detail of the plans, drawings and documents submitted, provided, however, that if the Economic Development Director has not responded within thirty (30) calendar days after submission to the Economic Development Director, the Economic Development Director shall be deemed to have approved the item submitted. The Developer shall revise any disapproved portions and resubmit them to the Economic Development Director as provided in Section 5.3. This section shall not apply to the review and approval of construction drawings and related documents required as part of the City's entitlement and building permit process.

5.5 Construction Contract

Consistent with the date(s) set forth in the Schedule of Performance, the Developer shall provide to the City a copy of the fully executed construction contract or contracts as may be applicable (the "Construction Contract(s)"), which Construction Contract(s) shall obligate a reputable and financially responsible general contractor (the "General Contractor"), licensed in California and experienced in completing the type of improvements contemplated by this Agreement, to commence and complete the construction of the Improvements in accordance with this Agreement, and all applicable laws. Such Construction Contract(s) shall set forth a stipulated

sum based on the City-approved plans and specifications. The City shall also have the right to confirm that the Construction Contract(s) will conform to the Project Budget.

5.6 Local, State and Federal Laws

The Developer shall carry out the construction of the Improvements in conformity with all applicable laws, including all applicable federal, state and local occupation, safety and health laws, rules, regulations and standards. Developer agrees to indemnify, defend and hold Indemnitees harmless from and against any cost, expense, claim, charge or liability relating to or arising directly or indirectly from any breach by or failure of Developer or its contractor(s) or agents to comply with such laws, rules or regulations, including but not limited to, the failure to pay prevailing wages if required by law.

5.7 Nondiscrimination During Construction

The Developer, for itself and its successors and assigns, agrees that it shall not discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status in the construction of the Improvements. The Developer shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to the categories stated in this section. Such affirmative action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Developer agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

Additionally, Developer will, in all solicitations or advertisements for employees placed by or on behalf of the Developer, state that all qualified applicants will receive consideration for employment without regard to the categories stated in this section.

5.8 Entitlements

The City will provide its assistance and cooperation to the Developer in connection with any entitlement applications for the Project.

5.9 Defects in Plans

The City shall not be responsible either to the Developer or to third parties in any way for any defects in the design review set forth herein, nor for any structural or other defects in any work done according to the approved designs, construction drawings, or plans set for which City approval is required under this Agreement, nor for any delays reasonably caused by the review and approval process established by this Section 5. Developer agrees to indemnify, defend and hold Indemnitees harmless from and against any cost, expense, claim, charge or liability relating to or arising directly or indirectly from any defects in any work done according to the approved designs, construction drawings, or plan sets, or from delays caused by the review and approval process.

5.10 Marketing Plan

Prior to the conveyance of the Site and the closing of the Construction Loan, Developer shall submit a marketing plan to the City for its approval. The Marketing Plan shall include, but not be limited to, Developer's marketing plan describing in reasonable detail the following: (i) how the affordable units shall be marketed and advertised to City residents, business owners, and the public and (ii) how the waiting list will be compiled and formed, if applicable. The Marketing Plan shall include reasonable measures for marketing to existing City residents, relatives of residents, business owners within the City, and individuals employed within the jurisdictional boundaries of the City of Roseville. Additional outreach may be required by City based on special needs populations and other population demographics aimed to be served by the Project.

5.11 Performance and Payment Bonds

As a condition precedent to beginning construction of the Project, the Developer shall provide the City with a performance bond obtained by Developer or contractor in favor of the Developer as a named obligee, and a payment bond securing payment of all labor and material suppliers and subcontractors for the work as stated in the construction contract for the Project. The bonds shall be written with a surety admitted in the State of California. The bonds shall be in an amount equal to the project budget, subject to project cost increases, and in a form approved by the Roseville City Attorney.

5.12 Public Safety Protections

Developer shall assure that all necessary steps are taken (including the erection of fences, barricades and warning devices) to protect private contractors and their employees and the public from the risk of injury arising out of the condition of the Site or Developer's activities in connection with the Site, including without limitation, fire, or the failure, collapse or deterioration of any improvements or buildings.

5.13 City Access to the Site

Developer shall, with twenty-four (24) hours prior notice, permit City representatives access, without charge, to the entire Site at any time and for any purpose which City reasonably considers necessary to carry out its obligations and protect its interests under this Agreement. Purposes for City entry may include, without limitation, inspection of all work being performed in connection with the construction of the Project.

5.14 Project Sign

If Developer places a sign on the Site during construction stating the names of the Project participants, it shall also name "the City of Roseville" as a participant in the Project. The City name on the sign shall be in letters not less than the size of letters used to name any of the other participants.

5.15 Notification of General Contractors, Architects and Engineers

Developer shall assure notification of the Project contractors, architects and engineers for the Project of the requirements of this Agreement. Where applicable, Developer shall include the provisions of this Agreement in construction contracts, subcontracts, materials and supplies contracts and services and consulting contracts for the Project, and Developer shall undertake the enforcement of such provisions.

5.16 Prevailing Wages

Developer shall comply with all applicable prevailing wage laws with regard to any improvements to the Site and shall indemnify City for violations of applicable prevailing wage laws.

5.17 DIR Registration

Pursuant to Labor Code Section 1771.1(b), notice is hereby given that a contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contractor for public work, as defined in Labor Code Sections 1720, et seq., unless currently registered and qualified to perform public work pursuant to Labor Code Section 1725.5. It is not a violation of Labor Code Section 1771.1 for an unregistered contractor to submit a bid that is authorized by Section 7029.1 of the Business and Professions Code or by Section 10164 or 20103.5 of the Public Contract Code, provided the contractor is registered to perform public work pursuant to Section 1725.5.

5.18 Relocation

If and to the extent acquisition or disposition of the Site or any aspect of development or operation of the Project results in the permanent or temporary displacement of any occupants of the Site, the following shall apply: (a) Developer shall comply with all applicable local, state and federal statutes and regulations with respect to relocation planning, advisory assistance and payment of monetary benefits (collectively referred to as the "Relocation Laws"); and (b) Developer shall be solely responsible for payment of any relocation benefits (if any) to any displaced persons and any other obligations (if any) associated with complying with the Relocation Laws. Developer also hereby agrees to indemnify, defend and hold the Indemnitees harmless from any and against any and all claims and liabilities arising directly or indirectly as a result of or in connection with the breach of Developer's obligations set forth in this Section 5.18.

6. FINANCING FOR THE PROJECT

6.1 Financing Plan

It is contemplated that Developer will finance the Project through a combination of:

(a) Developer equity, consisting of equity raised by the syndication of limited partnership interests in the Developer to reputable investors (the "Syndication") wishing to acquire

federal low-income housing tax credits obtained pursuant to 26 U.S.C. § 42 (the "Federal Tax Credits");

(b) the Construction Loan and, following repayment of the Construction Loan, the Permanent Loan; and

(c) the MHSA Financing; and

(d) the City Land Loan; and

(e) the City Housing Loan; and

(f) the HCD VHHP Loan; and

(g) the HCD IIG Grant/Loan; and

(h) the AHP Loan (collectively, the "Project Financing").

6.2 Final Project Budget

Prior to the Construction Loan Closing, the Developer and the third-party lenders and/or investors providing the Project Financing shall agree on the final Project Budget (the "Final Project Budget").

6.3 Financing Commitments

The Developer shall use commercially reasonable efforts to obtain financing for the Project, including, without limitation, (a) a commitment for the MHSA Financing, (b) a commitment for the Construction Loan, (c) a commitment for the Permanent Loan, (d) a reservation for the Federal Tax Credits, (e) Section 8 Project Based Vouchers for the Project (the "Project Based Vouchers"), (f) rental assistance through the HUD-Veterans Affairs Supportive Housing (HUD-VASH) program for the Project, (g) a commitment for the HCD VHHP Loan, (h) a commitment for the HCD IIG Grant/Loan, and (i) a commitment for the City Housing Loan (collectively, the "Project Financing"). The City agrees to allow the Developer six (6) successive rounds to apply for Four Percent (4%) Federal Tax Credits from the California Tax Credit Allocation Committee ("TCAC") and a bond allocation from the California Debt Limit Allocation Committee ("CDLAC").

6.4 Developer Right to Terminate

At any time prior to the Construction Loan Closing, the Developer may terminate this Agreement by giving thirty (30) calendar days' notice to City if the Developer has been unable to obtain all or any portion of the Project Financing after the final round for the award of Federal Tax Credits in calendar year 2019.

7. CONVEYANCE OF PROPERTY

7.1 Purchase and Sale of Site

The City agrees to sell and convey to the Developer, and the Developer agrees to purchase and acquire from City, not later than the Construction Loan Closing, the Site for a purchase price of Five Hundred Eight Thousand Two Hundred Seven Dollars (\$508,207) (the

"Purchase Price"). The Purchase Price may be increased by mutual agreement of the parties without amendment to this Agreement.

7.2 Escrow

Within three (3) calendar days of the opening of the Construction Loan Escrow, the parties to this Agreement shall deposit this Agreement into Escrow for the purpose of conveying the Site from the City to Developer.

7.2.1 Costs of Escrow

The Developer shall pay the premiums for the Lender's Title Policy, the Developer's Owner Title Policy. The City shall pay documentary transfer tax, if any, due with respect to the conveyance of the Site. Developer agrees to pay all fees, charges, and costs which arise from Escrow.

7.2.2 Escrow Instructions

This Agreement constitutes the joint escrow instructions of Developer and City, and the escrow agent to whom these instructions are delivered is hereby empowered to act under this Agreement. The parties hereto agree to do all acts reasonably necessary to close Escrow in the shortest possible time. All funds received in the Escrow shall be deposited with other escrow funds and may be transferred to any other such escrow trust account in any State or National Bank doing business in the State of California. All disbursements shall be made by check from such account.

If in the opinion of either party it is necessary or convenient in order to accomplish the Closing, such party may require that the parties sign supplemental escrow instructions; provided that if there is any inconsistency between this Agreement and the supplemental escrow instructions, then the provisions of this Agreement shall control. The parties agree to execute such other and further documents as may be reasonably necessary, helpful or appropriate to effectuate the provisions of this Agreement. The Closing shall take place when both the City's Conditions to Conveyance of the Site and the Developer's Conditions to Acquire the Site as set forth under Section 7.4 and 7.5 have been satisfied and when all of Developer's and the Construction Loan conditions precedent to closing the Construction Loan have been satisfied.

7.2.3 Closing

This transaction shall close within thirty (30) calendar days of the parties satisfaction of all of City's and Developer's conditions precedent as set forth in Sections 7.4 and 7.5 hereof, but in no event later than December 31, 2021 (the "Outside Date"). The Closing shall occur at a location within the County of Placer at a time and place reasonably agreed on by the Parties. The "Closing" shall mean the time and day the Construction Loan documents are recorded in the Official Records.

7.3 Title Insurance

Subject to the terms and conditions of this Agreement, the City, concurrently with the Construction Loan Closing, will cause the Title Company to issue to the Developer an ALTA owner's form policy of title insurance (the "Developer Title Policy"), with liability in the amount of the total of the equity raised from the Syndication plus the principal amounts of the Permanent Loan, the City Land Loan, the City Housing Loan, the AHP Loan, the MHSA Financing, HCD VHHP Loan and HCD IIG Grant/Loan, if applicable, showing fee title to the Site vested in Developer, subject only to such liens and other exceptions as may be approved by Developer ("Issuance of the Developer Title Policy").

Subject to the terms and conditions of this Agreement, Developer, concurrently with the Construction Loan Closing, will cause the Title Company to issue to City an ALTA lender's coverage policy of title insurance to the City, with liability in the amount of the City Land Loan, and the City Housing Loan.

7.4 City's Conditions to Conveyance of the Site

The City's obligation to convey the Site to Developer shall be subject to satisfaction of the following conditions precedent:

(a) Site Plan Approval; Other Approvals

The Developer has secured and possesses the following approvals from the City: (1) Site Plan Approval, (2) approvals required pursuant to Sections 5.2 and 5.3, and (3) Marketing Plan approval pursuant to Section 5.10.

(b) Final Project Budget

The City has approved Developer's Final Project Budget and Developer's binding commitments for the Project Financing.

(c) Final Construction Documents

The City has received a full set of the Final Construction Documents for the construction of the Improvements.

(d) Organizational Documents

The City has received a copy of such portions of the organizational documents (e.g., partnership agreement, limited liability company operating agreement) of the Developer or the Developer's successor-in-interest as the City deems reasonably necessary to document the power and authority of the organization to perform its obligations under this Agreement. The Developer has also made full disclosure to the City of the names and addresses of all persons and entities that have a beneficial interest in the Developer, excluding, if the Developer is a limited partnership, the limited partners in the Developer.

(e) Building Permit

The Building Permit for the Improvements has been issued or is ready to be issued upon only payment of a sum certain.

(f) Work to Commence

The City shall be reasonably satisfied that the work of the Improvements will commence not later than thirty (30) calendar days after the Issuance of the Developer Title Policy and will thereafter be completed in a diligent manner.

(g) Title Insurance

The Title Company is prepared to issue its ALTA lender's coverage policy of title insurance to the City, with liability in the amount of the City Land Loan, and the City Housing Loan (the "Lender's Title Policy").

(h) Assignment of Plans and Architect's Contract

The Developer shall conditionally assign to City the Final Construction Documents for the Improvements, which assignment shall be expressly subordinate to any concurrent or subsequent assignment by the Developer to the Construction Lender, the AHP Lender, and/or the MHSA Lender, to the extent applicable.

(i) Management Plan

The City has received from the Developer a comprehensive management plan for the Project, including a fair housing component.

(j) Management Agreement

The City has received a form of agreement between the Developer and a reputable and experienced property manager for management of the Project (the "Management Agreement"), which Management Agreement shall be consistent with this Agreement and the Affordable Housing Regulatory Agreement. The City hereby approves of the use of John Stewart Company as a reputable and experienced property manager for initial management of the Project. Developer and City agree that any property management fee paid pursuant to the Management Agreement shall not exceed six percent (6%) of the Project's "effective gross income".

(k) Documents Executed

Developer shall have duly executed the Notes, Deeds of Trust, and Affordable Housing Regulatory Agreement, and any other documents required hereunder with signatures acknowledged (as applicable) and deposited them into Escrow.

(l) Representations and Warranties

The representations of the Developer contained in this Agreement shall be correct in all material respects as of the Issuance of the Developer Title Policy.

(m) No Default

No Event of Default by the Developer shall then exist, and no event shall then exist which, with the giving of notice or the passage of time or both, would constitute an Event of Default by the Developer.

7.5 Developer's Conditions to Acquire the Site

Developer's obligation to acquire the Site from City shall be subject to satisfaction of the following conditions precedent or Developer's written waiver of such conditions precedent in its sole and absolute discretion:

(a) Developer's Approval or Disapproval of Physical and Environmental Condition of Site During Due Diligence Period.

Developer shall have approved the physical and environmental condition of the Site during the Due Diligence Period or be deemed to have so approved the physical and environmental condition of the Site, in accordance with Section 4.1.

(b) Land Use Entitlements.

Developer shall have approved or be deemed to have so approved the Land Use Entitlements for the Project, in accordance with Section 4.3.

(c) Building Permit.

Developer's receipt of a building permit from the City for the Project.

(d) Project Budget.

The City, Developer, Construction Lender, and Investor shall have approved the Project Budget.

(e) Financing.

The Developer shall have obtained commitments for the Project Financing in the form acceptable to the Developer in its sole discretion, and City shall have approved, in the exercise of its reasonable discretion, the financing for the Improvements as follows:

(i) Construction Loan. True and complete copies of the Construction Loan documents evidencing the obligation of an Institutional Lender, subject only to reasonable and customary conditions, to make the Construction Loan to Developer.

(ii) Tax Credit Financing. Documentary evidence reasonably acceptable to the City that Developer has committed, or caused to be committed, an equity investment in the Federal Tax Credits, which commitment may be subject only to reasonable and customary conditions.

(iii) Take-Out Loan Commitment. A commitment from an Institutional Lender (including, without limitation, the Construction Lender), subject only to reasonable and customary conditions, pursuant to which said lender agrees to make a permanent loan to Developer (or to convert the Construction Loan to its permanent phase), with a term of not less than fifteen (15) years, in sum sufficient, when added to any equity investment made in connection with the Federal Tax Credits to be disbursed for such purpose, to take-out (or convert) any existing short-term financing.

(f) Condition of Title.

Developer shall have approved of the condition of title to the Site. With respect thereto, City shall, within thirty (30) calendar days after the Effective Date, cause the Title Company to provide to Developer a Preliminary Title Report, with copies of all exceptions noted therein (the "Report"). Developer also intends to obtain a survey for the Site. Developer shall have thirty (30) calendar days after receipt of the Report to notify City of Developer's approval or disapproval of any of the exceptions in the Report. If Developer objects to any exception or exceptions in the Report or anything shown on the Survey, City shall notify Developer within ten (10) calendar days after City's receipt of Developer's disapproval notice whether or not City will cause such exception(s) to be removed by the Site Closing. If City does not timely agree to cause any such exception to be removed, City shall be deemed to have declined to cause such disapproved exception(s) to be removed. If City does not timely agree or is deemed to not have agreed to cause such disapproved exception(s) to be removed, Developer shall, within ten (10) calendar days after receipt of City's notice or within ten (10) calendar days after the deadline for City's delivery of such notice, whichever first occurs, elect either to waive the exception or terminate this Agreement by written notice to City. If Developer fails to timely deliver written notice to City waiving an exception that it has previously disapproved, Developer shall be conclusively deemed to not have waived such exception and/or objection and this Agreement shall be terminated. From and after the Effective Date and continuing until the earlier of (i) the Close of

the Site Escrow; and (ii) termination of this Agreement, the City shall not further encumber the Site with additional exceptions to title or matters which would be shown on a Survey without Developer's prior written consent. The condition of title approved by Developer or deemed to be approved by Developer as provided herein is referred to as the "Approved Title Condition."

(g) Title Insurance

The Title Company shall be prepared to issue its ALTA owner's form policy of title insurance, with liability in the amount of the total of the equity raised from the sale of the Federal Tax Credits plus the principal amount of the Take-Out Loan, showing fee title to the Site and title to the improvements located thereon vested in Developer in the Approved Title Condition, subject only to the liens of the Project Financing, and such other exceptions as Developer previously approved (the "Developer Title Policy").

(h) No Default

No Event of Default by City shall then exist, and no event shall then exist which, with only the giving of notice or the passage of time or both, would constitute an Event of Default by City.

(i) Documents Executed

City shall have duly executed the Grant Deed, and any other documents required hereunder with signatures acknowledged (as applicable) and deposited them into Escrow.

7.6 Developer Right to Terminate

At any time prior to the conveyance of the Site, the Developer may terminate this Agreement by giving thirty (30) calendar days' notice to the City if it has been unable, within fifteen (15) calendar days from the time provided in the Schedule of Performance, to satisfy any of the conditions set forth in Section 7.4.

7.7 City Right to Terminate

At any time prior to the Issuance of the Developer Title Policy, the City, if it is not then in material default under this Agreement, may terminate this Agreement by giving thirty (30) calendar days, notice to the Developer if, within thirty (30) calendar days from the time provided in the Schedule of Performance (as such time may be extended by the mutual agreement of the parties), the Developer has failed to satisfy any of the conditions set forth in Section 7.5. That notwithstanding, if the Developer, during said thirty (30) calendar day notice period, satisfies said conditions, then the City notice of termination shall be deemed nullified thereby.

7.8 Waiver of Conditions

The conditions set forth in Section 7.4 are for City's benefit only and the City may waive all or any part of such rights by notice to Developer and the Escrow Holder.

8. AFFORDABILITY COVENANTS

In accordance with the Affordable Housing Regulatory Agreement, one hundred percent (100%) of the dwelling units in the Project shall be rented to tenants whose incomes do not exceed sixty percent (60%) of area median income at rents affordable to such tenants for the longest feasible time but at least a period of fifty-five (55) years from the date of recordation of the Certificate of Completion. The Project will also include a significant number of units designated for tenants whose incomes do not exceed thirty-five percent (35%) and fifty percent (50%) of area median income. One (1) unit in the Project may be a manager's unit; provided, however, if not so used, it shall be rented to a tenant whose income does not exceed sixty percent (60%) of area median at rents affordable to such tenant. As of the date of execution of this DDA, Developer is anticipating that there will be (i) twenty-three (23) units designated for tenants whose incomes do not exceed thirty percent (30%) of area median income, (ii) three (3) units designated for tenants whose incomes do not exceed forty percent (40%) of area median income, (iii) three (3) units designated for tenants whose incomes do not exceed fifty percent (50%) of area median income and (iv) fourteen (14) units designated for tenants whose incomes do not exceed sixty percent (60%) of area median income. Notwithstanding the foregoing, the Economic Development Director shall have the authority to approve the final affordability restrictions on behalf of City.

The dwelling units shall be rented at affordable rent as defined by California Health and Safety Code Section 50053 and adjusted for each applicable income level and for family size appropriate for the unit. If the Project qualifies for Federal Tax Credits, then those rules for affordable rent rates shall apply in lieu of the requirements of the preceding sentence. For purposes hereof, "Area Median Income" shall mean the area median income for the Sacramento Metropolitan Statistical Area as published by the U.S. Department of Housing and Urban Development (HUD).

9. PHYSICAL CONDITION OF PROPERTY

9.1 Hazardous Materials Remediation

If, prior to the Construction Loan Closing, Developer discovers Hazardous Materials, then Developer, subject to the condition set forth below, shall have the right, prior to the Construction Loan Closing and provided that Developer is not then in material default under this Agreement (subject to the notice and cure provisions of Section 14.1), to terminate this Agreement by thirty (30) calendar days' written notice to City. Developer's right to terminate this Agreement shall be subject to the condition precedent that Developer first have submitted to City any and all information then available to Developer as to the nature and scope of the Hazardous Materials discovered and as to the cost estimated to remediate them, if any such cost estimate exists. Notwithstanding the foregoing, the City acknowledges and agrees that neither this Section 9.1, nor any other term, provision or condition of this Agreement obligates the Developer, as between it and City to remediate, or to incur any cost to remediate, any Hazardous Materials existing on, at, under or about the Site prior to the Construction Loan Closing, regardless of when such Hazardous Materials are discovered.

9.2 Hazardous Materials Indemnity

To the fullest extent permitted by law, Developer shall indemnify, protect, hold harmless and defend (with counsel reasonably satisfactory to City) the Indemnitees from and against any and all losses, costs, claims, expenses, damages (including, without limitation, foreseeable or unforeseeable consequential damages) and liabilities (including, without limitation, reasonable attorneys' fees and court costs) directly or indirectly arising from, related to, or as the result of the use, handling, production, transaction, disposal, presence, release or storage of any Hazardous Materials in, under or on the Site or the Project, except to the extent caused by the Indemnitees' gross negligence or willful misconduct or to the extent the Hazardous Materials first arose on at or under the Site prior to the Construction Loan Closing. This indemnity shall survive termination of this Agreement and issuance of the Certificate of Completion.

10. CITY FINANCING

10.1 City Land Loan

Subject to the terms and conditions of this Agreement, the City agrees to make a loan to the Developer in the principal amount of the Purchase Price (the "City Land Loan"), which shall be evidenced by a promissory note substantially in the form attached hereto as Attachment No. 4 (the "City Land Note") bearing interest at a simple interest rate of three percent (3%) per annum. Repayment of the City Land Loan including all principal and accrued interest shall be made in annual payments from the City's pro rata share of fifty (50%) of the Residual Cash Flow (as defined below) to the extent Residual Cash Flow is available commencing in the first year after issuance of the Certificate of Completion for the Project. The City Land Loan and any interest thereon, if applicable, shall be due in full fifty-five (55) years from the date of recordation of the Certificate of Completion (as hereinafter defined) (the "Maturity Date"). The City Land Note shall be secured by a deed of trust substantially in the form attached hereto as Attachment No. 5 (the "City Land Deed of Trust") encumbering the Developer's fee estate in the Site, which City Land Deed of Trust shall be junior and subordinate in all regards to the deeds of trust securing the Construction Loan (and, following repayment of the Construction Loan, the Permanent Loan) but senior to the deed of trust securing the AHP Loan, and City Housing Loan. Notwithstanding anything to the contrary contained herein, the City Land Loan shall be a nonrecourse obligation of the Developer. For purposes hereof, the following terms shall have the designated meanings:

(a) "Residual Cash Flow" means, for each calendar year commencing upon the funding of the Permanent Loan, Revenues less the sum of: (i) Operating Expenses, (ii) Debt Service, (iii) deposits made to any reserves established by or for the benefit of the Developer, (iv) deferred developer fees paid by the Developer, (v) partnership management and asset management fees in an aggregate amount of \$25,000 increasing 3% annually, (v) any tax credit adjuster payments, and (vi) an annual audit fee, in an amount not to exceed an aggregate amount for each calendar year that is within custom and standard of certified public accountants practicing in Placer County, California, who prepare annual audits for comparable properties; provided, however, that if such calculation results in a negative number, Residual Receipts shall be zero for that year.

(b) "Permanent Loan" means the long-term permanent loan for the Project.

(c) "Revenues" means all rental revenues of the Project in a calendar year, including without limitation, rental income and Section 8 housing assistance payments, if any.

(d) "Operating Expenses" actual, reasonable and customary (for comparable quality, newly constructed rental housing developments in Placer County) costs, fees and expenses directly incurred, paid, and attributable to the operation, maintenance and management of the Project in a calendar year, including, without limitation: Ground Lease rent, painting, cleaning, repairs, alterations, landscaping, utilities, refuse removal, certificates, permits and licenses, sewer charges, real and personal property taxes, assessments, insurance, security, advertising and promotion, janitorial services, cleaning and building supplies, purchase, repair, servicing and installation of appliances, equipment, fixtures and furnishings which are not paid from the capital replacement reserve, fees and expenses of property management and common area expenses, fees and expenses of accountants, attorneys and other professionals, the cost of social services, repayment of any completion or operating loans made to the Developer, its successors or assigns, and other actual operating costs and capital costs which are incurred and paid by the Developer, but which are not paid from reserve accounts.

(e) "Debt Service" means payments made in a calendar year pursuant to the financing obtained for the acquisition, construction, operation or ownership of the Project, but excluding payments made pursuant to the Notes.

10.2 City Housing Loan

Subject to the terms and conditions of this Agreement, in addition to the City Land Loan, City agrees to make a loan to the Developer in the principal amount of at least Two Million Dollars (\$2,000,000) (the "City Housing Loan"), which shall be evidenced by a promissory note substantially in the form attached hereto as Attachment No. 6 (the "City Housing Note") bearing interest at a simple interest rate of three percent (3%) per annum. No payments shall be due with respect to the City Housing Loan unless and until the City Land Loan has been repaid in full. Repayment of the City Housing Loan including all principal and accrued interest shall commence upon repayment in full of the City Land Loan and be made in annual payments from the City's pro rata share of fifty (50%) of the Residual Cash Flow to the extent Residual Cash Flow is available. The City Housing Loan and any interest thereon, if applicable, shall be due in full fifty-five (55) years from the date of recordation of the Certificate of Completion. The City Housing Note shall be secured by a deed of trust substantially in the form attached hereto as Attachment No. 7 (the "City Housing Deed of Trust") encumbering the Developer's fee estate in the Site, which City Housing Deed of Trust shall be junior and subordinate in all regards to the deeds of trust securing the City Land Loan, Construction Loan (and, following repayment of the Construction Loan, the Permanent Loan), the HCD VHHP Loan, and the MHSA Financing, if applicable, but senior to the deeds of trust securing the AHP Loan. Notwithstanding anything to the contrary contained herein, the City Housing Loan shall be a nonrecourse obligation of the Developer.

10.3 Intentionally Deleted.

10.4 Affordable Housing Regulatory Agreement

Concurrently with execution and delivery of the Note, and prior to and as a condition precedent to funding any remaining portion of the City Housing Loan, the Developer shall also execute and deliver an "Affordable Housing Regulatory Agreement" setting out the Developer's obligations to develop and use the Site for affordable housing purposes, as provided under Section 8. The Affordable Housing Regulatory Agreement shall be in substantially the form

attached hereto as Attachment No. 8 and incorporated herein by reference. The Affordable Housing Regulatory Agreement shall be recorded against the Site. The City agrees that the Affordable Housing Regulatory Agreement on the Site and any restrictions set forth in this Agreement shall be subordinate to any regulatory, deed of trust, or other covenants and restrictions relating to the Project Financing, in an amount reasonably approved by the City Manager, provided that such subordination conforms to the circumstances authorized by California Health and Safety Code Section 33334.14(a). Notwithstanding anything to the contrary contained herein, if the City does not agree to subordinate its Deeds of Trust and Affordable Housing Regulatory Agreement to the liens of Developer's Project Financing, Developer may terminate this Agreement.

10.5 General Terms and Conditions.

Notwithstanding anything to the contrary contained in this Section 10, in the event the Developer obtains additional residual receipt financing for the Project approved by the City, the City's percentage of Residual Cash Flow on the City Land Loan, or City Housing Loan shall be adjusted to be a fraction in which the principal amount of the financing pursuant to the applicable Note is the numerator and the sum of applicable Note plus all other residual receipts Project Financing is the denominator, multiplied by fifty percent (50%).

The Developer shall not have any direct or indirect personal liability for payment of the principal of, or interest on, the Notes or the performance of the covenants of the Developer under the Deeds of Trust. The sole recourse of the City with respect to the principal of, or interest on, the Notes and defaults by the Developer in the performance of its covenants under the Deeds of Trust shall be to the Site described in the Deeds of Trust; provided, however, that nothing contained in the foregoing limitation of liability shall (a) limit or impair the enforcement against all such security for the Notes of all the rights and remedies of the City thereunder, or (b) be deemed in any way to impair the right of the City to assert the unpaid principal amount of the Notes as demand for money within the meaning and intent of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto. The foregoing limitation of liability is intended to apply only to the obligation for the repayment of the principal of, and payment of interest on the Notes and the performance of the Developer's obligations under the Deeds of Trust, except as hereafter set forth. Nothing contained herein is intended to relieve the Developer of its obligation to indemnify for (i) fraud or willful misrepresentation; (ii) the failure to pay taxes, assessments or other charges which may create liens on the Site that are payable or applicable prior to any foreclosure under the Deeds of Trust (to the full extent of such taxes, assessments or other charges); (iii) the fair market value of any personal property or fixtures removed or disposed of by the Developer other than in accordance with the Deeds of Trust; and (iv) the misappropriation of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Site.

The City shall subordinate the Deeds of Trust to the lien of certain deeds of trust securing the Project Financing provided the subordination documents provide the City with reasonably adequate notice and cure rights to enable the City to avoid foreclosure of the deeds of trust securing the Project Financing.

11. CERTIFICATE OF COMPLETION

Promptly after completion of all construction and development of the Improvements in substantial conformity with the Final Construction Documents and the Scope of Development, and subject to the approval of the Roseville City Council, the City shall furnish Developer with a final Certificate of Completion. Such final Certificate of Completion shall be, and shall so state, conclusive determination of satisfactory completion of the construction and development required by this Agreement upon the Site. The Certificate of Completion shall be in such form as to permit it to be recorded in the Official Records of the County. If the City refuses or fails to furnish the applicable Certificate of Completion upon request therefor, the City shall, within fifteen (15) calendar days after such failure, provide the Developer with a written statement of the reasons the City refused or failed to furnish the Certificate of Completion. The statement shall also contain the City's opinion of the action the Developer must take to obtain the Certificate of Completion. If the reason for such refusal is confined to either (a) the immediate unavailability of specific items or materials for landscaping or (b) the need only to complete "punch list" items, the City will issue the Certificate of Completion upon the posting of a bond by Developer with the City in an amount representing the fair value of the work not yet completed. If City the fails to provide such written statement within said fifteen (15) day period, the Developer shall be deemed entitled to the Certificate of Completion.

12. INTENTIONALLY DELETED

13. INDEMNIFICATION AND INSURANCE

13.1 Nonliability of City

Developer acknowledges and agrees that:

(a) City neither undertakes nor assumes any responsibility to review, inspect, supervise, approve (other than for aesthetics) or inform Developer of any matter in connection with the Project, including matters relating to: (i) the Final Construction Drawings, (ii) architects, contractors, subcontractors and materialmen, or the workmanship of or materials used by any of them, or (iii) the progress of the Project and its conformity with the Final Construction Drawings; and Developer shall rely entirely on its own judgment with respect to such matters and acknowledge that any review, inspection, supervision, approval or information supplied to Developer by City in connection with such matters is solely for the protection of City and that neither Developer nor any third party is entitled to rely on it;

(b) Notwithstanding any other provision of this Agreement: (i) City is not a partner, joint venturer, developer, alter-ego, manager, controlling person or other business associate or participant of any kind of Developer and City does not intend to ever assume any such status; (ii) City shall not be deemed responsible for or a participant in any acts, omissions or decisions of Developer;

(c) City shall not be directly or indirectly liable or responsible for any loss or injury of any kind to any person or property resulting from any construction on, or occupancy or use of, any portion of the Site whether arising from: (i) any defect in any building, grading, landscaping or other onsite or offsite improvement; (ii) any act or omission of Developer or any of Developer's agents, employees, contractors, licensees or invitees; or (iii) any accident on any portion of the Site or any fire or other casualty or hazard thereon not caused by the Indemnitees; and

(d) By accepting or approving anything required to be performed or given to under this Agreement, including any certificate, financial statement, survey, appraisal or insurance policy, City shall not be deemed to have warranted or represented the sufficiency or legal effect of the same, and no such acceptance or approval shall constitute a warranty or representation by City to anyone.

13.2 Indemnity

Developer shall indemnify, protect, hold harmless and defend (with counsel reasonably satisfactory to City) the Indemnitees from and against any and all losses, costs, claims, expenses, damages (including, without limitation, foreseeable or unforeseeable consequential damages) and liabilities (including, without limitation, reasonable attorneys' fees and court costs) directly or indirectly arising from, related to, or as the result of (a) the death of any person, (b) damage, injury or loss to any person, (c) damage or injury to any property occurring or resulting directly or indirectly from the use, occupancy or development of the Site pursuant to this Agreement, (d) claims, expenses, reasonable attorney's fees, judgments associated with or arising out of the relocation of tenants, (e) the activities of Developer or its officers, directors, employees, agents, servants or contractors, or (f) the failure to pay prevailing wages if required by law, or from any other cause, except to the extent caused by the Indemnitees' gross negligence or willful misconduct. This indemnity shall survive termination of this Agreement and issuance of the Certificate of Completion.

13.3 Insurance

With regard to this Agreement, the Developer shall obtain and maintain, and require the contractor and subcontractors for the Project to obtain and maintain such insurance as will protect them, respectively, from the following claims which may result from the operations of the Developer, contractor, subcontractor or anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable: (a) claims under workers' compensation benefit acts; (b) claims for damages because of bodily injury, occupational sickness or disease, or death of his employees; (c) claims for damages because of bodily injury, sickness or disease, or death of any person other than his employees; (d) claims for damages insured by usual personal injury liability coverage which are sustained (1) by any person as a result of an offense directly or indirectly related to the employment of such person by the Developer, or (2) by any other person; claims for damages, other than to the construction itself, because of injury to or destruction of tangible property, including resulting loss of use; (e) claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance or use of any motor vehicle; and (f) claims for contractual liability arising from the Developer's obligations under this Agreement.

Developer shall assure that the insurance required by this Section shall be written with a deductible of not more than One Hundred Thousand Dollars (\$100,000) or an amount approved by City, and for limits of liability which shall not be less than the following.

13.3.1 Workers' Compensation. Workers' compensation coverage shall be written for the statutory limits as required by Section 1 (commencing with Section 3700) of Chapter 4 of Part 1 of Division 4 of the California Labor Code (as it may, from time to time, be amended) and having an employer's liability of not less than \$1,000,000 per occurrence. The

workers' compensation policy shall contain the insurer's waiver of subrogation in favor of the City, its officers, agents, employees, and volunteers.

13.3.2 Comprehensive General Liability. Commercial general liability coverage shall include premises-operations, independent contractor's protective, products and completed operations (for four years), broad form property damage, and contractual liability coverage with employment exclusion deleted (or such other substantially similar coverage as may be approved by Agency Counsel). Such insurance shall have limits of liability which are not less than \$2,000,000, each occurrence, for bodily injury coverage, and for products and completed operations coverage, and aggregate of \$4,000,000; and \$2,000,000 each occurrence for property damage coverage, and aggregate of \$4,000,000. The general liability policy shall contain the insurer's waiver of subrogation in favor of the City, its officers, agents, employees, and volunteers.

13.3.3 Comprehensive Automobile Liability. Comprehensive automobile liability coverage for any vehicle used for, or in connection with, the Project (owned, nonowned, hired, leased) having limits of liability which are not less than \$1,000,000 combined single limits per accident.

13.3.4 Fire, Hazard and Extended Coverage Insurance. For the duration of this Agreement, Developer shall obtain and maintain fire and hazard insurance to the full insurable value of the Site with endorsements of extended coverage, vandalism, and malicious mischief, and with such other endorsements and in such amounts as the City may reasonably require to protect the Project. In the event of damage to the Project and subject to the requirements of any lender, Developer shall use the proceeds of such insurance to reconstruct the Project.

13.3.5 Approval of Insurer. Each policy of insurance required under this Agreement shall be obtained from a provider licensed to do business in California and having a current Best's Insurance Guide rating of AVII, or such other equivalent rating, as may reasonably be approved by City's Risk Manager. Each policy shall contain the following provisions stated below.

13.3.6 Additional Insured. During the term of construction, City and its officers, agents, employees, and volunteers shall be additional insured on all insurance policies, except the fire and hazard insurance and the worker's compensation policy, unless otherwise approved by City's Risk Manager in writing. The additional insured endorsement for the general liability policy shall be at least as broad as the Insurance Services Office ("ISO") CG 20 38 04 13 or an equivalent, blanket endorsement or section of the policy. Endorsements must include coverage for on-going and completed operations.

13.3.7 Cancellation. Each policy shall bear an endorsement precluding cancellation or termination of the policy or reduction in coverage unless the City has been given written notice of such intended action at least thirty (30) calendar days prior to its effective date.

13.3.8 Failure to Maintain. If Developer fails to obtain or maintain, or cause to be obtained and maintained, any insurance required by this Agreement, the City shall have the right to purchase the insurance on Developer's behalf, and Developer shall promptly reimburse the full cost of such insurance to the City. If Developer fails to reimburse the City for insurance, the amount of unpaid reimbursement shall bear interest, at the maximum rate permissible under the law, until paid.

13.3.9 Blanket Coverage. Developer's obligation to carry insurance as required under this section may be satisfied by coverage under a "blanket" policy or policies of insurance (as the term is customarily used in the insurance industry); provided, however, that the City shall nevertheless be named as an additional insured under such blanket policy or policies to the extent required by this section, the coverage afforded the City will not be reduced or diminished thereby, and all of the other requirements of this section with respect to such insurance shall otherwise be satisfied by such blanket policy.

13.4 Reimbursement of City

Developer shall, within fifteen (15) calendar days after written demand, reimburse City for all costs reasonably incurred by City (including the reasonable fees and expenses of attorneys, accountants, appraisers and other consultants) in connection with City enforcement of the Project Documents and all related matters, including, without limitation, the following: (a) City's commencement of, appearance in, or defense of any action or proceeding purporting to affect the rights or obligations of the parties to any Project Document; and (b) all claims, demands, causes of action, liabilities, losses, and other costs against which City is indemnified under the Project Documents. Such reimbursement obligations shall bear interest from the date occurring fifteen (15) calendar days after City makes written demand to Developer at the rate of ten percent (10%) per annum. Such reimbursement obligations shall survive termination of this Agreement and issuance of the Certificate of Completion.

14. **DEFAULTS AND REMEDIES**

14.1 Event of Default

Any of the following events or occurrences with respect to either party shall constitute a material breach of this Agreement and, after the expiration of any applicable cure period, shall constitute an "Event of Default" by such party:

(a) The failure by either party to pay any amount in full when it is due under this Agreement, if the failure has continued for a period of fifteen (15) calendar days after the party entitled to payment demands in writing that the other party cure that failure.

(b) The failure by either party to perform any other obligation under this Agreement, including, without limitation, the other Project Documents, if the failure has continued for a period of thirty (30) calendar days after demand in writing that such party cure the failure; provided, however, if such failure cannot reasonably be cured within such thirty (30) calendar day period, such party may have such longer period of time as may be reasonably necessary to cure the failure provided that cure is commenced within such thirty (30) calendar day period, and thereafter diligently prosecuted to completion.

14.2 No Waiver

Except as otherwise expressly provided in this Agreement, any failure or delay by any party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default, or of any such rights or remedies, or deprive any such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

14.3 Rights and Remedies are Cumulative

Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by any party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or any other default by another party.

15. NOTICES

All notices, consents, demands, approvals and other communications (the "Notices") that are given pursuant to this Agreement shall be in writing to the appropriate party and shall be deemed to have been fully given when delivered, including delivery by commercial delivery service, or if deposited in the United States mail, certified or registered, postage prepaid, when received or refused. All Notices shall be addressed as follows:

If to the Developer: Main Street Plaza, LLC
 c/o Meta Housing Corporation
 11150 West Olympic Blvd. , Suite 620
 Los Angeles, CA 90064

If to City: City of Roseville
 Attn: Housing Division
 316 Vernon Street, Suite 150
 Roseville, CA 95678

Addresses for notice may be changed from time to time by notice to all other parties. Notwithstanding that Notices shall be deemed given when delivered, the nonreceipt of any Notice as the result of a change of address of which the sending party was not notified shall be deemed receipt of such Notice.

16. LIMITATIONS ON TRANSFERS AND ASSIGNMENT OF THIS AGREEMENT

16.1 Transfer and Assignment

Except as otherwise permitted herein, prior to completion of the Improvements, the Developer shall not (i) transfer its rights and obligations under this Agreement or (ii) sell, assign, transfer, encumber, pledge or lease the Project without the City's prior written consent, which

consent may be granted or withheld at the sole and absolute discretion of the City. This prohibition shall not be deemed to prevent the (i) granting of easements or licenses to facilitate the construction of the Improvements or the development of the Site, (ii) any mortgage or deed of trust permitted by this Agreement, (iii) any residential leases to tenant entered into by the Developer in the normal course of business for improvements, (iv) recordation of any parcel map with respect to the Site, (v) transfer of limited partnership interests in Developer, (vi) assignment by Developer of its rights and obligations under this Agreement to an affiliate of Developer which is owned and controlled by Developer or to a limited partnership in which Developer acts as a general partner (as shown by evidence delivered and acceptable to City). Upon the issuance of the Certificate of Completion, subject to the prior written approval of the City, which approval shall not be unreasonably withheld or delayed, the Developer may transfer the Site and assign its interest in this Agreement to a transferee subject to the Affordable Housing Regulatory Agreement and the other Loan Documents so long as such transferee agrees in writing to assume and be bound by all of the covenants and conditions set forth in this Agreement.

16.2 Security Financing; Rights of Holders

(a) No Encumbrances Except Mortgages, Deeds of Trust, or Other Conveyance for Financing for Development.

(1) Notwithstanding Section 16.1 or any other provision herein to the contrary, mortgages, deeds of trust, sales and leaseback, or any other form of encumbrance or conveyance required for any reasonable method of construction and permanent financing are permitted but only for the purpose of securing loans of funds to be used for financing the direct and indirect costs of the Project (including reasonable and customary loan fees and costs, and other normal and customary project costs and/or tenant improvement costs), and City will subordinate its Deeds of Trust, this Agreement, and Regulatory Agreement to any such financing pursuant to a reasonable subordination agreement if required by the applicable lender. Further, to the extent necessary to make the Project financing feasible, and subject to the City's reasonable approval of the terms thereof, the City shall consent to encumber its fee interest (if applicable) in the Site in connection with Developer's financing for the Project.

(2) The words "mortgage" and "deed of trust" as used herein include all other appropriate modes of financing commonly used in construction and land development. Any reference herein to the "holder" of a mortgage or deed of trust shall be deemed also to refer to a lessor under a sale and leaseback.

(b) Noninterference with Holders.

The provisions of this Agreement do not limit the right of Holders to foreclose or otherwise enforce any mortgage, deed of trust, or other security instrument encumbering the Site and the improvements thereon, or the right of Holders to pursue any remedies for the enforcement of any pledge or lien encumbering the Site; provided, however, that in the event of a foreclosure sale under any such mortgage, deed of trust or other lien or encumbrance, or sale pursuant to any power of sale contained in any such mortgage or deed of trust, the purchaser or purchasers and their successors and assigns, and the Site, shall be, and shall continue to be, subject to all of the

conditions, restrictions and covenants of this Agreement and all documents and instruments recorded pursuant hereto.

17. ADMINISTRATION

Following approval of this Agreement by the City, this Agreement shall be administered and executed on behalf of the City. The Economic Development Director shall have the authority to issue interpretations, waive terms and conditions, and enter into amendments to the Schedule of Performance on behalf of City provided that such actions do not substantially change the uses or development permitted on the Site or materially add to the costs of the City provided herein. However, all amendments to this Agreement require the approval of the Roseville City Council.

18. MISCELLANEOUS

18.1 Counterparts

This Agreement may be executed in counterparts, all of which, taken together, shall be deemed to be one and the same document.

18.2 Prior Agreements; Amendments; Consents

This Agreement contains the entire agreement between the City and the Developer with respect to the Site, and all prior negotiations, understandings and agreements are superseded by this Agreement. No modification of this Agreement (including waivers of rights and conditions) shall be effective unless in writing and signed by the party against whom enforcement of such modification is sought, and then only in the specific instance and for the specific purpose given.

18.3 Governing Law; Venue

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California. Assuming proper service of process, the Developer and the City waive any objection regarding personal or in rem jurisdiction and agree that venue shall be proper in the County of Placer, California.

18.4 Severability of Provisions

No provision of this Agreement that is held to be unenforceable or invalid shall affect the remaining provisions, and to this end all provisions of this Agreement are hereby declared to be severable.

18.5 Headings

Section headings are included in this Agreement for convenience of reference only and shall not be used in construing this Agreement.

18.6 Time of the Essence

Time is of the essence of this Agreement.

18.7 Conflict of Interest

No member, official or employee of the City shall have any direct or indirect interest in this Agreement, nor participate in any decision relating to this Agreement which is prohibited by law.

18.8 Warranty Against Payment of Consideration

The Developer warrants that it has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Agreement.

18.9 Nonliability of City Officials and Employees

No member, official or employee of the City shall be personally liable to the Developer, or any successor in interest, in the event of any material default or breach by the City or for any amount which may become due to the Developer or successor, or on any obligation under the terms of this Agreement.

18.10 Submission of Documents and Other Matters for Approval

Whenever this Agreement requires either party to submit plans, drawings, documents or other matters to the other party for approval, and there is no time specified herein for such approval, the submitting party may submit a letter requiring approval or rejection by the other party of the documents or matter submitted within ten (10) calendar days after submission, and unless rejected within the stated time such documents or matter shall be deemed approved. Except where such approval is expressly reserved to the sole discretion of the approving party, all approvals required hereunder by either party shall be reasonable and not unreasonably withheld or delayed. This section shall not apply to the approval of documents required as part of the City's entitlement and building permit process.

18.11 Force Majeure

In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; litigation beyond the reasonable control of a party; unusually severe weather; inability, despite best efforts, to secure necessary labor, materials or tools; delays of any contractor, subcontractor or supplier beyond the reasonable control of a party; acts of the other party; acts or the failure to act of any public or governmental entity (except that acts or the failure to act of City shall not excuse performance by City); or any other acts or causes beyond the reasonable control of the party claiming an extension of time to perform. An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) calendar days of the commencement of the cause.

Force Majeure shall serve also to extend the time by which any condition, for the benefit of either party, shall be satisfied under this Agreement.

18.12 Inspection of Books and Records

City has the right, at all reasonable times, to inspect the books and records of Developer regarding the Site as reasonably necessary to carry out its purposes of this Agreement.

18.13 Ownership of Data

If this Agreement is terminated, for any reason other than an event of default by City, prior to the completion of the Project, Developer shall deliver to City, without representation and warranty and subject to the receipt of any third party consents, originals or copies of any and all data acquired for development of the Site, including but not limited to plans, reports and studies. City shall reimburse Developer for actual and verifiable costs of such documentation. The City shall have full ownership and rights to use such data provided, however, that the City's rights pursuant to this Section 18.13 shall be subordinate to the rights of any third-party lenders and/or investors providing the Project Financing.

[Signatures on the following page]

IN WITNESS WHEREOF, the City of Roseville, a municipal corporation, has authorized the execution of the Agreement in duplicate by its City Manager and attested to by its City Clerk under the authority of Resolution No. _____, adopted by the City of Roseville on the _____ day of _____, 2019, and DEVELOPER has caused this Agreement to be executed.

CITY OF ROSEVILLE,
a municipal corporation:

BY: _____
DOMINICK CASEY
City Manager

ATTEST:

BY: _____
SONIA OROZCO
City Clerk

APPROVED AS TO FORM:

BY: _____
ROBERT R. SCHMITT
City Attorney

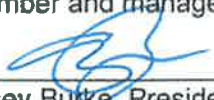
APPROVED AS TO SUBSTANCE:

BY: 
LAURA MATTEOLI
Economic Development Director

MAIN STREET PLAZA, LLC,
a California limited liability company

By: Meta AGP Investments, LLC
a California limited liability company
its sole member and manager

by: Meta Housing Corporation
a California corporation
its sole member and manager

By: 
Kasey Burke, President

By: 
George Russo, Chief Financial Officer

ATTACHMENT NO. 1 A

LEGAL DESCRIPTION OF MASTER SITE

Real property in the City of Roseville, County of Placer, State of California, described as follows:

TRACT ONE: (APN: 011-146-018)

LOT 1, BLOCK 2 OF AMENDED MAP OF MCRAE'S ADDITION, ACCORDING TO THE MAP THEREOF FILED AUGUST 21, 1906, IN BOOK A OF MAPS, PAGE 38, PLACER COUNTY RECORDS.

TRACT TWO: (APN: 011-146-019)

LOT 16 IN BLOCK 2 OF AMENDED MAP OF MCRAE'S ADDITION AS PER MAP FILED AUGUST 21, 1906, IN BOOK A OF MAPS, PAGE 38, PLACER COUNTY RECORDS.

TRACT THREE: (APN: 011-145-005)

PARCEL ONE:

LOTS 1 AND 2, BLOCK 3, AS SHOWN ON THAT CERTAIN MAP OF PLAT ENTITLED "AMENDED MAP OF MCRAE'S ADDITION OF THE TOWN (NOW CITY OF ROSEVILLE)" FILED IN THE OFFICE OF THE RECORDER OF PLACER COUNTY, AUGUST 21, 1906 IN BOOK A OF MAPS AT PAGE 38, PLACER COUNTY RECORDS.

PARCEL TWO:

A PORTION OF LOTS 3 AND 4 IN BLOCK 3, AS SHOWN ON THAT CERTAIN MAP OF PLAT ENTITLED "AMENDED MAP OF MCRAE'S ADDITIONS TO THE TOWN (NOW CITY) OF ROSEVILLE", FILED IN THE OFFICE OF THE RECORDER OF PLACER COUNTY, AUGUST 31, 1906 IN BOOK A OF MAPS AT PAGE 38, DESCRIBED AS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 3; THENCE WESTERLY 85.49 FEET ALONG THE NORTH LINE OF SAID LOT 3 AND 4 TO A POINT IN THE NORTH LINE OF SAID LOT 4 THAT IS DISTANT WESTERLY 35.49 FEET FROM THE NORTHEAST CORNER OF SAID LOT 4; THENCE FROM A TANGENT THAT BEARS SOUTH 20° 17' 20" EAST ALONG A CURVE TO THE LEFT, WITH A RADIUS OF 420.50 FEET, THROUGH AN ANGLE OF 11° 20' A DISTANCE OF 83.98 FEET (THE CHORD OF SAID CURVE BEARS SOUTH 25° 58' 20" EAST 83.04 FEET TO A POINT IN THE EAST LINE OF SAID LOT 4 THAT IS DISTANT NORTHERLY 65.01 FEET FROM THE SOUTHEAST CORNER OF SAID LOT 4; THENCE CONTINUING ALONG SAID CURVE TO THE LEFT WITH A RADIUS OF 420.50 FEET, FROM A TANGENT THAT BEARS SOUTH 31° 37' 20" EAST THROUGH AN ANGLE OF 7° 03' 40" A DISTANCE OF 57.43 FEET; THE CHORD OF WHICH CURVE BEARS SOUTH 35° 11' 40" EAST 57.40 FEET; THENCE SOUTH 38° 46' EAST 37.83 FEET TO A POINT IN THE SOUTH LINE OF SAID LOT 3 THAT IS DISTANT WESTERLY 3.06 FEET FROM THE SOUTHEAST CORNER OF SAID LOT 3; THENCE EASTERLY 3.06 FEET ALONG THE SOUTH LINE OF SAID LOT 3 TO THE SOUTHEAST CORNER OF SAID LOT 3; THENCE NORTHERLY 140.00 FEET ALONG THE EASTERLY LINE OF SAID LOT 3 TO THE POINT OF BEGINNING.

ATTACHMENT NO. 1B

LEGAL DESCRIPTION OF SITE

Real property in the City of Roseville, County of Placer, State of California, described as follows:

PARCEL ONE:

LOTS 1 AND 2, BLOCK 3, AS SHOWN ON THAT CERTAIN MAP OF PLAT ENTITLED "AMENDED MAP OF MCRAES ADDITION OF THE TOWN (NOW CITY OF ROSEVILLE)" FILED IN THE OFFICE OF THE RECORDER OF PLACER COUNTY, AUGUST 21, 1906 IN BOOK A OF MAPS AT PAGE 38, PLACER COUNTY RECORDS.

PARCEL TWO:

A PORTION OF LOTS 3 AND 4 IN BLOCK 3, AS SHOWN ON THAT CERTAIN MAP OF PLAT ENTITLED "AMENDED MAP OF MCRAE'S ADDITIONS TO THE TOWN (NOW CITY) OF ROSEVILLE", FILED IN THE OFFICE OF THE RECORDER OF PLACER COUNTY, AUGUST 31, 1906 IN BOOK A OF MAPS AT PAGE 38, DESCRIBED AS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 3; THENCE WESTERLY 85.49 FEET ALONG THE NORTH LINE OF SAID LOT 3 AND 4 TO A POINT IN THE NORTH LINE OF SAID LOT 4 THAT IS DISTANT WESTERLY 35.49 FEET FROM THE NORTHEAST CORNER OF SAID LOT 4; THENCE FROM A TANGENT THAT BEARS SOUTH 20° 17' 20" EAST ALONG A CURVE TO THE LEFT, WITH A RADIUS OF 420.50 FEET, THROUGH AN ANGLE OF 11° 20' A DISTANCE OF 83.98 FEET (THE CHORD OF SAID CURVE BEARS SOUTH 25° 58' 20" EAST 83.04 FEET TO A POINT IN THE EAST LINE OF SAID LOT 4 THAT IS DISTANT NORTHERLY 65.01 FEET FROM THE SOUTHEAST CORNER OF SAID LOT 4; THENCE CONTINUING ALONG SAID CURVE TO THE LEFT WITH A RADIUS OF 420.50 FEET, FROM A TANGENT THAT BEARS SOUTH 31° 37' 20" EAST THROUGH AN ANGLE OF 7° 03' 40" A DISTANCE OF 57.43 FEET; THE CHORD OF WHICH CURVE BEARS SOUTH 35° 11' 40" EAST 57.40 FEET; THENCE SOUTH 38° 46' EAST 37.83 FEET TO A POINT IN THE SOUTH LINE OF SAID LOT 3 THAT IS DISTANT WESTERLY 3.06 FEET FROM THE SOUTHEAST CORNER OF SAID LOT 3; THENCE EASTERLY 3.06 FEET ALONG THE SOUTH LINE OF SAID LOT 3 TO THE SOUTHEAST CORNER OF SAID LOT 3; THENCE NORTHERLY 140.00 FEET ALONG THE EASTERLY LINE OF SAID LOT 3 TO THE POINT OF BEGINNING.

APN 011-145-005

ATTACHMENT NO. 2

SCHEDULE OF PERFORMANCE

Main Street Plaza Apartments
Schedule of Performance
12/7/2018

DATE	MILESTONE	RESPONSIBLE PARTY
COMPLETE	Site Control - Old Roseville Hotel	Meta Housing Corporation
COMPLETE	Land Use Entitlements Submitted	Meta Housing Corporation
COMPLETE	DDA/City Funding Approved	City of Roseville
COMPLETE	PBV/VASH NOFA Application Submitted	Meta Housing Corporation
COMPLETE	134 Main Street Site Acquisition Completed	Meta Housing Corporation
COMPLETE	MHSA Funding Commitment Approved	Placer County
COMPLETE	Land Use Entitlements Approved	City of Roseville
COMPLETE	PBV/VASH NOFA Application Approved	City of Roseville
COMPLETE	HCD VHHP Application Submitted	Meta Housing Corporation
COMPLETE	AHP Application Submitted	Meta Housing Corporation
COMPLETE	HCD VHHP Application Approved	Meta Housing Corporation
COMPLETE	AHP Application Approved	Meta Housing Corporation
COMPLETE	Land Use Entitlements Re-Submission	Meta Housing Corporation
COMPLETE	Land Use Entitlements Re-Submission Approved	City of Roseville
COMPLETE	HCD IIG Application Submitted	Meta Housing Corporation
COMPLETE	HCD HOME Application Submitted	Meta Housing Corporation
COMPLETE	HCD IIG Application Approved	Meta Housing Corporation
COMPLETE	HCD HOME Application Submitted	Meta Housing Corporation
COMPLETE	TCAC 9% Application Submitted	Meta Housing Corporation
COMPLETE	TCAC 9% Application Award	Meta Housing Corporation
COMPLETE	Building Permit Application Submitted	Meta Housing Corporation
2/15/2019	Secure Permits and Construction Plans Approval	Meta Housing Corporation
3/1/2019	Close Construction Financings, Start Construction	Meta Housing Corporation
9/1/2020	Construction Completion	Meta Housing Corporation
12/1/2020	Lease-up Completion	Meta Housing Corporation
3/1/2021	Permanent Conversion	Meta Housing Corporation

ATTACHMENT NO. 3

SCOPE OF DEVELOPMENT

The development will consist of a housing community of no fewer than 44 affordable units and approximately 3,000 square feet of community serving retail space on the ground floor. The development will be located on approximately 0.575 acres of land in the City of Roseville, plus portions of the public streets and right of ways, and will be constructed in conformance with the entitlements approved by the City of Roseville. The development will consist of one building and will share a pedestrian paseo with the neighboring Main Street Plaza 9 project.

Within the development, there shall be a mix of unit types from one to three bedroom units, as approved by the City Development Services Department and Housing Division. There will be on-grade parking spaces distributed about the Site for residents, guests, and retail. The recreational amenity package shall include a community center, offices for management and supportive services, and laundry facilities. In addition, there will be a tot lot, landscaped open space, and a barbecue/picnic area.

The development is planned to target low, very low, and extremely low income families, veterans, and individuals with special needs. The final mix of project financing and resident populations will be approved by the City Housing Division.

CITY LAND PROMISSORY NOTE

\$508,207

_____, 201____
Roseville, California

FOR VALUE RECEIVED, _____ (the "Maker"), having an address of _____, promises to pay the **CITY OF ROSEVILLE** ("Holder"), the initial principal sum of **Five Hundred Eight Thousand Two Hundred Seven Dollars (\$508,207)** or so much of said amount which may be advanced from time to time, with simple interest at the rate of **Three Percent (3%)** per annum.

1. This Note is made pursuant to Section 10.1 of that Third Amended and Restated Disposition and Development Agreement dated as of _____ (the "DDA") between Maker and Holder. All capitalized terms not otherwise defined herein shall have the meaning set forth in the DDA. Pursuant to the DDA, Maker has acquired that certain real property defined in the DDA as the "Site", and will construct on the Site a residential housing project consisting of ____ residential units (the "Units"), one of which may be a manager's units and the rest of which shall be rented to qualified low income persons and families (the "Housing Project"), as described in the DDA and the Affordable Housing Regulatory Agreement dated concurrently herewith between Developer and Holder.

2. Payment of this Note is secured by a deed of trust having even date herewith, assignment of rents, security agreement and fixture filing (the "Deed of Trust") from Maker to Holder upon the Site.

3. All principal and any interest thereon shall be due in full on the date that is fifty-five (55) years from the date of recordation of the Certificate of Completion (as defined in the DDA). Payment shall be made in lawful money of the United States to Holder at 311 Vernon Street, Roseville, California 95678. The place of payment may be changed from time to time as the Holder may from time to time designate in writing.

All payments on this Note shall be without expense to the Holder, and the Maker agrees to pay all costs and expenses, including reconveyance fees and reasonable attorneys' fees of the Holder, incurred in connection with the payment of this Note and the release of any security hereof.

4. A default by Maker under the DDA not cured within any applicable cure period under the DDA, and a failure to pay any sum due hereunder within ten (10) business days after it is due shall constitute an event of default under this Note.

If written request is made by Maker's limited partner, Holder shall also deliver a copy of default notice to such limited partner. Any partner of Maker shall have the right to cure any default within the applicable cure periods set forth hereinabove, whether in its own capacity or on behalf of Maker, and Holder shall accept such cure as if tendered by Maker. However, failure by Holder to deliver such notice to Maker's limited partner shall not be a default under this Note or the DDA.

Upon the occurrence of any event of default, or at any time thereafter, at the option of the Holder hereof and without notice, the entire unpaid principal and interest owing on this Note

shall become immediately due and payable. This option may be exercised at any time following any such event, and the acceptance of one or more installments thereafter shall not constitute a waiver of Holder's option. Holder's failure to exercise such option shall not constitute a waiver of such option with respect to any subsequent event. Holder's failure in the exercise of any other right or remedy hereunder or under any agreement which secures the indebtedness or is related thereto shall not affect any right or remedy and no single or partial exercise of any such right or remedy shall preclude any further exercise thereof.

5. At all times when Maker is in default hereunder by reason of Maker's failure to pay principal due under this Note or any amounts due under any loan documents securing this Note, the interest rate on the sums as to which Maker is in default (including principal, if Holder has elected to declare it immediately due and payable), shall be the lower of (i) the highest rate then allowed by law or (ii) two percent (2%) over the prime interest rate announced by Wells Fargo Bank, N.A., as of the date of the default.

6. During the existence of default or delinquency under the terms of this Note or the Deed of Trust, Holder is expressly authorized to apply all payments made on this Note to the payment of all or part of the delinquency, as it may elect.

7. Maker and any endorsers hereof and all others who may become liable for all or any part of this obligation, severally waive presentment for payment, demand and protest and notice of protest, and of dishonor and nonpayment of this Note, and expressly consent to any extension of the time of payment hereof or of any installment hereof, to the release of any party liable for this obligation, and any such extension or release may be made without notice to any of said parties and without any way affecting or discharging this liability.

8. Maker agrees to pay immediately upon demand all costs and expenses of Holder including reasonable attorneys' fees, (i) if after default this Note be placed in the hands of an attorney or attorneys for collection, (ii) if after a default hereunder or under the Deed of Trust, the DDA or under any loan document referred to herein Holder finds it necessary or desirable to secure the services or advice of one or more attorneys with regard to collection of this Note against Maker, any guarantor or any other party liable therefor or to the protection of its rights under this Note, the Deed of Trust, the DDA or other loan document, or (iii) if Holder seeks to have the Site abandoned by or reclaimed from any estate in bankruptcy, or attempts to have any stay or injunction prohibiting the enforcement or collection of the Note or prohibiting the enforcement of the Deed of Trust or any other agreement evidencing or securing this Note lifted by any bankruptcy or other court.

9. If Holder shall be made a party to or shall reasonably intervene in any action or proceeding, whether in court or before any governmental agency, affecting the property or the title thereto or the interest of the Holder under the Deed of Trust, including, without limitation, any form of condemnation or eminent domain proceeding, Holder shall be reimbursed by maker immediately upon demand for all costs, charges and attorneys' fees incurred by Holder in any such case, and the same shall be secured by the Deed of Trust as a further charge and lien upon the Site.

10. Any notices provided for in this Note shall be given by mailing such notice by certified mail, return receipt requested at the address stated in this Note or at such address as either party may designate by written notice.

11. This Note shall be binding upon Maker, its successors and assigns. Except as permitted in the DDA, this Note shall not be assumable by the successors and assigns of Maker without the prior written consent of Holder.

12. This Note shall be construed in accordance with and be governed by the laws of the State of California.

13. If any provision of this Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

14. Except for misrepresentation, waste and willful misconduct, the obligation to repay this Note is a nonrecourse obligation of the Borrower.

15. Except for any misrepresentation or willful misconduct by Maker, and except as otherwise provided in the Deed of Trust, this Note is nonrecourse and neither Maker nor any member, officer, partner or employee of Maker shall have any personal liability for repayment of the sums evidenced hereby, and the Holder must resort only to the Housing Project for repayment should the Maker fail to repay the sums evidenced hereby.

16. Any extension of time for payment of this Note or any installment hereof made by agreement of Holder with any person now or hereafter liable for payment of this Note shall not operate to release, discharge, modify, change or affect the original liability of Maker under this Note, either in whole or in part.

17. The obligations of Maker under this Note shall be absolute and Maker waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reason whatsoever.

18. Maker promises to pay all costs and expenses, including reasonable attorneys' fees, incurred by Holder in the enforcement of the provisions of this Note, regardless of whether suit is filed to seek enforcement.

19. This Note may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

20. This document, together with the DDA, the Deed of Trust, and the Affordable Housing Regulatory Agreement, contains the entire agreement between the parties as to the loan. It may not be modified except upon written consent of the parties.

21. The times for the performance of any obligations hereunder shall be strictly construed, time being of the essence.

22. If any term, condition or provision of this Note is in conflict with the term, condition or provision of the DDA, the Deed of Trust, or the Affordable Housing Regulatory Agreement, said term, condition or provision of the DDA, the Deed of Trust, and the Affordable Housing Regulatory Agreement shall control to the extent of such conflict.

23. Maker may prepay this Note in full or in part at any time, without any prepayment penalty being charged by Holder.

MAKER:

By: _____

Print Name: _____

Title: _____

ATTACHMENT NO. 5

FORM OF CITY LAND LOAN DEED OF TRUST

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Roseville
311 Vernon Street
Roseville, CA 95678
Attention: City Clerk

No fee for recording pursuant to
Government Code Section 27383

**DEED OF TRUST WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT, AND
FIXTURE FILING
CITY LAND LOAN**

_____, **Roseville**

THIS DEED OF TRUST WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT,
AND FIXTURE FILING ("Deed of Trust") is made as of _____, 2019, by and among
_____ ("Trustor"), First American Title Company, a California corporation
("Trustee"), and the City of Roseville ("Beneficiary").

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein
recited and the trust herein created, the receipt of which is hereby acknowledged, Trustor
hereby irrevocably grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH
POWER OF SALE, for the benefit and security of Beneficiary, under and subject to the terms
and conditions hereinafter set forth, Trustor's interest in the property located in the City of
Roseville, County of Placer, State of California, that is described in the attached Exhibit A,
incorporated herein by this reference (the "Property").

TOGETHER WITH all interest, estates or other claims, both in law and in equity which
Trustor now has or may hereafter acquire in the Property and the rents;

TOGETHER WITH all easements, rights-of-way and rights used in connection therewith
or as a means of access thereto, including (without limiting the generality of the foregoing) all
tenements, hereditaments and appurtenances thereof and thereto;

TOGETHER WITH any and all buildings and improvements of every kind and
description now or hereafter erected thereon, and all property of the Trustor now or hereafter
affixed to or placed upon the Property;

TOGETHER WITH all building materials and equipment now or hereafter delivered to
said property and intended to be installed therein;

TOGETHER WITH all right, title and interest of Trustor, now owned or hereafter

acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Property, and any and all sidewalks, alleys and strips and areas of land adjacent to or used in connection with the Property;

TOGETHER WITH all estate, interest, right, title, other claim or demand, of every nature, in and to such property, including the Property, both in law and in equity, including, but not limited to, all deposits made with or other security given by Trustor to utility companies, the proceeds from any or all of such property, including the Property, claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Trustor now has or may hereafter acquire, any and all awards made for the taking by eminent domain or by any proceeding or purchase in lieu thereof of the whole or any part of such property, including without limitation, any awards resulting from a change of grade of streets and awards for severance damages to the extent Beneficiary has an interest in such awards for taking as provided in Paragraph 4.1 herein;

TOGETHER WITH all of Trustor's interest in all articles of personal property or fixtures now or hereafter attached to or used in and about the building or buildings now erected or hereafter to be erected on the Property which are necessary to the complete and comfortable use and occupancy of such building or buildings for the purposes for which they were or are to be erected, including all other goods and chattels and personal property as are ever used or furnished in operating a building, or the activities conducted therein, similar to the one herein described and referred to, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are, or shall be attached to said building or buildings in any manner; and

TOGETHER WITH all of Trustor's interest in all building materials, fixtures, equipment, work in process and other personal property to be incorporated into the Property; all goods, materials, supplies, fixtures, equipment, machinery, furniture and furnishings, signs and other personal property now or hereafter appropriated for use on the Property, whether stored on the Property or elsewhere, and used or to be used in connection with the Property; all rents, issues and profits, and all inventory, accounts, accounts receivable, contract rights, general intangibles, chattel paper, instruments, documents, notes drafts, letters of credit, insurance policies, insurance and condemnation awards and proceeds, trade names, trademarks and service marks arising from or related to the Property and any business conducted thereon by Trustor; all replacements, additions, accessions and proceeds; and all books, records and files relating to any of the foregoing.

All of the foregoing, together with the Property, is herein referred to as the "Security." To have and to hold the Security together with acquittances to the Trustee, its successors and assigns forever.

FOR THE PURPOSE OF SECURING THE FOLLOWING OBLIGATIONS (the "Secured Obligations"):

(a) Payment to Beneficiary of all sums at any time owing under or in connection with the Note (defined in Section 1.3 below) until paid or cancelled and any other amounts owing under the Loan Documents (defined in Section 1.2 below). Said principal and other payments shall be due and payable as provided in the Note or other Loan Documents, as applicable. The Note and all its terms are incorporated herein by reference, and this conveyance shall secure any and all extensions thereof, however evidenced;

(b) Payment of any sums advanced by Beneficiary to protect the Security pursuant to the terms and provisions of this Deed of Trust following a breach of Trustor's obligation to advance said sums and the expiration of any applicable cure period, with interest thereon as provided herein;

(c) Performance of every obligation, covenant or agreement of Trustor contained herein and in the Loan Documents; and

(d) All modifications, extensions and renewals of any of the Secured Obligations (including without limitation (i) modifications, extensions, or renewals at a different rate of interest, or (ii) deferrals or accelerations of the required principal payment dates or interest payment dates or both, in whole or in part), however evidenced, whether or not any such modification, extension or renewal is evidenced by a new or additional promissory note or notes.

AND TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR COVENANTS AND AGREES:

ARTICLE 1: DEFINITIONS

In addition to the terms defined elsewhere in this Deed of Trust, the following terms shall have the following meanings in this Deed of Trust:

Section 1.1 The term "DDA" means that certain Third Amended and Restated Disposition and Development Agreement between Trustor and Beneficiary, of even date herewith, providing for the Beneficiary to loan to the Trustor of Five Hundred Eight Thousand Two Hundred and Seven Dollars (\$508,207) to assist in the permanent financing of no fewer than forty-four (44) rental housing units (and up to one manager's unit) on the Property, of which forty-three (43) units shall be affordable for fifty-five (55) years in accordance with the Regulatory Agreement. Capitalized terms used but not defined in this Deed of Trust shall have the meanings set forth in the DDA.

Section 1.2 The term "Loan Documents" means this Deed of Trust, the Note, the DDA, the Regulatory Agreement, and any other debt, loan or security instruments between Trustor and the Beneficiary relating to the Property.

Section 1.3 The term "Note" means the promissory note in the principal amount of Five Hundred Eight Thousand Two Hundred and Seven Dollars (\$508,207) of even date herewith, executed by Trustor in favor of the Beneficiary, as it may be amended or restated, the payment of which is secured by this Deed of Trust. (A copy of the Note is on file with the Beneficiary and terms and provisions of the Note are incorporated herein by reference.).

Section 1.4 The term "Principal" means the amount required to be paid under the Note.

Section 1.5 The term "Regulatory Agreement" means the Affordable Housing Regulatory Agreement of even date herewith by and between the Beneficiary and the Trustor.

**ARTICLE 2:
MAINTENANCE AND MODIFICATION OF
THE PROPERTY AND SECURITY**

Section 2.1 Maintenance and Modification of the Property by Trustor.

The Trustor agrees that at all times prior to full payment and performance of the Secured Obligations, the Trustor will, at the Trustor's own expense, maintain, preserve and keep the Security or cause the Security to be maintained and preserved in good condition and shall not commit waste. The Trustor will from time to time make or cause to be made all repairs, replacements and renewals deemed proper and necessary by it. In addition, Trustor shall not use, maintain, operate or occupy, or allow the use, maintenance, operation or occupancy of, the Security in any manner which (1) violates any laws; (2) endangers the Security or adjoining properties; or (3) constitutes a public or private nuisance. The Beneficiary shall have no responsibility in any of these matters or for the making of improvements or additions to the Security.

Trustor agrees to pay fully and discharge (or cause to be paid fully and discharged) all claims for labor done and for material and services furnished in connection with the Security, diligently to file or procure the filing of a valid notice of cessation upon the event of a cessation of labor on the work or construction on the Security for a continuous period of thirty (30) calendar days or more, and to take all other reasonable steps to forestall the assertion of claims of lien against the Security of any part thereof. Trustor irrevocably appoints, designates and authorizes Beneficiary as its agent (said agency being coupled with an interest) with the authority, but without any obligation, to file for record any notices of completion or cessation of labor or any other notice that Beneficiary deems necessary or desirable to protect its interest in and to the Security or the Loan Documents; provided, however, that Beneficiary shall exercise its rights as agent of Trustor only in the event that Trustor shall fail to take, or shall fail to diligently continue to take, those actions as hereinbefore provided.

Upon demand by Beneficiary, Trustor shall make or cause to be made such demands or claims as Beneficiary shall specify upon laborers, materialmen, subcontractors or other persons who have furnished or claim to have furnished labor, services or materials in connection with the Security. Nothing herein contained shall require Trustor to pay any claims for labor, materials or services which Trustor in good faith disputes and is diligently contesting provided that Trustor shall, within thirty (30) calendar days after the filing of any claim of lien, record in the Office of the Recorder of Placer County, a surety bond in an amount required by law to protect against a claim of lien.

Section 2.2 Granting of Easements.

Trustor may not grant easements, licenses, rights-of-way or other rights or privileges in the nature of easements with respect to any property or rights included in the Security except those required or desirable for installation and maintenance of public utilities including, without limitation, water, gas, electricity, sewer, telephone and telegraph, or those required by law, and as approved, in writing, by Beneficiary.

Section 2.3 Assignment of Rents.

As part of the consideration for the indebtedness evidenced by the Note and subject to

the rights of the Senior Lenders, Trustor hereby absolutely and unconditionally assigns and transfers to Beneficiary all the rents and revenues of the Property including those now due, past due, or to become due by virtue of any lease or other agreement for the occupancy or use of all or any part of the Property, regardless of to whom the rents and revenues of the Property are payable. Trustor hereby authorizes Beneficiary or Beneficiary's agents to collect the aforesaid rents and revenues and hereby directs each tenant of the Property to pay such rents to Beneficiary or Beneficiary's agents; provided, however, that prior to written notice given by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents, Trustor shall collect and receive all rents and revenues of the Property as trustee for the benefit of Beneficiary and Trustor to apply the rents and revenues so collected to the Secured Obligations with the balance, so long as no such breach has occurred, to the account of Trustor, it being intended by Trustor and Beneficiary that this assignment of rents constitutes an absolute assignment and not an assignment for additional security only. Upon delivery of written notice by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents, and without the necessity of Beneficiary entering upon and taking and maintaining full control of the Property in person, by agent or by a court appointed receiver, Beneficiary shall immediately be entitled to possession of all rents and revenues of the Property as specified in this Section 2.3 as the same become due and payable, including but not limited to rents then due and unpaid, and all such rents shall immediately upon delivery of such notice be held by Trustor as trustee for the benefit of Beneficiary only; provided, however, that the written notice by Beneficiary to Trustor of the breach by Trustor shall contain a statement that Beneficiary exercises its rights to such rents. Trustor agrees that commencing upon delivery of such written notice of Trustor's breach by Beneficiary to Trustor, each tenant of the Property shall make such rents payable to and pay such rents to Beneficiary or Beneficiary's agents on Beneficiary's written demand to each tenant therefor, delivered to each tenant personally, by mail or by delivering such demand to each rental unit, without any liability on the part of said tenant to inquire further as to the existence of a default by Trustor.

Trustor hereby covenants that Trustor has not executed any prior assignment of said rents other than assignments to the Senior Lenders, that Trustor has not performed, and will not perform, any acts or has not executed and will not execute, any instrument which would prevent Beneficiary from exercising its rights under this Section 2.3, and that at the time of execution of this Deed of Trust, there has been no anticipation or prepayment of any of the rents of the Property for more than two (2) months prior to the due dates of such rents. Trustor covenants that Trustor will not hereafter collect or accept payment of any rents of the Property more than two (2) months prior to the due dates of such rents. Trustor further covenant that Trustor will execute and deliver to Beneficiary such further assignments of rents and revenues of the Property as Beneficiary may from time to time request.

Upon Trustor's breach of any covenant or agreement of Trustor in the Loan Documents and after the expiration of any applicable cure periods, Beneficiary may in person, by agent or by a court-appointed receiver, regardless of the adequacy of Beneficiary's security, enter upon and take and maintain full control of the Property in order to perform all acts necessary and appropriate for the operation and maintenance thereof including, but not limited to, the execution, cancellation or modification of leases, the collection of all rents and revenues of the Property, the making of repairs to the Property and the execution or termination of contracts providing for the management or maintenance of the Property, all on such terms as are deemed best to protect the security of this Deed of Trust. In the event Beneficiary elects to seek the appointment of a receiver for the Property upon Trustor's breach of any covenant or agreement of Trustor in this Deed of Trust, Trustor hereby expressly consents to the appointment of such

receiver. Beneficiary or the receiver shall be entitled to receive a reasonable fee for so managing the Property.

All rents and revenues collected subsequent to delivery of written notice by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents shall be applied first to the costs, if any, of taking control of and managing the Property and collecting the rents, including, but not limited to, reasonable attorney's fees, receiver's fees, premiums on receiver's bonds, costs of repairs to the Property, premiums on insurance policies, taxes, assessments and other charges on the Property, and the costs of discharging any obligation or liability of Trustor as lessor or landlord of the Property and then to the sums secured by this Deed of Trust. Beneficiary or the receiver shall have access to the books and records used in the operation and maintenance of the Property and shall be liable to account only for those rents actually received. Beneficiary shall not be liable to Trustor, anyone claiming under or through Trustor or anyone having an interest in the Property by reason of anything done or left undone by Beneficiary under this Section 2.3.

If the rents of the Property are not sufficient to meet the costs, if any, of taking control of and managing the Property and collecting the rents, any funds expended by Beneficiary for such purposes shall become part of the Secured Obligations pursuant to Section 3.3 hereof. Unless Beneficiary and Trustor agree in writing to other terms of payment, such amounts shall be payable upon notice from Beneficiary to Trustor requesting payment thereof and shall bear interest from the date of disbursement at the rate stated in Section 3.3.

Any entering upon and taking and maintaining of control of the Property by Beneficiary or the receiver and any application of rents as provided herein shall not cure or waive any default hereunder or invalidate any other right or remedy of Beneficiary under applicable law or provided herein. This assignment of rents of the Property shall terminate at such time as this Deed of Trust ceases to secure the Secured Obligations.

ARTICLE 3: TAXES AND INSURANCE; ADVANCES

Section 3.1 Taxes, Other Governmental Charges and Utility Charges.

Trustor shall pay, or cause to be paid, prior to the date of delinquency, all taxes, assessments, charges and levies imposed by any public authority or utility company which are or may become a lien affecting the Security or any part thereof; provided, however, that Trustor shall not be required to pay and discharge any such tax, assessment, charge or levy so long as (a) the legality thereof shall be promptly and actively contested in good faith and by appropriate proceedings, and (b) Trustor maintains reserves adequate to pay any liabilities contested pursuant to this Section 3.1. With respect to taxes, special assessments or other similar governmental charges, Trustor shall pay such amount in full prior to the attachment of any lien therefor on any part of the Security; provided, however, if such taxes, assessments or charges may be paid in installments, Trustor may pay in such installments. Except as provided in clause (b) of the first sentence of this paragraph, the provisions of this Section 3.1 shall not be construed to require that Trustor maintain a reserve account, escrow account, impound account or other similar account for the payment of future taxes, assessments, charges and levies.

In the event that Trustor shall fail to pay any of the foregoing items required by this Section to be paid by Trustor, Beneficiary may (but shall be under no obligation to) pay the

same, after the Beneficiary has notified the Trustor of such failure to pay and the Trustor fails to fully pay such items within seven (7) business days after receipt of such notice. Any amount so advanced therefor by Beneficiary, together with interest thereon from the date of such advance at the maximum rate permitted by law, shall become part of the Secured Obligations secured hereby, and Trustor agrees to pay all such amounts.

Section 3.2 Provisions Respecting Insurance.

Trustor agrees to provide insurance conforming in all respects to that required under the Loan Documents during the course of construction and following completion, and at all times until all amounts secured by this Deed of Trust have been paid and all Secured Obligations secured hereunder fulfilled, and this Deed of Trust reconveyed.

All such insurance policies and coverages shall be maintained at Trustor's sole cost and expense. Certificates of insurance for all of the above insurance policies, showing the same to be in full force and effect, shall be delivered to the Beneficiary upon demand therefor at any time prior to Trustor's satisfaction of the Secured Obligations.

Section 3.3 Advances.

In the event the Trustor shall fail to maintain the full insurance coverage required by this Deed of Trust or shall fail to keep the Security in accordance with the Loan Documents, the Beneficiary, after at least seven (7) calendar days prior notice to Trustor, may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefor by the Beneficiary shall become part of the Secured Obligations (together with interest as set forth below) and shall be secured hereby, which amounts the Trustor agrees to pay on the demand of the Beneficiary, and if not so paid, shall bear interest from the date of the advance at the lesser of eight percent (8%) per annum or the maximum rate permitted by law.

ARTICLE 4: DAMAGE, DESTRUCTION OR CONDEMNATION

Section 4.1 Awards and Damages.

Subject to the rights of the Senior Lenders, all judgments, awards of damages, settlements and compensation made in connection with or in lieu of (1) taking of all or any part of or any interest in the Property by or under assertion of the power of eminent domain, (2) any damage to or destruction of the Property or in any part thereof by insured casualty, and (3) any other injury or damage to all or any part of the Property (collectively, the "Funds") are hereby assigned to and shall be paid to the Beneficiary by a check made payable to the Beneficiary. The Beneficiary is authorized and empowered (but not required) to collect and receive any Funds and is authorized to apply them in whole or in part upon any indebtedness or obligation secured hereby, in such order and manner as the Beneficiary shall determine at its sole option. The Beneficiary shall be entitled to settle and adjust all claims under insurance policies provided under this Deed of Trust and may deduct and retain from the proceeds of such insurance the amount of all expenses incurred by it in connection with any such settlement or adjustment. Application of all or any part of the Funds collected and received by the Beneficiary or the release thereof shall not cure or waive any default under this Deed of Trust. The rights of the

Beneficiary under this Section 4.1 are subject to the rights of any Senior Lender (as defined in the DDA). The Beneficiary shall release the Funds to Trustor to be used to reconstruct the improvements on the Property under the terms and conditions set forth in Section 36 of the DDA.

**ARTICLE 5:
AGREEMENTS AFFECTING THE PROPERTY; FURTHER ASSURANCES; PAYMENT OF
PRINCIPAL AND INTEREST**

Section 5.1 Other Agreements Affecting Property.

The Trustor shall duly and punctually perform all terms, covenants, conditions and agreements binding upon it under the Loan Documents and any other agreement of any nature whatsoever now or hereafter involving or affecting the Security or any part thereof.

Section 5.2 Agreement to Pay Attorneys' Fees and Expenses.

In the event of any Event of Default (as defined in Section 7.1) hereunder, and if the Beneficiary should employ attorneys or incur other expenses for the collection of amounts due or the enforcement of performance or observance of an obligation or agreement on the part of the Trustor in this Deed of Trust, the Trustor agrees that it will, on demand therefor, pay to the Beneficiary the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Beneficiary (including, but not limited to, other professional service fees and costs); and any such amounts paid by the Beneficiary shall be added to the Secured Obligations, and shall bear interest from the date such expenses are incurred at the lesser of eight percent (8%) per annum or the maximum rate permitted by law.

Section 5.3 Payment of the Principal.

The Trustor shall pay to the Beneficiary the Principal and any other payments as set forth in the Note in the amounts and by the times set out therein.

Section 5.4 Personal Property.

To the maximum extent permitted by law, the personal property subject to this Deed of Trust shall be deemed to be fixtures and part of the real property and this Deed of Trust shall constitute a fixtures filing under the California Commercial Code. As to any personal property not deemed or permitted to be fixtures, this Deed of Trust shall constitute a security agreement under the California Commercial Code. The Trustor hereby grants the Beneficiary a security interest in such items.

Section 5.5 Financing Statement.

The Trustor shall execute and deliver to the Beneficiary such financing statements pursuant to the appropriate statutes, and any other documents or instruments as are required to convey to the Beneficiary a valid perfected security interest in the Security. The Trustor agrees to perform all acts which the Beneficiary may reasonably request so as to enable the Beneficiary to maintain such valid perfected security interest in the Security in order to secure the payment of the Note in accordance with its terms. The Beneficiary is authorized to file a copy of any such financing statement in any jurisdiction(s) as it shall deem appropriate from

time to time in order to protect the security interest established pursuant to this instrument. Trustor shall pay all costs of filing such financing statements and any extensions, renewals, amendments, and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements, and releases thereof, as the Beneficiary may reasonably require. Without the prior written consent of the Beneficiary, Trustor shall not create or suffer to be created pursuant to the California Commercial Code any other security interest in the Security, including replacements and additions thereto.

Section 5.6 Operation of the Security.

The Trustor shall operate the Security (and, in case of a transfer of a portion of the Security subject to this Deed of Trust, the transferee shall operate such portion of the Security) in full compliance with the Loan Documents.

Section 5.7 Inspection of the Security.

At any and all reasonable times upon seventy-two (72) hours' notice, the Beneficiary and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right, without payment of charges or fees, to inspect the Security.

Section 5.8 Nondiscrimination.

The Trustor herein covenants by and for itself, its heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, age, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, or genetic information in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Security, nor shall the Trustor itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Security. The foregoing covenants shall run with the land.

ARTICLE 6: HAZARDOUS WASTE

Trustor shall keep and maintain the Property in compliance with, and shall not cause or permit the Property to be in violation of any federal, state or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions on, under or about the Property including, but not limited to, soil and ground water conditions. Trustor shall not use, generate, manufacture, store or dispose of on, under, or about the Property or transport to or from the Property any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials, including without limitation, any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal or state laws or regulations (collectively referred to hereinafter as "Hazardous Materials") except such of the foregoing as may be customarily used in construction or operation of a multifamily residential development.

Trustor shall immediately advise Beneficiary in writing if at any time it receives written notice of (i) any and all enforcement, cleanup, removal or other governmental or regulatory

actions instituted, completed or threatened against Trustor or the Property pursuant to any applicable federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials, ("Hazardous Materials Law"); (ii) all claims made or threatened by any third party against Trustor or the Property relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (i) and (ii) above are hereinafter referred to a "Hazardous Materials Claims"); and (iii) Trustor's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any part thereof to be classified as "border-zone property" (as defined in the California Health and Safety Code) under the provision of California Health and Safety Code, Sections 25220 et seq., or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Property under any Hazardous Materials Law.

Beneficiary shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and to have its reasonable attorneys' fees in connection therewith paid by Trustor. Trustor shall defend, indemnify and hold harmless Beneficiary and its board members, supervisors, directors, officers, employees, agents, successors and assigns from and against any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence of Hazardous Materials on, under, or about the Property including without limitation: (a) all foreseeable consequential damages; (b) the costs of any required or necessary repair, cleanup or detoxification of the Property and the preparation and implementation of any closure, remedial or other required plans; and (c) all reasonable costs and expenses incurred by Beneficiary in connection with clauses (a) and (b), including but not limited to reasonable attorneys' fees and consultant's fees. This indemnification applies whether or not any government agency has issued a cleanup order. Losses, claims, costs, suits, liability, and expenses covered by this indemnification provision include, but are not limited to: (1) losses attributable to diminution in the value of the Property; (2) loss or restriction of use of rentable space on the Property; (3) adverse effect on the marketing of any rental space on the Property; and (4) penalties and fines levied by, and remedial or enforcement actions of any kind issued by any regulatory agency (including but not limited to the costs of any required testing, remediation, repair, removal, cleanup or detoxification of the Property and surrounding properties).

Without Beneficiary's prior written consent, which shall not be unreasonably withheld, Trustor shall not take any remedial action in response to the presence of any Hazardous Materials on, under or about the Property, nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Material Claims, which remedial action, settlement, consent decree or compromise might, in Beneficiary's reasonable judgment, impair the value of the Beneficiary's security hereunder; provided, however, that Beneficiary's prior consent shall not be necessary in the event that the presence of Hazardous Materials on, under, or about the Property either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not reasonably possible to obtain Beneficiary's consent before taking such action, provided that in such event Trustor shall notify Beneficiary as soon as practicable of any action so taken. Beneficiary agrees not to withhold its consent, where such consent is required hereunder, if (i) a particular remedial action is ordered by a court of competent jurisdiction, (ii) Trustor will or may be subjected to civil or criminal sanctions or penalties if it fails to take a required action; (iii) Trustor establishes to the reasonable satisfaction of Beneficiary that there is no reasonable alternative to such remedial action which would result in less impairment of Beneficiary's

security hereunder; or (iv) the action has been agreed to by Beneficiary.

The Trustor hereby acknowledges and agrees that (i) this Article is intended as the Beneficiary's written request for information (and the Trustor's response) concerning the environmental condition of the Property as required by California Code of Civil Procedure Section 726.5, and (ii) each representation and warranty in this Deed of Trust or any of the other Loan Documents (together with any indemnity applicable to a breach of any such representation and warranty) with respect to the environmental condition of the property is intended by the Beneficiary and the Trustor to be an "environmental provision" for purposes of California Code of Civil Procedure Section 736.

In the event that any portion of the Property is determined to be "environmentally impaired" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(3)) or to be an "affected parcel" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(1)), then, without otherwise limiting or in any way affecting the Beneficiary's or the Trustee's rights and remedies under this Deed of Trust, the Beneficiary may elect to exercise its rights under California Code of Civil Procedure Section 726.5(a) to (1) waive its lien on such environmentally impaired or affected portion of the Property and (2) exercise (a) the rights and remedies of an unsecured creditor, including reduction of its claim against the Trustor to judgment, and (b) any other rights and remedies permitted by law. For purposes of determining the Beneficiary's right to proceed as an unsecured creditor under California Code of Civil Procedure Section 726.5(a), the Trustor shall be deemed to have willfully permitted or acquiesced in a release or threatened release of hazardous materials, within the meaning of California Code of Civil Procedure Section 726.5(d)(1), if the release or threatened release of hazardous materials was knowingly or negligently caused or contributed to by any lessee, occupant, or user of any portion of the Property and the Trustor knew or should have known of the activity by such lessee, occupant, or user which caused or contributed to the release or threatened release. All costs and expenses, including (but not limited to) reasonable attorneys' fees, incurred by the Beneficiary in connection with any action commenced under this paragraph, including any action required by California Code of Civil Procedure Section 726.5(b) to determine the degree to which the Property is environmentally impaired, plus interest thereon at the default rate specified in the DDA, until paid, shall be added to the indebtedness secured by this Deed of Trust and shall be due and payable to the Beneficiary upon its demand made at any time following the conclusion of such action.

The Trustor is aware that California Civil Code Section 2955.5(a) provides as follows: "No lender shall require a borrower, as a condition of receiving or maintaining a loan secured by real property, to provide hazard insurance coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on the property."

ARTICLE 7: EVENTS OF DEFAULT AND REMEDIES

Section 7.1 Events of Default.

The following shall constitute events of default ("Events of Default") following the expiration of any applicable notice and cure periods: (1) failure to make any payment to be paid by Trustor under the Loan Documents; (2) failure to observe or perform any of Trustor's other covenants, agreements or obligations under the Loan Documents, including, without limitation, the provisions concerning transfer and discrimination; or (3) failure to make any payment or

observe or perform any of Trustor's other covenants, agreements, or obligations under any Secured Obligations, which default shall not be cured within the times and in the manner provided therein. Trustor's limited partner shall have cure rights as set forth in Section 14.1 of the DDA.

Section 7.2 Acceleration of Maturity.

If an Event of Default shall have occurred and be continuing, then at the option of the Beneficiary, the amount of any payment related to the Event of Default and all unpaid Secured Obligations shall immediately become due and payable, upon written notice by the Beneficiary to the Trustor (or automatically where so specified in the Loan Documents), and no omission on the part of the Beneficiary to exercise such option when entitled to do so shall be construed as a waiver of such right.

Section 7.3 The Beneficiary's Right to Enter and Take Possession.

If an Event of Default shall have occurred and be continuing, the Beneficiary may:

(a) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, enter upon the Security and take possession thereof (or any part thereof) and of any of the Security, in its own name or in the name of Trustee, and do any acts which it deems necessary or desirable to preserve the value or marketability of the Property, or part thereof or interest therein, increase the income therefrom or protect the security thereof. The entering upon and taking possession of the Security shall not cure or waive any Event of Default or Notice of Sale (as defined in Section 7.3(c)) hereunder or invalidate any act done in response to such Event of Default or pursuant to such Notice of Sale and, notwithstanding the continuance in possession of the Security, Beneficiary shall be entitled to exercise every right provided for in this Deed of Trust, or by law upon occurrence of any Event of Default, including the right to exercise the power of sale;

(b) Commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof;

(c) Deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause Trustor's interest in the Security to be sold ("Notice of Sale"), which notice Trustee or Beneficiary shall cause to be duly filed for record in the Official Records of Placer County; or

(d) Exercise all other rights and remedies provided herein, in the instruments by which the Trustor acquires title to any Security, or in any other document or agreement now or hereafter evidencing, creating or securing the Secured Obligations.

Section 7.4 Foreclosure By Power of Sale.

Should the Beneficiary elect to foreclose by exercise of the power of sale herein contained, the Beneficiary shall deliver to the Trustee the Notice of Sale and shall deposit with Trustee this Deed of Trust which is secured hereby (and the deposit of which shall be deemed to constitute evidence that the Secured Obligations are immediately due and payable), and such receipts and evidence of any expenditures made that are additionally secured hereby as

Trustee may require.

(a) Upon receipt of such Notice of Sale from the Beneficiary, Trustee shall cause to be recorded, published and delivered to Trustor such Notice of Sale as then required by law and by this Deed of Trust. Trustee shall, without demand on Trustor, after lapse of such time as may then be required by law and after recordation of such Notice of Sale having been given as required by law, sell the Security, at the time and place of sale fixed by it in the Notice of Sale, whether as a whole or in separate lots or parcels or items as Trustee shall deem expedient and in such order as it may determine unless specified otherwise by the Trustor according to California Civil Code Section 2924g(b), at public auction to the highest bidder, for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed or any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Trustor, Trustee or Beneficiary, may purchase at such sale.

(b) After deducting all reasonable costs, fees and expenses of Trustee, including costs of evidence of title in connection with such sale, Trustee shall apply the proceeds of sale to payment of: (i) the unpaid Principal amount of the Note; (ii) all other Secured Obligations owed to Beneficiary under the Loan Documents; (iii) all other sums then secured hereby; and (iv) the remainder, if any, to Trustor.

(c) Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter, and without further notice make such sale at the time fixed by the last postponement, or may, in its discretion, give a new Notice of Sale.

Section 7.5 Receiver.

If an Event of Default shall have occurred and be continuing, Beneficiary, as a matter of right and without further notice to Trustor or anyone claiming under the Security, and without regard to the then value of the Security or the interest of Trustor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Security (or a part thereof), and Trustor hereby irrevocably consents to such appointment and waives further notice of any application therefor. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases, and all the powers and duties of Beneficiary in case of entry as provided herein, and shall continue as such and exercise all such powers until the date of confirmation of sale of the Security, unless such receivership is sooner terminated.

Section 7.6 Remedies Cumulative.

No right, power or remedy conferred upon or reserved to the Beneficiary by this Deed of Trust is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity.

Section 7.7 No Waiver.

(a) No delay or omission of the Beneficiary to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or

remedy, or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every right, power and remedy given by this Deed of Trust to the Beneficiary may be exercised from time to time and as often as may be deemed expeditious by the Beneficiary. Beneficiary's express or implied consent to breach, or waiver of, any obligation of the Trustor hereunder shall not be deemed or construed to be a consent to any subsequent breach, or further waiver, of such obligation or of any other obligations of the Trustor hereunder. Failure on the part of the Beneficiary to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by the Beneficiary of its right hereunder or impair any rights, power or remedies consequent on any Event of Default by the Trustor.

(b) If the Beneficiary (i) grants forbearance or an extension of time for the payment or performance of any Secured Obligations, (ii) takes other or additional security or the payment of any sums secured hereby, (iii) waives or does not exercise any right granted in the Loan Documents, (iv) releases any part of the Security from the lien of this Deed of Trust, or otherwise changes any of the terms, covenants, conditions or agreements in the Loan Documents, (v) consents to the granting of any easement or other right affecting the Security, or (iv) makes or consents to any agreement subordinating the lien hereof, any such act or omission shall not release, discharge, modify, change or affect the original liability under this Deed of Trust, or any other obligation of the Trustor or any subsequent purchaser of the Security or any part thereof, or any maker, co-signer, endorser, surety or guarantor (unless expressly released); nor shall any such act or omission preclude the Beneficiary from exercising any right, power or privilege herein granted or intended to be granted in any Event of Default then made or of any subsequent Event of Default, nor, except as otherwise expressly provided in an instrument or instruments executed by the Beneficiary shall the lien of this Deed of Trust be altered thereby.

Section 7.8 Suits to Protect the Security.

The Beneficiary shall have power to (a) institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Security and the rights of the Beneficiary as may be unlawful or any violation of this Deed of Trust, (b) preserve or protect its interest (as described in this Deed of Trust) in the Security, and (c) restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement for compliance with such enactment, rule or order would impair the Security thereunder or be prejudicial to the interest of the Beneficiary.

Section 7.9 Trustee May File Proofs of Claim.

In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting the Trustor, its creditors or its property, the Trustee and/or the Beneficiary, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of the Beneficiary allowed in such proceedings and for any additional amount which may become due and payable by the Trustor hereunder after such date.

Section 7.10 Waiver.

The Trustor waives presentment, demand for payment, notice of dishonor, notice of

protest and nonpayment, protest, notice of interest on interest and late charges, and diligence in taking any action to collect any Secured Obligations or in proceedings against the Security, in connection with the delivery, acceptance, performance, default, endorsement or guaranty of this Deed of Trust.

ARTICLE 8: MISCELLANEOUS

Section 8.1 Amendments.

This Deed of Trust cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by Beneficiary and Trustor.

Section 8.2 Reconveyance by Trustee.

Upon written request of Beneficiary stating that all Secured Obligations have been paid or forgiven, and upon surrender of this Deed of Trust to Trustee for cancellation and retention, and upon payment by Trustor of Trustee's reasonable fees, Trustee shall reconvey the Security to Trustor, or to the person or persons legally entitled thereto.

Section 8.3 Notices.

If at any time after the execution of this Deed of Trust it shall become necessary or convenient for one of the parties hereto to serve any notice, demand or communication upon the other party, such notice, demand or communication shall be in writing and shall be served personally, by reputable overnight delivery service (which provides a delivery receipt) or by depositing the same in the registered United States mail, return receipt requested, postage prepaid and (1) if intended for Beneficiary shall be addressed to:

City of Roseville
311 Vernon Street
Roseville, CA 95678
Attention: City Manager

and (2) if intended for Trustor shall be addressed to:

with a copy to:

Any notice, demand or communication shall be deemed given, received, made or communicated on the date personal delivery is effected or, if mailed in the manner herein specified, on the delivery date or date delivery is refused by the addressee, as shown on the return receipt. Either party may change its address at any time by giving written notice of such change to Beneficiary or Trustor as the case may be, in the manner provided herein, at least ten (10) calendar days prior to the date such change is desired to be effective.

Section 8.4 Successors and Joint Trustors.

Where an obligation created herein is binding upon Trustor, the obligation shall also apply to and bind any transferee or successors in interest. Where the terms of the Deed of Trust have the effect of creating an obligation of the Trustor and a transferee, such obligation shall be deemed to be a joint and several obligation of the Trustor and such transferee. Where Trustor is more than one entity or person, all obligations of Trustor shall be deemed to be a joint and several obligation of each and every entity and person comprising Trustor.

Section 8.5 Captions.

The captions or headings at the beginning of each Section hereof are for the convenience of the parties and are not a part of this Deed of Trust.

Section 8.6 Invalidity of Certain Provisions.

Every provision of this Deed of Trust is intended to be severable. In the event any term or provision hereof is declared to be illegal or invalid for any reason whatsoever by a court or other body of competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of the Security, the unsecured or partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid or applied to the full payment of that portion of the debt which is not secured or partially secured by the lien of this Deed of Trust.

Section 8.7 Governing Law.

This Deed of Trust shall be governed by and construed in accordance with the laws of the State of California.

Section 8.8 Gender and Number.

In this Deed of Trust the singular shall include the plural and the masculine shall include the feminine and neuter and vice versa, if the context so requires.

Section 8.9 Deed of Trust, Mortgage.

Any reference in this Deed of Trust to a mortgage shall also refer to a deed of trust and

any reference to a deed of trust shall also refer to a mortgage.

Section 8.10 Actions.

Trustor agrees to appear in and defend any action or proceeding purporting to affect the Security.

Section 8.11 Substitution of Trustee.

Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this Trust. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers, and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and substitution shall be made by written instrument executed by Beneficiary, containing reference to this Deed of Trust and its place of record, which, when duly recorded in the proper office of the county or counties in which the Property is situated, shall be conclusive proof of proper appointment of the successor trustee.

Section 8.12 Statute of Limitations.

The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the full extent permissible by law.

Section 8.13 Acceptance by Trustee.

Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made public record as provided by law. Except as otherwise provided by law the Trustee is not obligated to notify any party hereto of pending sale under this Deed of Trust or of any action of proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

Section 8.14 Tax Credit Provisions.

Notwithstanding anything to the contrary contained herein or in any documents secured by this Deed of Trust or contained in any subordination agreement, the Beneficiary acknowledges and agrees that in the event of a foreclosure or deed-in-lieu of foreclosure (collectively, "Foreclosure") with respect to the Security encumbered by this Deed of Trust, the following rule contained in Section 42(h)(6)(E)(ii) of the Internal Revenue Code of 1986 (26 U.S.C. Section 42 (h)(6)(E)(ii)), as amended, shall apply:

For a period of three (3) years from the date of Foreclosure, with respect to any unit that had been regulated by the Regulatory Agreement with the California Tax Credit Allocation Committee, (i) none of the tenants occupying those units at the time of Foreclosure may be evicted or their tenancy terminated (other than for good cause), (ii) nor may any rent be increased except as otherwise permitted under Section 42 of the Code.

Section 8.15 Statement of Obligation.

Beneficiary may collect a reasonable fee for furnishing the statement of obligation as provided by Section 2943 of the California Civil Code, as it may be amended from time to time.

[Remainder of page intentionally blank.]

[Signatures on following page.]

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as to the day and year first above written.

TRUSTOR:

By:
Print Name:
Title:

RIDER TO DEED OF TRUST

This Rider To Deed of Trust (the "Rider") is attached to and made a part of the Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing (the "Deed of Trust") entered into by _____ (the "Trustor") for the benefit of **the City of Roseville** (the "Beneficiary"), which secures a loan (the "Loan") in the amount of (\$_____) made to Trustor to help finance the development of that certain property as further described in the Deed of Trust (the "Property"). The Loan is evidenced by a Third Amended and Restated Disposition and Development Agreement executed by Trustor and Beneficiary (the "DDA") and by a Promissory Note executed by Trustor in favor of the Beneficiary (the "Note"). The Trustor, through its limited partner, is providing equity for the Property and is sometimes referred to herein as the "Partnership."

The parties herein agree that the following covenants, terms and conditions shall be part of and shall modify or supplement the Deed of Trust, the Note, and the DDA between the parties and any and all other documents evidencing, securing or governing the Loan referenced therein (the "Loan Documents"), and that in the event of any inconsistency or conflict between the covenants, terms and conditions of the Loan Documents and this Rider, the following covenants, terms and conditions shall control and prevail:

1. If a non-monetary event of default occurs under the terms of any of the Loan Documents, prior to exercising any remedies thereunder, Beneficiary shall give Trustor and each of its general and limited partners simultaneous written notice of such default. If the default is reasonably capable of being cured within thirty (30) calendar days, the Trustor and its limited partner shall have such period to effect a cure prior to exercise of remedies by Beneficiary under the Loan Documents. If the default is such that it is not reasonably capable of being cured within thirty (30) calendar days, and if the Trustor (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then the Trustor shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Beneficiary.
2. Beneficiary hereby agrees that any cure of any default made or tendered by one or more of the Partnership's limited partners shall be deemed to be a cure by the Partnership and shall be accepted or rejected on the same basis as if made or tendered by the Partnership. Copies of all notices which are sent to the Partnership under the terms of the Loan Documents shall also be sent to:

The Partnership's limited partners may change their address for receipt of copies of notices by giving notice in writing stating its new address to the Beneficiary.

3. Transfers permitted under Section 16.1 of the DDA shall not constitute a violation of the Loan Documents.

4. The Trustor and the Beneficiary hereby agree that the lien of this Deed of Trust is subordinate to and inferior in lien priority to that certain deed of trust, as amended, in favor of _____.

5. This Rider may be executed in counterparts.

In Witness Whereof, the undersigned have caused this Rider to be executed.

TRUSTOR:

By:
Print Name:
Title:

BENEFICIARY:

CITY OF ROSEVILLE, a municipal corporation

By: _____
Dominick Casey
City Manager

ATTEST:

Sonia Orozco
City Clerk

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of San Francisco)

On _____ before me, _____, a Notary Public in and for said State, personally appeared, _____, proved to me the basis of satisfactory evidence to be the person (s) whose name (s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her their authorized capacity (ies), and that by his/her/their signature (s) on the instrument the person (s), or the entity upon behalf of which the person (s) acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

Exhibit A

Legal Description of the Property

The land described herein is situated in the State of California, County of Placer, City of Roseville, and is described as follows:

APN:

ATTACHMENT NO. 6
FORM OF CITY HOUSING NOTE

\$2,000,000

_____, 201____
Roseville, California

FOR VALUE RECEIVED, _____ (the "Maker"), having an address of _____, promises to pay the **CITY OF ROSEVILLE** ("Holder"), the initial principal sum of **Two Million Dollars (\$2,000,000)** or so much of said amount which may be advanced from time to time, with simple interest at the rate of **Three Percent (3%)** per annum.

1. This Note is made pursuant to Section 10.2 of that Third Amended and Restated Disposition and Development Agreement dated as of _____ (the "DDA") between Maker and Holder. All capitalized terms not otherwise defined herein shall have the meaning set forth in the DDA. Pursuant to the DDA, Maker has acquired that certain real property defined in the DDA as the "Site", and will construct on the Site a residential housing project consisting of _____ residential units (the "Units"), one of which may be a manager's units and the rest of which shall be rented to qualified low income persons and families (the "Housing Project"), as described in the DDA and the Affordable Housing Regulatory Agreement dated concurrently herewith between Developer and Holder.

2. Payment of this Note is secured by a deed of trust having even date herewith, assignment of rents, security agreement and fixture filing (the "Deed of Trust") from Maker to Holder upon the Site.

3. All principal and any interest thereon shall be due in full on the date that is fifty-five (55) years from the date of recordation of the Certificate of Completion (as defined in the DDA). Payment shall be made in lawful money of the United States to Holder at 311 Vernon Street, Roseville, California 95678. The place of payment may be changed from time to time as the Holder may from time to time designate in writing.

All payments on this Note shall be without expense to the Holder, and the Maker agrees to pay all costs and expenses, including reconveyance fees and reasonable attorneys' fees of the Holder, incurred in connection with the payment of this Note and the release of any security hereof.

4. A default by Maker under the DDA not cured within any applicable cure period under the DDA, and a failure to pay any sum due hereunder within ten (10) business days after it is due shall constitute an event of default under this Note.

If written request is made by Maker's limited partner, Holder shall also deliver a copy of default notice to such limited partner. Any partner of Maker shall have the right to cure any default within the applicable cure periods set forth hereinabove, whether in its own capacity or on behalf of Maker, and Holder shall accept such cure as if tendered by Maker. However, failure by Holder to deliver such notice to Maker's limited partner shall not be a default under this Note or the DDA.

Upon the occurrence of any event of default, or at any time thereafter, at the option of the Holder hereof and without notice, the entire unpaid principal and interest owing on this Note shall become immediately due and payable. This option may be exercised at any time following

any such event, and the acceptance of one or more installments thereafter shall not constitute a waiver of Holder's option. Holder's failure to exercise such option shall not constitute a waiver of such option with respect to any subsequent event. Holder's failure in the exercise of any other right or remedy hereunder or under any agreement which secures the indebtedness or is related thereto shall not affect any right or remedy and no single or partial exercise of any such right or remedy shall preclude any further exercise thereof.

5. At all times when Maker is in default hereunder by reason of Maker's failure to pay principal due under this Note or any amounts due under any loan documents securing this Note, the interest rate on the sums as to which Maker is in default (including principal, if Holder has elected to declare it immediately due and payable), shall be the lower of (i) the highest rate then allowed by law or (ii) two percent (2%) over the prime interest rate announced by Wells Fargo Bank, N.A., as of the date of the default.

6. During the existence of default or delinquency under the terms of this Note or the Deed of Trust, Holder is expressly authorized to apply all payments made on this Note to the payment of all or part of the delinquency, as it may elect.

7. Maker and any endorsers hereof and all others who may become liable for all or any part of this obligation, severally waive presentment for payment, demand and protest and notice of protest, and of dishonor and nonpayment of this Note, and expressly consent to any extension of the time of payment hereof or of any installment hereof, to the release of any party liable for this obligation, and any such extension or release may be made without notice to any of said parties and without any way affecting or discharging this liability.

8. Maker agrees to pay immediately upon demand all costs and expenses of Holder including reasonable attorneys' fees, (i) if after default this Note be placed in the hands of an attorney or attorneys for collection, (ii) if after a default hereunder or under the Deed of Trust, the DDA or under any loan document referred to herein Holder finds it necessary or desirable to secure the services or advice of one or more attorneys with regard to collection of this Note against Maker, any guarantor or any other party liable therefor or to the protection of its rights under this Note, the Deed of Trust, the DDA or other loan document, or (iii) if Holder seeks to have the Site abandoned by or reclaimed from any estate in bankruptcy, or attempts to have any stay or injunction prohibiting the enforcement or collection of the Note or prohibiting the enforcement of the Deed of Trust or any other agreement evidencing or securing this Note lifted by any bankruptcy or other court.

9. If Holder shall be made a party to or shall reasonably intervene in any action or proceeding, whether in court or before any governmental agency, affecting the property or the title thereto or the interest of the Holder under the Deed of Trust, including, without limitation, any form of condemnation or eminent domain proceeding, Holder shall be reimbursed by maker immediately upon demand for all costs, charges and attorneys' fees incurred by Holder in any such case, and the same shall be secured by the Deed of Trust as a further charge and lien upon the Site.

10. Any notices provided for in this Note shall be given by mailing such notice by certified mail, return receipt requested at the address stated in this Note or at such address as either party may designate by written notice.

11. This Note shall be binding upon Maker, its successors and assigns. Except as permitted in the DDA, this Note shall not be assumable by the successors and assigns of Maker without the prior written consent of Holder.

12. This Note shall be construed in accordance with and be governed by the laws of the State of California.

13. If any provision of this Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

14. Except for misrepresentation, waste and willful misconduct, the obligation to repay this Note is a nonrecourse obligation of the Borrower.

15. Except for any misrepresentation or willful misconduct by Maker, and except as otherwise provided in the Deed of Trust, this Note is nonrecourse and neither Maker nor any member, officer, partner or employee of Maker shall have any personal liability for repayment of the sums evidenced hereby, and the Holder must resort only to the Housing Project for repayment should the Maker fail to repay the sums evidenced hereby.

16. Any extension of time for payment of this Note or any installment hereof made by agreement of Holder with any person now or hereafter liable for payment of this Note shall not operate to release, discharge, modify, change or affect the original liability of Maker under this Note, either in whole or in part.

17. The obligations of Maker under this Note shall be absolute and Maker waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reason whatsoever.

18. Maker promises to pay all costs and expenses, including reasonable attorneys' fees, incurred by Holder in the enforcement of the provisions of this Note, regardless of whether suit is filed to seek enforcement.

19. This Note may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

20. This document, together with the DDA, the Deed of Trust, and the Affordable Housing Regulatory Agreement, contains the entire agreement between the parties as to the loan. It may not be modified except upon written consent of the parties.

21. The times for the performance of any obligations hereunder shall be strictly construed, time being of the essence.

22. If any term, condition or provision of this Note is in conflict with the term, condition or provision of the DDA, the Deed of Trust, or the Affordable Housing Regulatory Agreement, said term, condition or provision of the DDA, the Deed of Trust, and the Affordable Housing Regulatory Agreement shall control to the extent of such conflict.

23. Maker may prepay this Note in full or in part at any time, without any prepayment penalty being charged by Holder.

MAKER:

By: _____

Print Name: _____

Title: _____

ATTACHMENT NO. 7
FORM OF CITY HOUSING DEED OF TRUST

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Roseville
311 Vernon Street
Roseville, CA 95678
Attention: City Clerk

No fee for recording pursuant to
Government Code Section 27383

**DEED OF TRUST WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT, AND
FIXTURE FILING
CITY HOUSING LOAN**

_____, **Roseville**

THIS DEED OF TRUST WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT, AND FIXTURE FILING ("Deed of Trust") is made as of _____, 2019, by and among _____ ("Trustor"), First American Title Company, a California corporation ("Trustee"), and the City of Roseville ("Beneficiary").

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited and the trust herein created, the receipt of which is hereby acknowledged, Trustor hereby irrevocably grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Beneficiary, under and subject to the terms and conditions hereinafter set forth, Trustor's interest in the property located in the City of Roseville, County of Placer, State of California, that is described in the attached Exhibit A, incorporated herein by this reference (the "Property").

TOGETHER WITH all interest, estates or other claims, both in law and in equity which Trustor now has or may hereafter acquire in the Property and the rents;

TOGETHER WITH all easements, rights-of-way and rights used in connection therewith or as a means of access thereto, including (without limiting the generality of the foregoing) all tenements, hereditaments and appurtenances thereof and thereto;

TOGETHER WITH any and all buildings and improvements of every kind and description now or hereafter erected thereon, and all property of the Trustor now or hereafter affixed to or placed upon the Property;

TOGETHER WITH all building materials and equipment now or hereafter delivered to said property and intended to be installed therein;

TOGETHER WITH all right, title and interest of Trustor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed,

adjoining the Property, and any and all sidewalks, alleys and strips and areas of land adjacent to or used in connection with the Property;

TOGETHER WITH all estate, interest, right, title, other claim or demand, of every nature, in and to such property, including the Property, both in law and in equity, including, but not limited to, all deposits made with or other security given by Trustor to utility companies, the proceeds from any or all of such property, including the Property, claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Trustor now has or may hereafter acquire, any and all awards made for the taking by eminent domain or by any proceeding or purchase in lieu thereof of the whole or any part of such property, including without limitation, any awards resulting from a change of grade of streets and awards for severance damages to the extent Beneficiary has an interest in such awards for taking as provided in Paragraph 4.1 herein;

TOGETHER WITH all of Trustor's interest in all articles of personal property or fixtures now or hereafter attached to or used in and about the building or buildings now erected or hereafter to be erected on the Property which are necessary to the complete and comfortable use and occupancy of such building or buildings for the purposes for which they were or are to be erected, including all other goods and chattels and personal property as are ever used or furnished in operating a building, or the activities conducted therein, similar to the one herein described and referred to, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are, or shall be attached to said building or buildings in any manner; and

TOGETHER WITH all of Trustor's interest in all building materials, fixtures, equipment, work in process and other personal property to be incorporated into the Property; all goods, materials, supplies, fixtures, equipment, machinery, furniture and furnishings, signs and other personal property now or hereafter appropriated for use on the Property, whether stored on the Property or elsewhere, and used or to be used in connection with the Property; all rents, issues and profits, and all inventory, accounts, accounts receivable, contract rights, general intangibles, chattel paper, instruments, documents, notes drafts, letters of credit, insurance policies, insurance and condemnation awards and proceeds, trade names, trademarks and service marks arising from or related to the Property and any business conducted thereon by Trustor; all replacements, additions, accessions and proceeds; and all books, records and files relating to any of the foregoing.

All of the foregoing, together with the Property, is herein referred to as the "Security." To have and to hold the Security together with acquittances to the Trustee, its successors and assigns forever.

FOR THE PURPOSE OF SECURING THE FOLLOWING OBLIGATIONS (the "Secured Obligations"):

(a) Payment to Beneficiary of all sums at any time owing under or in connection with the Note (defined in Section 1.3 below) until paid or cancelled and any other amounts owing under the Loan Documents (defined in Section 1.2 below). Said principal and other payments shall be due and payable as provided in the Note or other Loan Documents, as applicable. The Note and all its terms are incorporated herein by reference, and this conveyance shall secure any and all extensions thereof, however evidenced;

(b) Payment of any sums advanced by Beneficiary to protect the Security pursuant to the terms and provisions of this Deed of Trust following a breach of Trustor's obligation to advance said sums and the expiration of any applicable cure period, with interest thereon as provided herein;

(c) Performance of every obligation, covenant or agreement of Trustor contained herein and in the Loan Documents; and

(d) All modifications, extensions and renewals of any of the Secured Obligations (including without limitation (i) modifications, extensions, or renewals at a different rate of interest, or (ii) deferrals or accelerations of the required principal payment dates or interest payment dates or both, in whole or in part), however evidenced, whether or not any such modification, extension or renewal is evidenced by a new or additional promissory note or notes.

AND TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR COVENANTS AND AGREES:

ARTICLE 1: DEFINITIONS

In addition to the terms defined elsewhere in this Deed of Trust, the following terms shall have the following meanings in this Deed of Trust:

Section 1.1 The term "DDA" means that certain Third Amended and Restated Disposition and Development Agreement between Trustor and Beneficiary, of even date herewith, providing for the Beneficiary to loan to the Trustor Two Million Dollars (\$2,000,000) to assist in the permanent financing of no fewer than forty-four (44) rental housing units (and up to one manager's unit) on the Property, of which forty-three (43) units shall be affordable for fifty-five (55) years in accordance with the Regulatory Agreement. Capitalized terms used but not defined in this Deed of Trust shall have the meanings set forth in the DDA.

Section 1.2 The term "Loan Documents" means this Deed of Trust, the Note, the DDA, the Regulatory Agreement, and any other debt, loan or security instruments between Trustor and the Beneficiary relating to the Property.

Section 1.3 The term "Note" means the promissory note in the principal amount of Two Million Dollars (\$2,000,000) of even date herewith, executed by Trustor in favor of the Beneficiary, as it may be amended or restated, the payment of which is secured by this Deed of Trust. (A copy of the Note is on file with the Beneficiary and terms and provisions of the Note are incorporated herein by reference.).

Section 1.4 The term "Principal" means the amount required to be paid under the Note.

Section 1.5 The term "Regulatory Agreement" means the Affordable Housing Regulatory Agreement of even date herewith by and between the Beneficiary and the Trustor.

**ARTICLE 2:
MAINTENANCE AND MODIFICATION OF
THE PROPERTY AND SECURITY**

Section 2.1 Maintenance and Modification of the Property by Trustor.

The Trustor agrees that at all times prior to full payment and performance of the Secured Obligations, the Trustor will, at the Trustor's own expense, maintain, preserve and keep the Security or cause the Security to be maintained and preserved in good condition and shall not commit waste. The Trustor will from time to time make or cause to be made all repairs, replacements and renewals deemed proper and necessary by it. In addition, Trustor shall not use, maintain, operate or occupy, or allow the use, maintenance, operation or occupancy of, the Security in any manner which (1) violates any laws; (2) endangers the Security or adjoining properties; or (3) constitutes a public or private nuisance. The Beneficiary shall have no responsibility in any of these matters or for the making of improvements or additions to the Security.

Trustor agrees to pay fully and discharge (or cause to be paid fully and discharged) all claims for labor done and for material and services furnished in connection with the Security, diligently to file or procure the filing of a valid notice of cessation upon the event of a cessation of labor on the work or construction on the Security for a continuous period of thirty (30) calendar days or more, and to take all other reasonable steps to forestall the assertion of claims of lien against the Security of any part thereof. Trustor irrevocably appoints, designates and authorizes Beneficiary as its agent (said agency being coupled with an interest) with the authority, but without any obligation, to file for record any notices of completion or cessation of labor or any other notice that Beneficiary deems necessary or desirable to protect its interest in and to the Security or the Loan Documents; provided, however, that Beneficiary shall exercise its rights as agent of Trustor only in the event that Trustor shall fail to take, or shall fail to diligently continue to take, those actions as hereinbefore provided.

Upon demand by Beneficiary, Trustor shall make or cause to be made such demands or claims as Beneficiary shall specify upon laborers, materialmen, subcontractors or other persons who have furnished or claim to have furnished labor, services or materials in connection with the Security. Nothing herein contained shall require Trustor to pay any claims for labor, materials or services which Trustor in good faith disputes and is diligently contesting provided that Trustor shall, within thirty (30) calendar days after the filing of any claim of lien, record in the Office of the Recorder of Placer County, a surety bond in an amount required by law to protect against a claim of lien.

Section 2.2 Granting of Easements.

Trustor may not grant easements, licenses, rights-of-way or other rights or privileges in the nature of easements with respect to any property or rights included in the Security except those required or desirable for installation and maintenance of public utilities including, without limitation, water, gas, electricity, sewer, telephone and telegraph, or those required by law, and as approved, in writing, by Beneficiary.

Section 2.3 Assignment of Rents.

As part of the consideration for the indebtedness evidenced by the Note and subject to

the rights of the Senior Lenders, Trustor hereby absolutely and unconditionally assigns and transfers to Beneficiary all the rents and revenues of the Property including those now due, past due, or to become due by virtue of any lease or other agreement for the occupancy or use of all or any part of the Property, regardless of to whom the rents and revenues of the Property are payable. Trustor hereby authorizes Beneficiary or Beneficiary's agents to collect the aforesaid rents and revenues and hereby directs each tenant of the Property to pay such rents to Beneficiary or Beneficiary's agents; provided, however, that prior to written notice given by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents, Trustor shall collect and receive all rents and revenues of the Property as trustee for the benefit of Beneficiary and Trustor to apply the rents and revenues so collected to the Secured Obligations with the balance, so long as no such breach has occurred, to the account of Trustor, it being intended by Trustor and Beneficiary that this assignment of rents constitutes an absolute assignment and not an assignment for additional security only. Upon delivery of written notice by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents, and without the necessity of Beneficiary entering upon and taking and maintaining full control of the Property in person, by agent or by a court appointed receiver, Beneficiary shall immediately be entitled to possession of all rents and revenues of the Property as specified in this Section 2.3 as the same become due and payable, including but not limited to rents then due and unpaid, and all such rents shall immediately upon delivery of such notice be held by Trustor as trustee for the benefit of Beneficiary only; provided, however, that the written notice by Beneficiary to Trustor of the breach by Trustor shall contain a statement that Beneficiary exercises its rights to such rents. Trustor agrees that commencing upon delivery of such written notice of Trustor's breach by Beneficiary to Trustor, each tenant of the Property shall make such rents payable to and pay such rents to Beneficiary or Beneficiary's agents on Beneficiary's written demand to each tenant therefor, delivered to each tenant personally, by mail or by delivering such demand to each rental unit, without any liability on the part of said tenant to inquire further as to the existence of a default by Trustor.

Trustor hereby covenants that Trustor has not executed any prior assignment of said rents other than assignments to the Senior Lenders, that Trustor has not performed, and will not perform, any acts or has not executed and will not execute, any instrument which would prevent Beneficiary from exercising its rights under this Section 2.3, and that at the time of execution of this Deed of Trust, there has been no anticipation or prepayment of any of the rents of the Property for more than two (2) months prior to the due dates of such rents. Trustor covenants that Trustor will not hereafter collect or accept payment of any rents of the Property more than two (2) months prior to the due dates of such rents. Trustor further covenant that Trustor will execute and deliver to Beneficiary such further assignments of rents and revenues of the Property as Beneficiary may from time to time request.

Upon Trustor's breach of any covenant or agreement of Trustor in the Loan Documents and after the expiration of any applicable cure periods, Beneficiary may in person, by agent or by a court-appointed receiver, regardless of the adequacy of Beneficiary's security, enter upon and take and maintain full control of the Property in order to perform all acts necessary and appropriate for the operation and maintenance thereof including, but not limited to, the execution, cancellation or modification of leases, the collection of all rents and revenues of the Property, the making of repairs to the Property and the execution or termination of contracts providing for the management or maintenance of the Property, all on such terms as are deemed best to protect the security of this Deed of Trust. In the event Beneficiary elects to seek the appointment of a receiver for the Property upon Trustor's breach of any covenant or agreement of Trustor in this Deed of Trust, Trustor hereby expressly consents to the appointment of such

receiver. Beneficiary or the receiver shall be entitled to receive a reasonable fee for so managing the Property.

All rents and revenues collected subsequent to delivery of written notice by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents shall be applied first to the costs, if any, of taking control of and managing the Property and collecting the rents, including, but not limited to, reasonable attorney's fees, receiver's fees, premiums on receiver's bonds, costs of repairs to the Property, premiums on insurance policies, taxes, assessments and other charges on the Property, and the costs of discharging any obligation or liability of Trustor as lessor or landlord of the Property and then to the sums secured by this Deed of Trust. Beneficiary or the receiver shall have access to the books and records used in the operation and maintenance of the Property and shall be liable to account only for those rents actually received. Beneficiary shall not be liable to Trustor, anyone claiming under or through Trustor or anyone having an interest in the Property by reason of anything done or left undone by Beneficiary under this Section 2.3.

If the rents of the Property are not sufficient to meet the costs, if any, of taking control of and managing the Property and collecting the rents, any funds expended by Beneficiary for such purposes shall become part of the Secured Obligations pursuant to Section 3.3 hereof. Unless Beneficiary and Trustor agree in writing to other terms of payment, such amounts shall be payable upon notice from Beneficiary to Trustor requesting payment thereof and shall bear interest from the date of disbursement at the rate stated in Section 3.3.

Any entering upon and taking and maintaining of control of the Property by Beneficiary or the receiver and any application of rents as provided herein shall not cure or waive any default hereunder or invalidate any other right or remedy of Beneficiary under applicable law or provided herein. This assignment of rents of the Property shall terminate at such time as this Deed of Trust ceases to secure the Secured Obligations.

ARTICLE 3: TAXES AND INSURANCE; ADVANCES

Section 3.1 Taxes, Other Governmental Charges and Utility Charges.

Trustor shall pay, or cause to be paid, prior to the date of delinquency, all taxes, assessments, charges and levies imposed by any public authority or utility company which are or may become a lien affecting the Security or any part thereof; provided, however, that Trustor shall not be required to pay and discharge any such tax, assessment, charge or levy so long as (a) the legality thereof shall be promptly and actively contested in good faith and by appropriate proceedings, and (b) Trustor maintains reserves adequate to pay any liabilities contested pursuant to this Section 3.1. With respect to taxes, special assessments or other similar governmental charges, Trustor shall pay such amount in full prior to the attachment of any lien therefor on any part of the Security; provided, however, if such taxes, assessments or charges may be paid in installments, Trustor may pay in such installments. Except as provided in clause (b) of the first sentence of this paragraph, the provisions of this Section 3.1 shall not be construed to require that Trustor maintain a reserve account, escrow account, impound account or other similar account for the payment of future taxes, assessments, charges and levies.

In the event that Trustor shall fail to pay any of the foregoing items required by this Section to be paid by Trustor, Beneficiary may (but shall be under no obligation to) pay the

same, after the Beneficiary has notified the Trustor of such failure to pay and the Trustor fails to fully pay such items within seven (7) business days after receipt of such notice. Any amount so advanced therefor by Beneficiary, together with interest thereon from the date of such advance at the maximum rate permitted by law, shall become part of the Secured Obligations secured hereby, and Trustor agrees to pay all such amounts.

Section 3.2 Provisions Respecting Insurance.

Trustor agrees to provide insurance conforming in all respects to that required under the Loan Documents during the course of construction and following completion, and at all times until all amounts secured by this Deed of Trust have been paid and all Secured Obligations secured hereunder fulfilled, and this Deed of Trust reconveyed.

All such insurance policies and coverages shall be maintained at Trustor's sole cost and expense. Certificates of insurance for all of the above insurance policies, showing the same to be in full force and effect, shall be delivered to the Beneficiary upon demand therefor at any time prior to Trustor's satisfaction of the Secured Obligations.

Section 3.3 Advances.

In the event the Trustor shall fail to maintain the full insurance coverage required by this Deed of Trust or shall fail to keep the Security in accordance with the Loan Documents, the Beneficiary, after at least seven (7) calendar days prior notice to Trustor, may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefor by the Beneficiary shall become part of the Secured Obligations (together with interest as set forth below) and shall be secured hereby, which amounts the Trustor agrees to pay on the demand of the Beneficiary, and if not so paid, shall bear interest from the date of the advance at the lesser of eight percent (8%) per annum or the maximum rate permitted by law.

ARTICLE 4: DAMAGE, DESTRUCTION OR CONDEMNATION

Section 4.1 Awards and Damages.

Subject to the rights of the Senior Lenders, all judgments, awards of damages, settlements and compensation made in connection with or in lieu of (1) taking of all or any part of or any interest in the Property by or under assertion of the power of eminent domain, (2) any damage to or destruction of the Property or in any part thereof by insured casualty, and (3) any other injury or damage to all or any part of the Property (collectively, the "Funds") are hereby assigned to and shall be paid to the Beneficiary by a check made payable to the Beneficiary. The Beneficiary is authorized and empowered (but not required) to collect and receive any Funds and is authorized to apply them in whole or in part upon any indebtedness or obligation secured hereby, in such order and manner as the Beneficiary shall determine at its sole option. The Beneficiary shall be entitled to settle and adjust all claims under insurance policies provided under this Deed of Trust and may deduct and retain from the proceeds of such insurance the amount of all expenses incurred by it in connection with any such settlement or adjustment. Application of all or any part of the Funds collected and received by the Beneficiary or the release thereof shall not cure or waive any default under this Deed of Trust. The rights of the

Beneficiary under this Section 4.1 are subject to the rights of any Senior Lender (as defined in the DDA). The Beneficiary shall release the Funds to Trustor to be used to reconstruct the improvements on the Property under the terms and conditions set forth in Section 36 of the DDA.

ARTICLE 5:
AGREEMENTS AFFECTING THE PROPERTY; FURTHER ASSURANCES; PAYMENT OF PRINCIPAL AND INTEREST

Section 5.1 Other Agreements Affecting Property.

The Trustor shall duly and punctually perform all terms, covenants, conditions and agreements binding upon it under the Loan Documents and any other agreement of any nature whatsoever now or hereafter involving or affecting the Security or any part thereof.

Section 5.2 Agreement to Pay Attorneys' Fees and Expenses.

In the event of any Event of Default (as defined in Section 7.1) hereunder, and if the Beneficiary should employ attorneys or incur other expenses for the collection of amounts due or the enforcement of performance or observance of an obligation or agreement on the part of the Trustor in this Deed of Trust, the Trustor agrees that it will, on demand therefor, pay to the Beneficiary the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Beneficiary (including, but not limited to, other professional service fees and costs); and any such amounts paid by the Beneficiary shall be added to the Secured Obligations, and shall bear interest from the date such expenses are incurred at the lesser of eight percent (8%) per annum or the maximum rate permitted by law.

Section 5.3 Payment of the Principal.

The Trustor shall pay to the Beneficiary the Principal and any other payments as set forth in the Note in the amounts and by the times set out therein.

Section 5.4 Personal Property.

To the maximum extent permitted by law, the personal property subject to this Deed of Trust shall be deemed to be fixtures and part of the real property and this Deed of Trust shall constitute a fixtures filing under the California Commercial Code. As to any personal property not deemed or permitted to be fixtures, this Deed of Trust shall constitute a security agreement under the California Commercial Code. The Trustor hereby grants the Beneficiary a security interest in such items.

Section 5.5 Financing Statement.

The Trustor shall execute and deliver to the Beneficiary such financing statements pursuant to the appropriate statutes, and any other documents or instruments as are required to convey to the Beneficiary a valid perfected security interest in the Security. The Trustor agrees to perform all acts which the Beneficiary may reasonably request so as to enable the Beneficiary to maintain such valid perfected security interest in the Security in order to secure the payment of the Note in accordance with its terms. The Beneficiary is authorized to file a copy of any such financing statement in any jurisdiction(s) as it shall deem appropriate from

time to time in order to protect the security interest established pursuant to this instrument. Trustor shall pay all costs of filing such financing statements and any extensions, renewals, amendments, and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements, and releases thereof, as the Beneficiary may reasonably require. Without the prior written consent of the Beneficiary, Trustor shall not create or suffer to be created pursuant to the California Commercial Code any other security interest in the Security, including replacements and additions thereto.

Section 5.6 Operation of the Security.

The Trustor shall operate the Security (and, in case of a transfer of a portion of the Security subject to this Deed of Trust, the transferee shall operate such portion of the Security) in full compliance with the Loan Documents.

Section 5.7 Inspection of the Security.

At any and all reasonable times upon seventy-two (72) hours' notice, the Beneficiary and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right, without payment of charges or fees, to inspect the Security.

Section 5.8 Nondiscrimination.

The Trustor herein covenants by and for itself, its heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, age, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, or genetic information in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Security, nor shall the Trustor itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Security. The foregoing covenants shall run with the land.

ARTICLE 6: HAZARDOUS WASTE

Trustor shall keep and maintain the Property in compliance with, and shall not cause or permit the Property to be in violation of any federal, state or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions on, under or about the Property including, but not limited to, soil and ground water conditions. Trustor shall not use, generate, manufacture, store or dispose of on, under, or about the Property or transport to or from the Property any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials, including without limitation, any substances defined as or included in the definition of "hazardous substances," hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal or state laws or regulations (collectively referred to hereinafter as "Hazardous Materials") except such of the foregoing as may be customarily used in construction or operation of a multifamily residential development.

Trustor shall immediately advise Beneficiary in writing if at any time it receives written notice of (i) any and all enforcement, cleanup, removal or other governmental or regulatory

actions instituted, completed or threatened against Trustor or the Property pursuant to any applicable federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials, ("Hazardous Materials Law"); (ii) all claims made or threatened by any third party against Trustor or the Property relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (i) and (ii) above are hereinafter referred to a "Hazardous Materials Claims"); and (iii) Trustor's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any part thereof to be classified as "border-zone property" (as defined in the California Health and Safety Code) under the provision of California Health and Safety Code, Sections 25220 et seq., or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Property under any Hazardous Materials Law.

Beneficiary shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and to have its reasonable attorneys' fees in connection therewith paid by Trustor. Trustor shall defend, indemnify and hold harmless Beneficiary and its board members, supervisors, directors, officers, employees, agents, successors and assigns from and against any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence of Hazardous Materials on, under, or about the Property including without limitation: (a) all foreseeable consequential damages; (b) the costs of any required or necessary repair, cleanup or detoxification of the Property and the preparation and implementation of any closure, remedial or other required plans; and (c) all reasonable costs and expenses incurred by Beneficiary in connection with clauses (a) and (b), including but not limited to reasonable attorneys' fees and consultant's fees. This indemnification applies whether or not any government agency has issued a cleanup order. Losses, claims, costs, suits, liability, and expenses covered by this indemnification provision include, but are not limited to: (1) losses attributable to diminution in the value of the Property; (2) loss or restriction of use of rentable space on the Property; (3) adverse effect on the marketing of any rental space on the Property; and (4) penalties and fines levied by, and remedial or enforcement actions of any kind issued by any regulatory agency (including but not limited to the costs of any required testing, remediation, repair, removal, cleanup or detoxification of the Property and surrounding properties).

Without Beneficiary's prior written consent, which shall not be unreasonably withheld, Trustor shall not take any remedial action in response to the presence of any Hazardous Materials on, under or about the Property, nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Material Claims, which remedial action, settlement, consent decree or compromise might, in Beneficiary's reasonable judgment, impair the value of the Beneficiary's security hereunder; provided, however, that Beneficiary's prior consent shall not be necessary in the event that the presence of Hazardous Materials on, under, or about the Property either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not reasonably possible to obtain Beneficiary's consent before taking such action, provided that in such event Trustor shall notify Beneficiary as soon as practicable of any action so taken. Beneficiary agrees not to withhold its consent, where such consent is required hereunder, if (i) a particular remedial action is ordered by a court of competent jurisdiction, (ii) Trustor will or may be subjected to civil or criminal sanctions or penalties if it fails to take a required action; (iii) Trustor establishes to the reasonable satisfaction of Beneficiary that there is no reasonable alternative to such remedial action which would result in less impairment of Beneficiary's

security hereunder; or (iv) the action has been agreed to by Beneficiary.

The Trustor hereby acknowledges and agrees that (i) this Article is intended as the Beneficiary's written request for information (and the Trustor's response) concerning the environmental condition of the Property as required by California Code of Civil Procedure Section 726.5, and (ii) each representation and warranty in this Deed of Trust or any of the other Loan Documents (together with any indemnity applicable to a breach of any such representation and warranty) with respect to the environmental condition of the property is intended by the Beneficiary and the Trustor to be an "environmental provision" for purposes of California Code of Civil Procedure Section 736.

In the event that any portion of the Property is determined to be "environmentally impaired" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(3)) or to be an "affected parcel" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(1)), then, without otherwise limiting or in any way affecting the Beneficiary's or the Trustee's rights and remedies under this Deed of Trust, the Beneficiary may elect to exercise its rights under California Code of Civil Procedure Section 726.5(a) to (1) waive its lien on such environmentally impaired or affected portion of the Property and (2) exercise (a) the rights and remedies of an unsecured creditor, including reduction of its claim against the Trustor to judgment, and (b) any other rights and remedies permitted by law. For purposes of determining the Beneficiary's right to proceed as an unsecured creditor under California Code of Civil Procedure Section 726.5(a), the Trustor shall be deemed to have willfully permitted or acquiesced in a release or threatened release of hazardous materials, within the meaning of California Code of Civil Procedure Section 726.5(d)(1), if the release or threatened release of hazardous materials was knowingly or negligently caused or contributed to by any lessee, occupant, or user of any portion of the Property and the Trustor knew or should have known of the activity by such lessee, occupant, or user which caused or contributed to the release or threatened release. All costs and expenses, including (but not limited to) reasonable attorneys' fees, incurred by the Beneficiary in connection with any action commenced under this paragraph, including any action required by California Code of Civil Procedure Section 726.5(b) to determine the degree to which the Property is environmentally impaired, plus interest thereon at the default rate specified in the DDA, until paid, shall be added to the indebtedness secured by this Deed of Trust and shall be due and payable to the Beneficiary upon its demand made at any time following the conclusion of such action.

The Trustor is aware that California Civil Code Section 2955.5(a) provides as follows: "No lender shall require a borrower, as a condition of receiving or maintaining a loan secured by real property, to provide hazard insurance coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on the property."

ARTICLE 7: EVENTS OF DEFAULT AND REMEDIES

Section 7.1 Events of Default.

The following shall constitute events of default ("Events of Default") following the expiration of any applicable notice and cure periods: (1) failure to make any payment to be paid by Trustor under the Loan Documents; (2) failure to observe or perform any of Trustor's other covenants, agreements or obligations under the Loan Documents, including, without limitation, the provisions concerning transfer and discrimination; or (3) failure to make any payment or

observe or perform any of Trustor's other covenants, agreements, or obligations under any Secured Obligations, which default shall not be cured within the times and in the manner provided therein. Trustor's limited partner shall have cure rights as set forth in Section 14.1 of the DDA.

Section 7.2 Acceleration of Maturity.

If an Event of Default shall have occurred and be continuing, then at the option of the Beneficiary, the amount of any payment related to the Event of Default and all unpaid Secured Obligations shall immediately become due and payable, upon written notice by the Beneficiary to the Trustor (or automatically where so specified in the Loan Documents), and no omission on the part of the Beneficiary to exercise such option when entitled to do so shall be construed as a waiver of such right.

Section 7.3 The Beneficiary's Right to Enter and Take Possession.

If an Event of Default shall have occurred and be continuing, the Beneficiary may:

(a) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, enter upon the Security and take possession thereof (or any part thereof) and of any of the Security, in its own name or in the name of Trustee, and do any acts which it deems necessary or desirable to preserve the value or marketability of the Property, or part thereof or interest therein, increase the income therefrom or protect the security thereof. The entering upon and taking possession of the Security shall not cure or waive any Event of Default or Notice of Sale (as defined in Section 7.3(c)) hereunder or invalidate any act done in response to such Event of Default or pursuant to such Notice of Sale and, notwithstanding the continuance in possession of the Security, Beneficiary shall be entitled to exercise every right provided for in this Deed of Trust, or by law upon occurrence of any Event of Default, including the right to exercise the power of sale;

(b) Commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof;

(c) Deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause Trustor's interest in the Security to be sold ("Notice of Sale"), which notice Trustee or Beneficiary shall cause to be duly filed for record in the Official Records of Placer County; or

(d) Exercise all other rights and remedies provided herein, in the instruments by which the Trustor acquires title to any Security, or in any other document or agreement now or hereafter evidencing, creating or securing the Secured Obligations.

Section 7.4 Foreclosure By Power of Sale.

Should the Beneficiary elect to foreclose by exercise of the power of sale herein contained, the Beneficiary shall deliver to the Trustee the Notice of Sale and shall deposit with Trustee this Deed of Trust which is secured hereby (and the deposit of which shall be deemed to constitute evidence that the Secured Obligations are immediately due and payable), and such receipts and evidence of any expenditures made that are additionally secured hereby as

Trustee may require.

(a) Upon receipt of such Notice of Sale from the Beneficiary, Trustee shall cause to be recorded, published and delivered to Trustor such Notice of Sale as then required by law and by this Deed of Trust. Trustee shall, without demand on Trustor, after lapse of such time as may then be required by law and after recordation of such Notice of Sale having been given as required by law, sell the Security, at the time and place of sale fixed by it in the Notice of Sale, whether as a whole or in separate lots or parcels or items as Trustee shall deem expedient and in such order as it may determine unless specified otherwise by the Trustor according to California Civil Code Section 2924g(b), at public auction to the highest bidder, for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed or any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Trustor, Trustee or Beneficiary, may purchase at such sale.

(b) After deducting all reasonable costs, fees and expenses of Trustee, including costs of evidence of title in connection with such sale, Trustee shall apply the proceeds of sale to payment of: (i) the unpaid Principal amount of the Note; (ii) all other Secured Obligations owed to Beneficiary under the Loan Documents; (iii) all other sums then secured hereby; and (iv) the remainder, if any, to Trustor.

(c) Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter, and without further notice make such sale at the time fixed by the last postponement, or may, in its discretion, give a new Notice of Sale.

Section 7.5 Receiver.

If an Event of Default shall have occurred and be continuing, Beneficiary, as a matter of right and without further notice to Trustor or anyone claiming under the Security, and without regard to the then value of the Security or the interest of Trustor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Security (or a part thereof), and Trustor hereby irrevocably consents to such appointment and waives further notice of any application therefor. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases, and all the powers and duties of Beneficiary in case of entry as provided herein, and shall continue as such and exercise all such powers until the date of confirmation of sale of the Security, unless such receivership is sooner terminated.

Section 7.6 Remedies Cumulative.

No right, power or remedy conferred upon or reserved to the Beneficiary by this Deed of Trust is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity.

Section 7.7 No Waiver.

(a) No delay or omission of the Beneficiary to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or

remedy, or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every right, power and remedy given by this Deed of Trust to the Beneficiary may be exercised from time to time and as often as may be deemed expeditious by the Beneficiary. Beneficiary's express or implied consent to breach, or waiver of, any obligation of the Trustor hereunder shall not be deemed or construed to be a consent to any subsequent breach, or further waiver, of such obligation or of any other obligations of the Trustor hereunder. Failure on the part of the Beneficiary to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by the Beneficiary of its right hereunder or impair any rights, power or remedies consequent on any Event of Default by the Trustor.

(b) If the Beneficiary (i) grants forbearance or an extension of time for the payment or performance of any Secured Obligations, (ii) takes other or additional security or the payment of any sums secured hereby, (iii) waives or does not exercise any right granted in the Loan Documents, (iv) releases any part of the Security from the lien of this Deed of Trust, or otherwise changes any of the terms, covenants, conditions or agreements in the Loan Documents, (v) consents to the granting of any easement or other right affecting the Security, or (iv) makes or consents to any agreement subordinating the lien hereof, any such act or omission shall not release, discharge, modify, change or affect the original liability under this Deed of Trust, or any other obligation of the Trustor or any subsequent purchaser of the Security or any part thereof, or any maker, co-signer, endorser, surety or guarantor (unless expressly released); nor shall any such act or omission preclude the Beneficiary from exercising any right, power or privilege herein granted or intended to be granted in any Event of Default then made or of any subsequent Event of Default, nor, except as otherwise expressly provided in an instrument or instruments executed by the Beneficiary shall the lien of this Deed of Trust be altered thereby.

Section 7.8 Suits to Protect the Security.

The Beneficiary shall have power to (a) institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Security and the rights of the Beneficiary as may be unlawful or any violation of this Deed of Trust, (b) preserve or protect its interest (as described in this Deed of Trust) in the Security, and (c) restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement for compliance with such enactment, rule or order would impair the Security thereunder or be prejudicial to the interest of the Beneficiary.

Section 7.9 Trustee May File Proofs of Claim.

In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting the Trustor, its creditors or its property, the Trustee and/or the Beneficiary, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of the Beneficiary allowed in such proceedings and for any additional amount which may become due and payable by the Trustor hereunder after such date.

Section 7.10 Waiver.

The Trustor waives presentment, demand for payment, notice of dishonor, notice of

protest and nonpayment, protest, notice of interest on interest and late charges, and diligence in taking any action to collect any Secured Obligations or in proceedings against the Security, in connection with the delivery, acceptance, performance, default, endorsement or guaranty of this Deed of Trust.

ARTICLE 8: MISCELLANEOUS

Section 8.1 Amendments.

This Deed of Trust cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by Beneficiary and Trustor.

Section 8.2 Reconveyance by Trustee.

Upon written request of Beneficiary stating that all Secured Obligations have been paid or forgiven, and upon surrender of this Deed of Trust to Trustee for cancellation and retention, and upon payment by Trustor of Trustee's reasonable fees, Trustee shall reconvey the Security to Trustor, or to the person or persons legally entitled thereto.

Section 8.3 Notices.

If at any time after the execution of this Deed of Trust it shall become necessary or convenient for one of the parties hereto to serve any notice, demand or communication upon the other party, such notice, demand or communication shall be in writing and shall be served personally, by reputable overnight delivery service (which provides a delivery receipt) or by depositing the same in the registered United States mail, return receipt requested, postage prepaid and (1) if intended for Beneficiary shall be addressed to:

City of Roseville
311 Vernon Street
Roseville, CA 95678
Attention: City Manager

and (2) if intended for Trustor shall be addressed to:

with a copy to:

Any notice, demand or communication shall be deemed given, received, made or communicated on the date personal delivery is effected or, if mailed in the manner herein specified, on the delivery date or date delivery is refused by the addressee, as shown on the return receipt. Either party may change its address at any time by giving written notice of such change to Beneficiary or Trustor as the case may be, in the manner provided herein, at least ten (10) calendar days prior to the date such change is desired to be effective.

Section 8.4 Successors and Joint Trustors.

Where an obligation created herein is binding upon Trustor, the obligation shall also apply to and bind any transferee or successors in interest. Where the terms of the Deed of Trust have the effect of creating an obligation of the Trustor and a transferee, such obligation shall be deemed to be a joint and several obligation of the Trustor and such transferee. Where Trustor is more than one entity or person, all obligations of Trustor shall be deemed to be a joint and several obligation of each and every entity and person comprising Trustor.

Section 8.5 Captions.

The captions or headings at the beginning of each Section hereof are for the convenience of the parties and are not a part of this Deed of Trust.

Section 8.6 Invalidity of Certain Provisions.

Every provision of this Deed of Trust is intended to be severable. In the event any term or provision hereof is declared to be illegal or invalid for any reason whatsoever by a court or other body of competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of the Security, the unsecured or partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid or applied to the full payment of that portion of the debt which is not secured or partially secured by the lien of this Deed of Trust.

Section 8.7 Governing Law.

This Deed of Trust shall be governed by and construed in accordance with the laws of the State of California.

Section 8.8 Gender and Number.

In this Deed of Trust the singular shall include the plural and the masculine shall include the feminine and neuter and vice versa, if the context so requires.

Section 8.9 Deed of Trust, Mortgage.

Any reference in this Deed of Trust to a mortgage shall also refer to a deed of trust and

any reference to a deed of trust shall also refer to a mortgage.

Section 8.10 Actions.

Trustor agrees to appear in and defend any action or proceeding purporting to affect the Security.

Section 8.11 Substitution of Trustee.

Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this Trust. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers, and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and substitution shall be made by written instrument executed by Beneficiary, containing reference to this Deed of Trust and its place of record, which, when duly recorded in the proper office of the county or counties in which the Property is situated, shall be conclusive proof of proper appointment of the successor trustee.

Section 8.12 Statute of Limitations.

The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the full extent permissible by law.

Section 8.13 Acceptance by Trustee.

Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made public record as provided by law. Except as otherwise provided by law the Trustee is not obligated to notify any party hereto of pending sale under this Deed of Trust or of any action of proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

Section 8.14 Tax Credit Provisions.

Notwithstanding anything to the contrary contained herein or in any documents secured by this Deed of Trust or contained in any subordination agreement, the Beneficiary acknowledges and agrees that in the event of a foreclosure or deed-in-lieu of foreclosure (collectively, "Foreclosure") with respect to the Security encumbered by this Deed of Trust, the following rule contained in Section 42(h)(6)(E)(ii) of the Internal Revenue Code of 1986 (26 U.S.C. Section 42 (h)(6)(E)(ii)), as amended, shall apply:

For a period of three (3) years from the date of Foreclosure, with respect to any unit that had been regulated by the Regulatory Agreement with the California Tax Credit Allocation Committee, (i) none of the tenants occupying those units at the time of Foreclosure may be evicted or their tenancy terminated (other than for good cause), (ii) nor may any rent be increased except as otherwise permitted under Section 42 of the Code.

Section 8.15 Statement of Obligation.

Beneficiary may collect a reasonable fee for furnishing the statement of obligation as provided by Section 2943 of the California Civil Code, as it may be amended from time to time.

[Remainder of page intentionally blank.]

[Signatures on following page.]

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as to the day and year first above written.

TRUSTOR:

By:
Print Name:
Title:

RIDER TO DEED OF TRUST

This Rider To Deed of Trust (the "Rider") is attached to and made a part of the Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing (the "Deed of Trust") entered into by _____ (the "Trustor") for the benefit of **the City of Roseville** (the "Beneficiary"), which secures a loan (the "Loan") in the amount of _____ (\$_____) made to Trustor to help finance the development of that certain property as further described in the Deed of Trust (the "Property"). The Loan is evidenced by a Third Amended and Restated Disposition and Development Agreement executed by Trustor and Beneficiary (the "DDA") and by a Promissory Note executed by Trustor in favor of the Beneficiary (the "Note"). The Trustor, through its limited partner, is providing equity for the Property and is sometimes referred to herein as the "Partnership."

The parties herein agree that the following covenants, terms and conditions shall be part of and shall modify or supplement the Deed of Trust, the Note, and the DDA between the parties and any and all other documents evidencing, securing or governing the Loan referenced therein (the "Loan Documents"), and that in the event of any inconsistency or conflict between the covenants, terms and conditions of the Loan Documents and this Rider, the following covenants, terms and conditions shall control and prevail:

1. If a non-monetary event of default occurs under the terms of any of the Loan Documents, prior to exercising any remedies thereunder, Beneficiary shall give Trustor and each of its general and limited partners simultaneous written notice of such default. If the default is reasonably capable of being cured within thirty (30) calendar days, the Trustor and its limited partner shall have such period to effect a cure prior to exercise of remedies by Beneficiary under the Loan Documents. If the default is such that it is not reasonably capable of being cured within thirty (30) calendar days, and if the Trustor (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then the Trustor shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Beneficiary.
2. Beneficiary hereby agrees that any cure of any default made or tendered by one or more of the Partnership's limited partners shall be deemed to be a cure by the Partnership and shall be accepted or rejected on the same basis as if made or tendered by the Partnership. Copies of all notices which are sent to the Partnership under the terms of the Loan Documents shall also be sent to:

The Partnership's limited partners may change their address for receipt of copies of notices by giving notice in writing stating its new address to the Beneficiary.

3. Transfers permitted under Section 16.1 of the DDA shall not constitute a violation of the Loan Documents.

4. The Trustor and the Beneficiary hereby agree that the lien of this Deed of Trust is subordinate to and inferior in lien priority to that certain deed of trust, as amended, in favor of _____.

5. This Rider may be executed in counterparts.

In Witness Whereof, the undersigned have caused this Rider to be executed.

TRUSTOR:

By:
Print Name:
Title:

BENEFICIARY:

CITY OF ROSEVILLE, a municipal corporation

By: _____
Dominick Casey
City Manager

ATTEST:

Sonia Orozco
City Clerk

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of San Francisco)

On _____ before me, _____, a Notary Public in and for said State, personally appeared, _____, proved to me the basis of satisfactory evidence to be the person (s) whose name (s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her their authorized capacity (ies), and that by his/her/their signature (s) on the instrument the person (s), or the entity upon behalf of which the person (s) acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

Exhibit A

Legal Description of the Property

The land described herein is situated in the State of California, County of Placer, City of Roseville, and is described as follows:

APN:

ATTACHMENT NO. 8
AFFORDABLE HOUSING REGULATORY AGREEMENT

NO FEE DOCUMENT
PER GOV'T CODE § 27383
RECORDING REQUESTED BY
AND WHEN RECORDED, MAIL TO:

City of Roseville
CITY Clerk
311 Vernon Street
Roseville, CA 95678

AFFORDABLE HOUSING REGULATORY AGREEMENT

(Project: Meta Housing – _____, Roseville)

This Affordable Housing Regulatory Agreement ("Regulatory Agreement") is made this _____ day of _____, 2019 ("Effective Date"), by and between the City of Roseville, a municipal corporation ("CITY"), and _____, L.P. ("DEVELOPER").

RECITALS

2. A. WHEREAS, the City, as Housing Successor to the former Redevelopment Agency of the City of Roseville, currently owns that certain real property generally located at 304 Washington Boulevard in Roseville, California as more particularly described in **Exhibit A**, attached hereto and incorporated herein by this reference.

3. B. WHEREAS, 304 Washington Boulevard was purchased by the former Roseville Redevelopment Agency with housing funds for the development of affordable housing.

4. C. WHEREAS, DEVELOPER is in the process of securing possession or has secured possession of real property located at 130-134 Main Street in Roseville, California as more particularly described in **Exhibit B**, attached hereto and incorporated herein by this reference.

5. D. WHEREAS, CITY and DEVELOPER have entered into that certain Third Amended and Restated Disposition and Development Agreement dated _____, 2019 whereby CITY agreed to sell 304 Washington Boulevard to DEVELOPER for development of an approximately _____ unit affordable housing project that includes commercial space and the associated parking spaces (the "Project").

6. E. WHEREAS, the Project will be located on real property created by the merger of 130-134 Main Street and 304 Washington Boulevard (the "Property") as more particularly described in **Exhibit C**, attached hereto and incorporated herein by this reference.

7. F. WHEREAS, DEVELOPER specifically proposes to develop a _____ (____) unit multi-family apartment project on the Property, _____ (____) of which shall be rented at rents that are affordable to Low (60% of Area Median Income (AMI)), Very

Low (40-50% AMI), and Extremely Low (30% AMI) income households (collectively, the "Regulated Units"), with up to one manager's unit.

8. G. WHEREAS, the Project is intended to serve as a community resource by providing decent, safe, and sanitary housing for households which would otherwise be unable to afford such housing.

9. H. WHEREAS, the CITY has agreed to provide DEVELOPER with financial assistance in the form of two loans in the combined principal amount of _____ (\$X,XXX,XX) to assist DEVELOPER in the construction and permanent financing of the Project (collectively, such financing referred to herein, as the "Loan".

10. I. WHEREAS, in making this Loan, the CITY is acting in its capacity as Housing Successor to the former Redevelopment Agency of the City of Roseville.

K. DEVELOPER is simultaneously: (1) executing four Promissory Notes and three Deeds of Trust evidencing and regulating certain aspects the Loan; (2) recording the Deeds of Trust to secure the Loan; and (3) as further consideration for the Loan, and to further the public interests of the CITY in seeing the Project maintained as affordable housing, DEVELOPER is executing and recording this Regulatory Agreement. The DDA, the Promissory Notes, the Deeds of Trust, and this Regulatory Agreement are collectively referred to herein as the "Loan Documents."

L. This Regulatory Agreement is being executed and recorded pursuant to the requirements of California Health and Safety Code Section 33334.3 which further requires the recordation of the "Notice of Affordability Restrictions on Transfer of Property," attached hereto as Exhibit D. The purpose of this Regulatory Agreement is to regulate and restrict the occupancy, rents, operation, ownership, and management of the Project for the benefit of Project occupants and the people of the City of Roseville. The covenants in this Regulatory Agreement are intended to run with the land and be binding on DEVELOPER and DEVELOPER's successors in interest for the full term of this Regulatory Agreement. This Regulatory Agreement, in conjunction with any other regulatory agreements between the DEVELOPER and other providers of financing, will ensure the Project's continuing affordability.

M. The Loan is being made to DEVELOPER at an interest rate below the market rate in order to help achieve financial stability for the Project and to increase the supply of affordable rental housing in the CITY. In consideration for the Loan, DEVELOPER has agreed to observe all the terms and conditions set forth below.

NOW, THEREFORE, DEVELOPER and the CITY hereby agree as follows:

DEFINITIONS

The following terms have the meanings set forth herein wherever used in this Regulatory Agreement or attached exhibits. Capitalized terms not defined in this Regulatory Agreement shall have the same meaning as defined in the DDA.

1. "CITY" means the City of Roseville, a municipal corporation.

2. **"AREA MEDIAN INCOME"** (referred to herein as "AMI") means the median income for the Metropolitan Statistical Area which includes the City of Roseville ("MSA"), with adjustments for household size, as determined from time to time by the U.S. Department of Housing and Urban Development ("HUD") pursuant to Section 8(f)(3) of the United States Housing Act of 1937 as amended, or such other method of median income calculation applicable to the City of Roseville that HUD may hereafter adopt in connection with said Act. If HUD should cease making such determination, the CITY may designate another method of calculation of area median income used by any federal or state agency and applicable to the City of Roseville.

3. **"DDA"** means the Third Amended and Restated Disposition and Development Agreement executed contemporaneously with this Regulatory Agreement by DEVELOPER and the CITY, which governs the Loan, as well any amendments to, modifications of, or restatements of said DDA.

4. **"DEEDS OF TRUST"** means the three Deeds of Trust executed contemporaneously with this Regulatory Agreement and recorded against the Property as security for the Loan and other obligations by DEVELOPER, as trustor and the CITY as beneficiary, as well as any amendments to, modifications of, and restatements of said deeds of trust.

5. **"DEVELOPER"** means _____ L.P., together with its permitted successors and assigns.

6. **"LOAN"** means the loan of funds provided by the CITY to DEVELOPER for the Project pursuant to the DDA and includes both the City Land Loan, and the City Housing Loan.

7. **"LOAN DOCUMENTS"** means, collectively, the DDA, the Promissory Notes, the Deeds of Trust and this Regulatory Agreement for the Project, as they may be amended, modified, or restated from time to time, along with all exhibits and attachments to these documents.

8. **"NOTES"** mean the promissory notes executed contemporaneously with this Regulatory Agreement by DEVELOPER in favor of the CITY evidencing the Loans, which are secured by the Deeds of Trust, as well as any amendments to, modifications of, or restatements of said promissory note(s). The Notes are on file with the City of Roseville.

9. **"PROJECT"** means the development, construction and operation of a no fewer than 44 unit residential, multi-family rental apartment project on the Property to be rented at rents that are affordable to Low, Very Low and Extremely Low income households, up to one (1) unregulated manager's unit, approximately 3,000 square feet of commercial space, and any additional improvements, landscaping, roads, and parking spaces existing thereon, as the same may from time to time exist.

10. **"PROPERTY"** means the real property located at _____, Roseville, California, 95678 identified and described in **Exhibit C**, attached hereto and incorporated into this Regulatory Agreement by this reference, and any buildings or improvements now or hereafter situated on such real property.

11. **“QUALIFYING HOUSEHOLD”** means a household in which household income does not exceed the percentage of Area Median Income prescribed for the applicable housing unit by the terms of this Regulatory Agreement.

12. **“QUALIFYING RENT”** means the maximum monthly rent allowed under **Exhibit C** “adjusted for family size appropriate to the unit” (as such term is defined by California Health and Safety Code Sections 50052.5 and 50053) including a reasonable allowance for tenant-paid utilities (also known as Utility Allowance). During the period a regulatory agreement governing the allocation and award of any federal tax credits is in effect, Qualifying Rent may be determined in accordance with such regulatory agreement and 26 U.S.C., Section 42, for initial and ongoing occupancy of tenants.

13. **“REGULATED UNITS”** means _____ (___) rental dwelling units of the _____ (___) rental dwelling units on the Property constructed for the Project that shall be rented at rents that are affordable Low, Very Low and Extremely Low income households and having the following composition: _____ (___) one (1) bedroom units, _____ (___) two (2) bedroom units, and _____ (___) three (3) bedroom units.

DEVELOPER’S OBLIGATIONS

14. **COMPLIANCE WITH LOAN DOCUMENTS.** DEVELOPER’s actions with respect to the Property and the use of Loan funds shall at all times be in full conformity with the requirements of the Loan Documents.

15. **TERM OF AGREEMENT.** This Regulatory Agreement shall commence upon the Effective Date and shall remain in full force for the longest feasible time but at least a period of fifty-five (55) years from the date of recordation of the Certificate of Completion. The obligations in this Regulatory Agreement shall remain effective and fully binding on DEVELOPER in perpetuity regardless of any expiration of the term of any loan, any payment, or prepayment of any loan, any assignment of a note, any reconveyance of a deed of trust, or any sale, assignment, transfer, or conveyance of the Property (other than certain transfers by foreclosure, deed in lieu of foreclosure, exercise of the power of sale or other similar transfer), unless terminated earlier by the CITY in a recorded writing.

16. **LEGAL INTEREST IN PROJECT.** DEVELOPER represents that it has legal interest in the Property and that all other persons holding legal or equitable interests in the Property have signed an “Acknowledgement and Consent Certificate”, in a form approved by the City Attorney of the CITY, acknowledging and consenting to the terms of this Regulatory Agreement. All persons holding any legal or equitable interest in the Property shall be bound by this Regulatory Agreement.

PROJECT OCCUPANCY AND RENTS

17. **OCCUPANCY OF PROJECT.** DEVELOPER shall limit, for the full term of this Regulatory Agreement identified in paragraph 15, above, the rental of Regulated Units to Qualifying Households according to the schedule contained in **Exhibit E** herein, which is hereby incorporated by reference into this Regulatory Agreement. The income levels and other qualifications of applicants shall be certified prior to initial occupancy in conformance with the Final Management Plan identified in paragraph 25, below, and the City of Roseville’s rules

governing income certification, as these rules may be amended from time to time by California law or as required in order to comply with California law. Specifically, DEVELOPER covenants and agrees that for the full term of this Regulatory Agreement it shall reserve for occupancy: (i) _____ (X) one-bedroom, _____ (X) two-bedroom, and _____ (X) three-bedroom Regulated Units for households whose income does not exceed thirty percent (30%) of AMI; and (ii) _____ (X) one-bedroom, _____ (X) two-bedroom, and _____ (X) three-bedroom Regulated Units for households whose income does not exceed forty percent (40%) of AMI; and (iii) _____ (X) one-bedroom, _____ (X) two-bedroom, and _____ (X) three-bedroom Regulated Units for households whose income does not exceed fifty percent (50%) of AMI; and (iv) _____ (X) one-bedroom, _____ (X) two-bedroom, and _____ (X) three-bedroom Regulated Units for households whose income does not exceed sixty percent (60%) of AMI. The remaining one (1) unregulated unit shall be a two bedroom unit reserved for use by on-site Project management staff.

Preference shall be given to prospective tenants who are elderly, disabled, veterans (persons who served in the active military, naval, or air service and who were discharged or released from such service under conditions other than dishonorable), and persons who are residents and/or who are employed within the City of Roseville at the time of rental application.

The Project shall be owned, managed and operated as a single, multi-family residential rental project, which may be comprised of several buildings and structures, each consisting of more than one residential dwelling unit, together with facilities functionally related and subordinate thereto, in accordance with the applicable provisions of the Internal Revenue Code and applicable California law, as the same may be amended from time to time. All of the residential dwelling units in the Project will be similarly constructed and shall contain separate and complete facilities for living, sleeping, eating, cooking and sanitation for a single person or family, including sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range, refrigerator and sink. None of the residential dwelling units shall be utilized, at any time, on a transient basis. Neither the Project, nor any portion thereof, shall ever be used as a hotel, motel, hostel, vacation rental, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer park, or court. DEVELOPER shall further ensure that reasonable support services for the residents of this Project are provided, such as, but not limited to, life skills training, social and recreational programs, educational, health and nutritional programs, and computer training. Notwithstanding the foregoing, the Project shall be permitted to include approximately 3,000 square feet of commercial space.

18. **PROJECT RENTS.** Rents for Regulated Units shall be limited to Qualifying Rents as set forth in Exhibit E as the same may be revised from time to time in accordance with this Regulatory Agreement and applicable federal or state laws and regulations. Rent shall be no greater than considered "affordable rent" for the applicable household pursuant to Sections 50052.5 and 50053 of the California Health and Safety Code, as amended, or any successor statute thereto, including the use of a CITY-approved utility allowance. Nothing in this Regulatory Agreement shall prevent DEVELOPER from charging lower rents.

19. **SECURITY DEPOSITS.** Any security deposits collected by DEVELOPER or DEVELOPER's agent shall be kept separate and apart from all other funds in a trust account with a depository insured by the Federal Deposit Insurance Corporation or other comparable federal deposit insurance program and shall be held and disbursed in accordance with

California law. The balance in the trust account shall at all times equal or exceed the aggregate of all outstanding obligations, plus accrued interest thereon.

20. RENTAL INCREASES FOR EXISTING TENANTS ON THE PROPERTY.

Irrespective of when income limits are published under applicable tax credit law, rents for Regulated Units may be adjusted no more frequently than: (a) after the initial twelve (12) months following the date of initial occupancy or (b) every twelve (12) months following the last permissible date of recorded rental adjustment. Additionally, in no event shall the amount of annual rent increase exceed the amount of annual rent increase allowed by Tax Credit Law. Rents for Regulated Units may be adjusted annually to coincide with the increases in the Annual Adjustment Factors ("AAFs") as published by the United States Department of Housing and Urban Development ("HUD") for the West Region.

In the event that HUD terminates publication of the AAFs, rents shall be adjusted annually to coincide with the State Department of Housing and Community Development ("HCD") State Income Limits, using the limits established for Placer County, adjusted for household size, unit type and affordability. If DEVELOPER does not agree with the adjustment factors provided herein, DEVELOPER may, within fifteen (15) calendar days of notification by the CITY's Economic Development Director or successor ("the EDD") of that year's adjustment, present to the EDD information on which it wishes to base its annual rent adjustment. The EDD will review this information and decide on which adjustment factor DEVELOPER shall base its annual rent increase. The decision of the EDD shall be final.

21. CONDOMINIUM CONVERSION PROHIBITED. DEVELOPER shall not convert Project units, including Regulated Units and/or any unregulated units, to condominium or cooperative ownership or sell condominium or cooperative conversion rights to the Project units, during the term of this Regulatory Agreement.

22. NONDISCRIMINATION.

A. DEVELOPER herein covenants by and for itself, its subcontractors, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, nor denial of the benefits of this Regulatory Agreement to, any person or group of persons, on the basis of race, color, ancestry, national origin or ethnic group identification, religion or religious creed, sex, gender or self-identified gender, gender expression, sexual orientation, marital status, age, mental disability, physical disability or medical condition (including cancer, HIV and AIDS), genetic information, military or veteran status, familial status, source of income, or political affiliation or belief, nor any unlawful discrimination against any employee or applicant for employment because of race, color, ancestry, national origin or ethnic group identification, religion or religious creed, sex, gender or self-identified gender, gender expression, sexual orientation, marital status, age (over 40), mental disability, physical disability or medical condition (including cancer, HIV and AIDS), use of family care leave, genetic information, military or veteran status, familial status, source of income, or political affiliation or belief. DEVELOPER shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination or harassment. In addition to the foregoing general obligations, DEVELOPER shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12900, et seq.), the regulations promulgated thereunder (Title 2, California Code of Regulations, Section 10000, et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Sections 11135-11139.5) and any state or local regulations adopted to

implement any of the foregoing, as such statutes and regulations may be amended from time to time. To the extent this Regulatory Agreement subcontracts to DEVELOPER services or works required of the CITY by the State of California pursuant to agreement between the CITY and the State, the applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a) through (f), set forth in Subchapter 5 of Division 4.1 of Title 2 of the California Code of Regulations are expressly incorporated into this Regulatory Agreement by reference and made a part hereof as if set forth in full, and DEVELOPER and any of its subcontractors shall give written notice of their obligations thereunder to labor organizations with which they have collective bargaining or other agreements.

B. The provisions of paragraph (A) shall further apply to the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the Project, and DEVELOPER and any person claiming under or through the DEVELOPER, shall not establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the Project.

C. DEVELOPER shall include the provisions contained in this section in all contracts and subcontracts related to the Project.

D. The requirements in this section shall survive the repayment of the Loan, and the reconveyance of the Deeds of Trust.

23. **MANAGEMENT RESPONSIBILITIES.** DEVELOPER is specifically responsible, subject to its obligations herein, for all management functions with respect to the Property, including, without limitation, the selection of tenants, certification and recertification of household size and income, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. The CITY shall have no responsibility over management of the Property. A resident manager or an alternative designated contact shall be required to reside on-site.

24. **INTENTIONALLY OMITTED.**

25. **DRAFT AND FINAL MANAGEMENT PLANS.**

A. **DRAFT MANAGEMENT PLAN.** DEVELOPER shall prepare and submit to the CITY a Draft Management Plan for the CITY's review and approval. The Draft Management Plan shall be submitted to the CITY at least one hundred eighty (180) calendar days prior to the anticipated date for completion of construction of the Project. The Draft Management Plan shall contain, but is not limited to, specific statement as to (1) the identity, experience and duties of all employees of the Management Agency who intend to manage the Project; (2) marketing policies and strategies; (3) tenancy occupancy rules and regulations; (4) rental procedures and tenant income limitation; (5) eviction procedures; (6) operating policies and guidelines; (7) reserve account policies; (8) maintenance and capital improvement policies; (9) shall provide as an exhibit thereto a sample form of lease agreement; and (10) any provisions required by the DDA. Upon transfer of OWNER/ DEVELOPER's interest in the Project, the party to whom the Project is transferred shall, as a condition of such transfer, provide the CITY with a copy of such party's Management Plan for the Project, which plan shall provide statements as called for herein.

B. CITY REVIEW OF DRAFT MANAGEMENT PLAN. Upon submittal of the Draft Management Plan by DEVELOPER to the CITY, the CITY shall review the Draft Management Plan and provide written comments to DEVELOPER within ninety (90) calendar days or as soon thereafter as is practicable.

C. FINAL MANAGEMENT PLAN. Prior to issuance of any Certificate of Occupancy for the Project, DEVELOPER shall submit a Final Management Plan to the CITY for its review and final approval no later than thirty (30) calendar days prior to the anticipated date for completion of construction of the Project.

Notwithstanding the foregoing, the CITY shall have the right to review and approve any proposed amendments to DEVELOPER's contract with its management firm, or any new management contracts, during the term of this Regulatory Agreement; provided, however, that the CITY's approval shall not be required for a renewal of the initial management contract.

26. MANAGEMENT AGENCY. The Project shall at all times be managed by an experienced Management Agency reasonably acceptable to the CITY, with demonstrated ability to operate residential facilities like the Project in a manner that will provide decent, safe and sanitary housing. The City shall have the right to require a change in the Management Agency or the on-site manager for reasonable cause at any time during the term of this Regulatory Agreement, subject to the prior written consent of the Senior Lenders and the tax credit investor. During the monitoring as described in paragraph 32, the CITY will assess the Management Agency's ability to operate the Project in a decent, safe and sanitary manner. Calls for police and fire services at a significantly greater number or with a significantly greater frequency of serious calls and frequent fair housing complaints by tenants or applicants may be among criteria considered by the CITY in determining whether any management change shall be required.

DEVELOPER shall submit for the CITY's approval the identity of any proposed Management Agency. DEVELOPER shall also submit such additional information about the background, experience, and financial condition of any proposed Management Agency as is reasonably necessary for the CITY to determine whether the proposed Management Agency meets the standards for a qualified Management Agency set forth above.

If the proposed Management Agency meets the standards for a qualified Management Agency set forth above, the CITY shall approve the proposed Management Agency by notifying OWNER/DEVELOPER in writing. Unless the proposed Management Agency is disapproved by the CITY within thirty (30) calendar days of said submission of identity and qualifications of proposed Management Agency, which disapproval shall state reasonable specificity the basis for disapproval, it shall be deemed approved. The CITY hereby approves of the use of _____, a _____, engaged in the provision of multi-family residential and commercial property management services, as the designated initial Management Agency for the Project.

27. DISMISSAL OF MANAGEMENT AGENCY. Within fifteen (15) calendar days from DEVELOPER's receipt of any recommendation by CITY staff to dismiss the Management Agency, DEVELOPER shall either dismiss the Management Agency or request a meeting with CITY staff representatives to discuss further. If an agreement cannot be reached with CITY

staff representatives, DEVELOPER may request a public meeting to discuss the CITY recommendation. If, after conducting a requested public meeting, the CITY Council supports said recommendation of CITY staff, DEVELOPER shall promptly dismiss the Management Agency and shall appoint as the new Management Agency a person or entity which meets the standards for Management Agency and is approved by the CITY as set forth in paragraph 26.

28. MAINTENANCE AND SECURITY. DEVELOPER shall at its own cost and expense maintain the Property in good condition, in good repair, and in decent, safe, sanitary, habitable, and tenantable living condition for the benefit of Project occupants. DEVELOPER shall not commit or permit any waste on or to the Property, and shall prevent and/or rectify any physical deterioration of the Property. DEVELOPER shall provide adequate security equipment for the safety of Project occupants and to minimize the need for public safety calls. DEVELOPER shall maintain the Property in conformance with all applicable state, federal, and local laws, ordinances, codes, and regulations and the Management Plan; but DEVELOPER's maintenance obligations shall not be limited only to the standards contained in these laws or the Management Plan.

In the event the DEVELOPER fails to maintain the Property in accordance with the foregoing standards, and after at least seven (7) calendar days' prior written notice to DEVELOPER and the Senior Lenders, the CITY or its agent may, but shall be under no obligation to, enter upon the Property, make such repairs or replacements as are deemed necessary in the CITY's reasonable discretion (with the prior written consent of the Senior Lenders), and provide for payment thereof. Any amount advanced by the CITY to make such repairs, together with interest thereon from the date of such advance at the same rate of interest as specified in the Notes for the Project (unless payment of such an interest rate would be contrary to applicable law, in which case interest shall accrue at the highest rate then allowed by applicable law), shall become an additional obligation of DEVELOPER to the CITY, and shall be secured by the Deeds of Trust.

29. UNIT VACANCIES. DEVELOPER shall use its best efforts to fill vacancies in Regulated Units as quickly as possible.

30. INSPECTIONS AND RECORDS. DEVELOPER shall maintain complete, accurate and current records which clearly document DEVELOPER's performance of its obligations to operate the Property and the Project under the terms of this Regulatory Agreement. DEVELOPER shall submit any records reasonably requested by the CITY in connection with the Project to the CITY within ten (10) business days of the CITY's request. DEVELOPER shall also permit the CITY or its duly authorized representatives to enter and inspect the Property and the Project for compliance with obligations under this Regulatory Agreement upon seventy-two (72) hours advance notice of such visit by the CITY to DEVELOPER or DEVELOPER's Management Agency and to tenants of any inspected Project units, subject to the provisions of the leases regarding inspection and entry rights, which provisions must otherwise be consistent with state law.

All tenant lists, applications and waiting lists relating to the Regulated Units shall at all times be kept separate and identifiable from any other business of the DEVELOPER and shall be maintained as required by the CITY, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the CITY. DEVELOPER shall retain copies of all materials obtained or produced with respect to occupancy of the Regulated Units for a period of at least five (5) years.

The CITY shall also have the right to perform on-site inspections of the Project, including the Regulated Units, as is reasonably required to ensure compliance with the Loan Documents, but in any case at least once per year. DEVELOPER agrees to cooperate in such inspection(s). If the CITY desires to inspect the interior of the Regulated Units, the CITY shall give DEVELOPER sufficient notice to allow DEVELOPER to give seventy-two (72) hours' notice to tenants.

31. **ANNUAL REPORTS.** DEVELOPER shall provide any information reasonably requested by the CITY in connection with the Project. In particular, DEVELOPER shall provide the CITY with annual reports required by the Regulatory Agreement, including but not limited to reports regarding the Project's rent and occupancy levels, as well as the annual operating budget. Without limitation, DEVELOPER shall provide the CITY no later than the ninetieth (90th) day after the close of each calendar year following the date of this Regulatory Agreement, hardcopies and PDF copies of the following documents:

- A. Insurance certificates detailing all coverage required under the DDA and the Deeds of Trust.
- B. Evidence of payment of property taxes or property tax exemption for the Project, as applicable.
- C. Audited financial statements for the Project and DEVELOPER.
- D. An occupancy report including: (i) the verified income of each tenant or household; (ii) the number and demographic information of tenants in each household; (iii) the current rents charged each tenant or household and whether these rents include utilities; (iv) the date tenancy commenced for each Unit; and (v) any additional information required by California Health and Safety Code Section 33418.
- E. Certifications of eligibility for all tenants of Regulated Units at the time of initial occupancy and upon the yearly anniversary of their continuing tenancies. Such certification shall include verified income statements on a form provided by the CITY. DEVELOPER shall retain in the tenant's file all verifications of tenant's income (tax returns, W-2 forms, paycheck stubs, etc.).

Within fifteen (15) calendar days after receipt of a written request, DEVELOPER shall provide any other information or completed forms requested by the CITY to ensure compliance with the Loan Documents or this Regulatory Agreement.

If similar reports on some or all of the Regulated Units are required for regulatory compliance with other financing programs, those reports may be deemed satisfactory for the purpose of this section by the CITY, with respect to the portion of the requirements of this section covered by such reports, provided that copies are provided on an annual basis to the CITY with an owner certification addressed to the CITY certifying that the DEVELOPER has complied with this Regulatory Agreement.

32. **MONITORING/NON-COMPLIANCE/CURE.** DEVELOPER's compliance with the provisions of this Regulatory Agreement shall be reviewed at least annually, and at such other times as the CITY may require, upon thirty (30) calendar days prior written notice from the CITY.

During any such review, DEVELOPER shall bear the burden of proof to demonstrate good faith compliance with the terms of this Regulatory Agreement. If, as a result of such review, the CITY finds and determines that DEVELOPER has not complied in good faith with the terms and conditions of this Regulatory Agreement, the CITY shall give written notice to DEVELOPER of its findings and of the exact nature of DEVELOPER's non-compliance. DEVELOPER shall be given a period of sixty (60) calendar days after delivery of any such notice in which to cure, to the reasonable satisfaction of the CITY, any non-compliance; provided that, if the non-compliance cannot be cured within sixty (60) calendar days, DEVELOPER shall not be in breach so long as DEVELOPER is diligently undertaking to cure such non-compliance. In the event the CITY fails to give DEVELOPER notice of any non-compliance at or before the annual review, DEVELOPER shall not be held responsible for any failure to comply with the terms and conditions of this Regulatory Agreement during the year covered by the annual review.

33. **CITY REMEDIES FOR BREACH.** If DEVELOPER is unable or otherwise fails to cure any non-compliance within sixty (60) calendar days (or longer as provided herein) after the CITY delivers notice of non-compliance pursuant to paragraph 32, the CITY may, in addition to any other remedy provided by law or equity, modify or terminate this Regulatory Agreement, revoke the Project approval, or take any other action available to it under this Regulatory Agreement.

In particular, and without limitation by reason of enumeration, DEVELOPER acknowledges and agrees that failure to cure any non-compliance under this Regulatory Agreement, whether by DEVELOPER or any successor, shall, at the option of the CITY, constitute a breach and default under this Regulatory Agreement as to all other property within the Project. In addition, and without limitation by reason of enumeration, OWNER/DEVELOPER acknowledges and agrees that the CITY shall have the right to withhold issuance of all building permits within the Project until such breach is cured.

Any partners of DEVELOPER shall have the right to cure any default. The CITY agrees that any cure of a default by any partners of DEVELOPER shall be deemed to be a cure by DEVELOPER, and shall be accepted or rejected on the same basis as if made or tendered by DEVELOPER.

In the event of any breach/default or violation of any agreement, obligation, or warranty under this Regulatory Agreement, the CITY shall give written notice to DEVELOPER, with copies to the Senior Lenders, specifying: (a) the nature of the breach or violation; (b) the action required to cure the breach or violation; and (c) a date, which shall not be less than thirty (30) calendar days from the date of the notice, by which such action to cure must be taken. If DEVELOPER fails to cure the breach or violation within the timeframe specified in the notice, the CITY additionally has the right, at its sole election, to:

A. Declare a default under the Notes, accelerate the indebtedness evidenced by the Notes, and with respect to the Loan, proceed with foreclosure under the Deeds of Trust;

B. Bring an action for equitable relief seeking the specific performance by DEVELOPER of the terms and conditions of this Regulatory Agreement, and/or enjoining, abating, or preventing any violation of said terms and conditions, and/or seeking declaratory relief;

C. Enter upon, take possession of, and manage the Property and the Project, either in person, by agent, or by a receiver appointed by a court, and collect any rents, income, deposits, or reserves and apply them to operate the Property and the Project, and continue in possession until such time as the CITY in its sole judgment determines that DEVELOPER is in a position to operate the Property and the Project in compliance with this Regulatory Agreement;

D. After notice provided for herein, make such repairs or replacements to the Property as are necessary and provide for payment thereof;

E. Declare an event of default under the Loan Documents and pursue the remedies described therein; and/or

F. Pursue any other remedy allowed at law or in equity.

The CITY's rights hereunder shall be in addition to, and not in lieu of, every other right or remedy provided for herein or now or hereafter existing at law or in equity by statute or otherwise, including, but not limited to injunctive relief, specific performance and damages. The exercise or beginning of exercise by the CITY of any one or more rights or remedies, provided herein or now or hereafter existing at law or in equity by statute or otherwise, shall not preclude the simultaneous or later exercise by the CITY of any or all other rights or remedies provided for in this Regulatory Agreement or now or hereafter existing at law or in equity or by statute or otherwise. All such rights and remedies shall be considered cumulative and nonexclusive.

34. **FEES, TAXES, AND OTHER LEVIES.** DEVELOPER shall be responsible for payment of all fees, assessments, taxes, charges, and levies imposed by any public authority or utility company with respect to the Property and the Project, and shall pay such charges prior to delinquency in order to prevent any penalty from accruing or any lien or charge from attaching to the Property or the Project. However, DEVELOPER shall not be required to pay any such charge so long as (a) the legality thereof is being contested in good faith and by appropriate proceedings; and (b) DEVELOPER maintains reserves adequate to pay any contested liabilities. In the event DEVELOPER exercises its right to contest any tax, assessment, or charge against it, DEVELOPER, on final determination of the proceeding or contest, shall immediately pay or discharge any decision or judgment rendered against it, together with all costs, charges and interest.

35. **INSURANCE COVERAGE.** DEVELOPER shall cause to have in full force and effect during the term of this Regulatory Agreement continuous insurance coverage as required by the DDA.

36. **PROPERTY DAMAGE OR DESTRUCTION.** Subject to the requirements of Senior Lenders, and if economically feasible in the CITY's reasonable judgment after consultation with the DEVELOPER, if any improvement now or in the future on the Property is damaged or destroyed, then the DEVELOPER shall, at its cost and expense, diligently undertake to repair or restore such improvement consistent with the plans and specifications for the Development. Such work or repair shall be commenced no later than the later of one hundred twenty (120) calendar days, or such longer period approved by the CITY in writing, after the damage or loss occurs or thirty (30) calendar days following receipt of the insurance proceeds, and shall be complete within one year thereafter. Any insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration and, if

such insurance proceeds shall be insufficient for such purpose, then the DEVELOPER shall make up the deficiency. If the DEVELOPER does not make repairs, then any insurance proceeds collected for such damage or destruction shall be promptly delivered to the CITY as a special repayment of the Loan, subject to the rights of the Senior Lenders, if any.

GENERAL PROVISIONS

37. **SUBORDINATION.** Except as expressly set forth herein or in the DDA, this Regulatory Agreement shall not be subordinated in priority to any other interest in the Property that was not recorded on or prior to the date of recordation of this Regulatory Agreement, unless the CITY expressly consents, in writing, to the subordination or junior priority of this Regulatory Agreement. Such consent, if any, shall be within the CITY's sole discretion, and may only be permitted, if at all, for purposes that conform with the circumstances authorized by California Health and Safety Code Section 33334.14(a), and to the extent the proposed subordination does not jeopardize the CITY's security interest in the property and is otherwise consistent and compliant with all legal standards, including eligibility requirements and other conditions imposed by funding sources for the Project and any Loan.

38. **TRANSFER AND ENCUMBRANCE OF PROPERTY.** During the term of this Regulatory Agreement, DEVELOPER shall not, except as permitted by the DDA, make or permit any sale, agreement to sell, assignment, conveyance, lease (other than the rental of Project units to eligible residential tenant occupants), or transfer of the Property or any part thereof, including the sale of any general or limited partnership interests, the removal of any general partner, or any substantial change in operational or management control over the Property (collectively referred to as "Transfers"), without the prior written consent of the CITY. The limitations on DEVELOPER's right of assignment or other transfer contained in this paragraph 38 shall not apply to any foreclosure, deed in lieu of foreclosure, or other remedial action lawfully taken by any Senior Lender holding a security interest in the Property with priority over the CITY's interests; nor shall they apply to: (i) the transfer of limited partner interests in DEVELOPER, (ii) the removal of a general partner or a limited partner pursuant to the terms and conditions of DEVELOPER's organizational document; and/or (iii) transfers to a tax-exempt entity under the direct control of or under common control with DEVELOPER.

The CITY shall give its consent to a Transfer provided that it determines all of the following conditions are met: (a) DEVELOPER is in compliance with this Regulatory Agreement and the Loan Documents, or the Transfer will cure existing violations of this Regulatory Agreement or the Loan Documents; (b) the transferee agrees to assume all obligations of DEVELOPER imposed by this Regulatory Agreement and the Loan Documents; (c) the transferee demonstrates to the CITY's satisfaction that it is capable of owning and/or operating the Property and the Project in full compliance with this Regulatory Agreement and the Loan Documents; (d) the terms of the Transfer shall not jeopardize the CITY's security interest in the Property and is otherwise in full compliance with all legal standards, including eligibility requirements and other conditions imposed by funding sources for the Project and any Loan; and (e) the Transfer has been approved by the CITY's governing body, if such approval is required.

During the term of this Regulatory Agreement, DEVELOPER shall not, except as may be contemplated by the DDA, engage in any financing or other transaction creating any mortgage or other encumbrance or lien upon the Property and/or the Project (except for any financing

provided by the CITY), without the prior written consent of the CITY, which consent may be withheld in the CITY's sole discretion. The CITY may give its consent to such financing if and only to the extent necessary to maintain or improve the affordability or condition of the Property and/or the Project.

39. **NONLIABILITY OF OFFICIALS, EMPLOYEES, AND AGENTS.** No member, official, officer, director, employee, agent, or independent contractor of the CITY shall be personally liable to DEVELOPER or third party beneficiaries for any obligation created under the terms of this Regulatory Agreement.

40. **INDEMNITY AND WAIVER.** Notwithstanding the insurance coverage required herein and to the fullest extent allowed by law, DEVELOPER shall defend, indemnify and save and hold the CITY, its members, officials, officers, directors, employees, agents, and independent contractors (collectively "Indemnitees"), harmless against any losses, damages, liabilities, claims, demands, judgments, actions, court costs, and legal or other expenses (including attorneys' fees) which Indemnitees may incur as a result of (1) DEVELOPER's failure to perform any obligations as and when required by this Regulatory Agreement; (2) any failure of DEVELOPER's representations or warranties to be true and complete in any material respect; or (3) any act or omission by DEVELOPER or any contractor, subcontractor, management agent, or supplier with respect to the Project or the Property, except to the extent that such losses are caused solely by the negligence or willful misconduct of Indemnitees. The duty of the DEVELOPER to indemnify includes the duty to defend Indemnitees in any court action, administrative action, or other proceeding brought by any third party arising from the Project or the Property. DEVELOPER's duty to defend and indemnify Indemnitees shall survive the term of this Regulatory Agreement, the reconveyance of the Deeds of Trust, and any release of part or all of the Property from the burdens of this Regulatory Agreement. The parties intend that this provision shall be broadly construed.

DEVELOPER hereby waives any claims, suits, or actions against the CITY on account of or arising from the Costa-Hawkins Rental Housing Act, California Civil Code Sections 1954.50 *et seq.* ("CHRHA"). Furthermore, the parties hereby acknowledge and agree that, without limitation, the Loan and any Project entitlements, permits, or approvals have conferred upon the DEVELOPER and/or the Project either a direct financial contribution or other form of assistance pursuant to Section 1954.52(b) of the CHRHA.

41. **GOVERNING LAW AND VENUE.** This Regulatory Agreement shall be interpreted under and be governed by the laws of the State of California, except for those provisions relating to choice of law and those provisions preempted by federal law. Any action arising out of this Regulatory Agreement shall be brought in Placer County, California, regardless of where else venue may lie.

42. **CONFLICTS.** In the event of any conflict among the Loan Documents, the most restrictive requirements shall apply. In addition, the Project may be subject to the terms of other governmental subsidy programs. This Regulatory Agreement and the agreements entered into by DEVELOPER pursuant to these subsidy programs independently regulate the Regulated Units in the Project. If any provision of another regulatory agreement is found in conflict or in contradiction with the terms of this Regulatory Agreement in relation to the Regulated Units, the most restrictive requirement, providing the greatest affordability to the most tenants for the longest term, shall apply to those Regulated Units, except as otherwise specified.

43. **ATTORNEYS' FEES AND COSTS.** In the event that a legal or administrative action is brought to interpret or enforce the terms of this Regulatory Agreement, the prevailing party in such action shall be entitled to recover its reasonable litigation expenses, including but not limited to, court costs, expert witness fees, discovery expenses, and attorneys' fees.

44. **TIME.** Time is of the essence in this Regulatory Agreement.

45. **CONSENTS AND APPROVALS.** Except as otherwise expressly provided in this Regulatory Agreement, any consent or approval required under the Regulatory Agreement shall not be unreasonably withheld or delayed.

46. **NOTICES, DEMANDS, AND COMMUNICATIONS.** Formal notices, demands, and communications between DEVELOPER and the CITY shall be given by registered or certified mail, return receipt requested, postage prepaid or delivered personally, to DEVELOPER and the CITY as follows, or at such other address as a party may designate by written notice to the other party:

CITY OF ROSEVILLE

DEVELOPER

Economic Development Director
City of Roseville
311 Vernon Street
Roseville, CA 95678

with a copy to:

47. **BINDING UPON SUCCESSORS.** All provisions of this Regulatory Agreement shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest, transferees, and assigns of DEVELOPER and the CITY, and shall run with the land for the full term of this Regulatory Agreement, regardless of any assignment, payment, prepayment, expiration, extinguishment of the Loan or Notes, any reconveyance of the Deeds of Trust, or any conveyance or transfer of the Property. Any successor in interest to DEVELOPER and any purchaser or transferee of the Property shall be subject to all of the duties and obligations imposed on DEVELOPER under this Regulatory Agreement for the full term of this Regulatory Agreement. The term "DEVELOPER" as used in this Regulatory Agreement shall include all such assigns, successors-in-interest, and transferees.

48. **RELATIONSHIP OF PARTIES.** The relationship of DEVELOPER and the CITY for this Project during the term of this Regulatory Agreement shall not be construed as a joint venture, equity venture, or partnership. The CITY neither undertakes nor assumes any responsibility or duty to DEVELOPER or to any third party with respect to the operation of the Property or the actions of DEVELOPER. Except as the CITY may specify in writing,

DEVELOPER shall have no authority to act as an agent of the CITY or to bind the CITY to any obligation.

49. **WAIVER.** Any waiver by the CITY of any obligation in this Regulatory Agreement must be in writing. No waiver shall be implied from any delay or failure by the CITY to take action on any breach or default of DEVELOPER or to pursue any remedy allowed under this Regulatory Agreement or applicable law. Any extension of time granted to DEVELOPER to perform any obligation under this Regulatory Agreement shall not operate as a waiver or release from any of its obligations under this Regulatory Agreement. Consent by the CITY to any act or omission by DEVELOPER shall not be construed as the consent to any other or subsequent act or omission or to waive the requirement for the CITY's written consent to future waivers.

50. **OTHER AGREEMENTS.** DEVELOPER represents that it has not entered into any agreements that would restrict or compromise its ability to comply with the terms of this Regulatory Agreement. DEVELOPER shall not enter into any agreements that are inconsistent with the terms of this Regulatory Agreement without an express written waiver by the CITY.

51. **AMENDMENTS AND MODIFICATIONS.** Any amendments or modifications to this Regulatory Agreement must be in writing, and shall be effective only if executed by both DEVELOPER and the CITY, following receipt of all required approvals, and only with the consent of the Senior Lenders.

52. **SEVERABILITY.** Every provision of this Regulatory Agreement is intended to be severable. If any provision of this Regulatory Agreement is held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired.

SPECIAL PROVISIONS

53. **ADMINISTRATIVE FEE.** In the event of DEVELOPER's breach or violation of any agreement, obligation or warranty under the Regulatory Agreement that is uncured within the cure periods provided herein, or in the event the Property is transferred in violation of paragraph 38 of this Regulatory Agreement, DEVELOPER shall pay annually, not later than April 15 of each year, a \$10,000 fee ("Administrative Fee"). The CITY shall provide the DEVELOPER with notice and the right to cure, as set forth in above paragraph 32, any event which the CITY believes give rise to an obligation to pay the Administrative Fee. Such fee shall remain in effect during any period of breach or violation. The payment of such Administrative Fee shall be in addition to, and not to the exclusion of, the CITY's other remedies contemplated in paragraph 33 of this Regulatory Agreement; provided however that this provision shall be subject to the nonrecourse provisions set forth in the Notes.

54. **REFINANCING/RESYNDICATION REVIEW FEE.** In the event that the Property and/or the Project is a tax credit project and is refinanced or resyndicated during the term of this Regulatory Agreement, DEVELOPER shall provide the CITY a prepayment in amount to be determined by the CITY, upon request by DEVELOPER, for CITY's staff actual and documented costs in reviewing any refinancing or resyndication documentation submitted to the CITY for the CITY's review and approval. Such prepayment shall be submitted by DEVELOPER prior to the CITY commencing any review and shall not exceed five thousand dollars (\$5,000.00).

DEVELOPER shall not be entitled to receive a refund of any such fee in the event that DEVELOPER fails to complete such refinancing or resyndication.

55. **TENANT MONITORING FEE.** Commencing one (1) year after the date of the final Certificate of Occupancy for the Project and annually thereafter, DEVELOPER shall pay to the CITY, not later than March 31 of each year, a tenant monitoring fee equal to FORTY DOLLARS (\$40) for each occupied, rent restricted, apartment unit within the Project. A penalty of ten percent (10%) per month shall be assessed against any fee not paid when due.

56. **PARTICIPATION IN HOUSING CHOICE VOUCHER PROGRAM.** DEVELOPER agrees to accept tenants who qualify under the Housing Choice Voucher ("HCV") program administered by the Roseville Housing Authority (the "Authority") or its successor.

57. **CHECKLIST FOR REGULATED UNITS.** DEVELOPER agrees that each prospective tenant, prior to rental of a Regulated Unit, shall be required to complete forms required by Exhibit F, or DEVELOPER's equivalent as approved in writing by the CITY.

[Signatures Next Page]

IN WITNESS WHEREOF, the City of Roseville, a municipal corporation, has authorized the execution of this Regulatory Agreement in duplicate by its City Manager and attested to by its City Clerk under the authority of Resolution No. _____, adopted by the Council of the City of Roseville on the ____ day of _____, 20__, and DEVELOPER has caused this Regulatory Agreement to be executed.

CITY OF ROSEVILLE, a
municipal corporation:

_____, L.P.

BY: _____
DOMINICK CASEY
City Manager

BY: _____
NAME
Title

ATTEST:

and

BY: _____
SONIA OROZCO
City Clerk

BY: _____
NAME
Title

APPROVED AS TO FORM:

BY: _____
ROBERT R. SCHMITT
City Attorney

APPROVED AS TO SUBSTANCE:

BY: _____
LAURA MATTEOLI
Economic Development Director

EXHIBIT A
LEGAL DESCRIPTION OF 304 WASHINGTON BLVD.

The land described herein is situated in the State of California, County of Placer, City of Roseville, and is described as follows:

APN:

EXHIBIT B
LEGAL DESCRIPTION OF 130-134 MAIN STREET

The land described herein is situated in the State of California, County of Placer, City of Roseville, and is described as follows:

APN:

EXHIBIT C
LEGAL DESCRIPTION OF PROPERTY

The land described herein is situated in the State of California, County of Placer, City of Roseville, and is described as follows:

APN:

EXHIBIT D
NOTICE OF AFFORDABILITY RESTRICTIONS ON TRANSFER OF PROPERTY

RECORDING REQUESTED BY
AND WHEN RECORDED, MAIL TO:

City of Roseville
CITY Clerk
311 Vernon Street
Roseville, CA 95678

**NOTICE OF AFFORDABILITY RESTRICTIONS
ON TRANSFER OF PROPERTY**

PLEASE TAKE NOTICE that the real property that is the subject of this Notice of Affordability Restrictions on Transfer of Property (hereinafter "Notice"), which property is identified and described in **Exhibit A**, attached hereto and incorporated herein by reference (hereinafter "Property"), is subject to the following affordability covenants and restrictions that run with the land and are binding on Meta Housing Corporation, a California corporation, and/or its permitted successors and assigns:

- (a) The Property shall be developed, constructed, owned, operated and managed as a residential, multi-family rental housing apartment project to be rented at rents that are affordable to Low, Very Low and Extremely Low income households. Occupancy of _____ (X) of the _____ (X) total units shall be reserved, for the full term set forth in subdivision (b) below, as follows:
- (i) _____ (X) one-bedroom, _____ (X) two-bedroom, and _____ (X) three-bedroom regulated units for households whose income does not exceed thirty percent (30%) of Area Median Income (as defined in the Regulatory Agreement between the City of Roseville, a municipal corporation and Meta Housing Corporation, a California corporation, executed on _____, 2019 and recorded concurrently with this Notice (hereinafter "Regulatory Agreement"));
 - (ii) _____ (X) one-bedroom, _____ (X) two-bedroom, and _____ (X) three-bedroom regulated units for households whose income does not exceed forty percent (40%) of Area Median Income as defined in the Regulatory Agreement;
 - (iii) _____ (X) one-bedroom, _____ (X) two-bedroom, and _____ (X) three-bedroom regulated units for households whose income does not exceed fifty percent (50%) of Area Median Income; and
 - (iv) _____ (X) one-bedroom, _____ (X) two-bedroom, and _____ (X) three-bedroom regulated units for households whose income does not exceed sixty percent (60%) of Area Median Income.

Rents shall be established according to the schedule contained in the Regulatory Agreement.

- (b) The covenants and restrictions referenced above commence upon the execution of the Regulatory Agreement and shall remain in full force and effect for in perpetuity. The obligations referenced in this Notice and set forth in greater

detail in the Regulatory Agreement shall remain effective and fully binding in perpetuity regardless of any expiration of the term of any loan, any payment, or prepayment of any loan, any assignment of a note, any reconveyance of a deed of trust, or any sale, assignment, transfer, or conveyance of the Property (other than certain transfers by foreclosure, deed in lieu of foreclosure, exercise of the power of sale or other similar transfer), unless terminated earlier by the City of Roseville in a recorded writing.

- (c) The street address for the Property is _____, Roseville, California, 95678, as further identified and described in **Exhibit A.**
- (d) The assessor's parcel number for the property is: APN: _____ as further identified and described in **Exhibit A.**

Any questions about the contents of this Notice may be directed to the Office of the City Attorney for the City of Roseville, 311 Vernon Street, Roseville, California 95678; Telephone (916) 774-5325.

CITY OF ROSEVILLE,
a municipal corporation

Dated: _____

By: _____
Robert R. Schmitt
City Attorney
City of Roseville

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

The land described herein is situated in the State of California, County of Placer, City of Roseville, and is described as follows:

APN:

EXHIBIT E
UNIT CONFIGURATION AND INITIAL RENT RESTRICTIONS

Maximum Household Income 30% AMI

Bedroom size	Number of Units	Gross Rent	Less TCAC approved CUAC*	Allowable Contract Rent
1		\$	\$	\$
2		\$	\$	\$
3		\$	\$	\$

Maximum Household Income 40% AMI

Bedroom size	Number of Units	Gross Rent	Less TCAC approved CUAC*	Allowable Contract Rent
1		\$	\$	\$
2		\$	\$	\$
3		\$	\$	\$

Maximum Household Income 50% AMI

Bedroom size	Number of Units	Gross Rent	Less TCAC approved CUAC*	Allowable Contract Rent
1		\$	\$	\$
2		\$	\$	\$
3		\$	\$	\$

Maximum Household Income 60% AMI

Bedroom size	Number of Units	Gross Rent	Less TCAC approved CUAC*	Allowable Contract Rent
1		\$	\$	\$
2		\$	\$	\$
3		\$	\$	\$

* California Utility Allowance Calculator (CUAC) is California's energy consumption model for calculating utility allowance estimates. These estimates are approved by California's Tax Credit Allocation Committee (TCAC) and are limited to new construction projects in the design phase.

CERTIFICATION OF AFFORDABLE RENTAL UNIT ELIGIBILITY

Re: _____ Apt. # _____
 _____ Apartment Complex

I/we have read and answered truthfully, fully frankly and personally each of the following questions for all persons who are to occupy the unit being applied for in the above apartment project. Listed below are the names of all persons who intend to reside in the unit:

[illegible]

CERTIFICATION OF AFFORDABLE RENTAL UNIT ELIGIBILITY (CONT.)
INCOME COMPUTATION

- 6) The total anticipated income calculated in accordance with this paragraph 6, of all persons (except children under the age of 18 years) listed above for the 12-month period beginning the date that I/we plan to move into a unit is \$_____.

Included in the total anticipated income listed above are:

- a. All wages and salaries, overtime pay, commissions, fees and other compensation for personal services, before payroll deductions.

Excluded from such anticipated income are:

- a. Casual, sporadic or irregular gifts;
- b. Amounts which are specifically for or in reimbursement of medical expenses;
- c. Lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlements for personal or property losses;
- d. Amounts of educational scholarships paid directly to the student or the educational institution and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books, and equipment. Any amounts of such scholarships or payments to veterans not used for the above purposes are to be included in income;
- e. Hazardous duty pay to a family member in the Armed Forces who is away from home and exposed to hostile fire;
- f. Relocation payments under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;
- g. Foster child care payments;
- h. The value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1977.

- 7) This certificate is made with the knowledge that it will be relied upon by the Owner to determine maximum income for eligibility to occupy the unit; and I/we declare that all information set forth herein is true, correct and complete and based upon information I/we deem reliable and that the statement of total anticipated income contained in paragraph 6 is reasonable and based upon such investigation as the undersigned deemed necessary.
- 8) I/We will assist the Owner in obtaining any information or documents required to verify the statement made herein, including either an income verification from my/our present employer(s) or copies of federal tax returns for the immediately preceding calendar year.

- 9) I/We acknowledge that I/we have been advised that the making of any misrepresentation or misstatement in this declaration will constitute a material breach of my/our agreement with the Owner to lease the unit and will entitle the Owner to prevent or terminate my/our occupancy of the unit by institution of an action for eviction or other appropriate proceedings.

I/We declare under penalty of perjury that the foregoing is true and correct.

Executed this _____ day of _____ in the City of
_____ California.

Applicant

Applicant

Applicant

Applicant

Applicant

[All persons listed in number 2 above, except children under the age of 18 must sign this form]

CALCULATION OF TENANT ELIGIBILITY FORM

(FORM COMPLETION BY APARTMENT OWNER OR AGENT)

NAME: _____ UNIT # _____

<u>SOURCE</u>	<u>MONTHLY</u>	<u>ANNUAL</u>
Social Security	\$ _____	\$ _____
Social Security	\$ _____	\$ _____
Civil Service	\$ _____	\$ _____
Pension _____	\$ _____	\$ _____
Interest _____	\$ _____	\$ _____
Wages _____	\$ _____	\$ _____
Tips _____	\$ _____	\$ _____
Wages _____	\$ _____	\$ _____
Tips _____	\$ _____	\$ _____
Child Support	\$ _____	\$ _____
Welfare	\$ _____	\$ _____
Stocks/Bonds	\$ _____	\$ _____
Other _____	\$ _____	\$ _____
Other _____	\$ _____	\$ _____
TOTAL INCOME	\$ _____	\$ _____
	Monthly base rent	\$ _____
	Move-in date	_____

BY

TITLE _____

DATE _____

AFFORDABLE TENANT RECORD OF RENTAL INCREASES

(FORM COMPLETION BY APARTMENT OWNER OR AGENT)

NAME _____

APT. NO. _____

MOVE-IN DATE _____

INITIAL BASE RENT \$ _____

ANNUAL INCOME \$ _____

[illegible]

[illegible]

ATTACHMENT NO. 9

GRANT DEED

RECORDING REQUESTED BY:

WHEN RECORDED MAIL
TAX STATEMENTS TO:

(Space above this line is for recorder's use)

GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S)

DOCUMENTARY TRANSFER TAX is \$ _____

☐ computed on full value of property conveyed, or

☐ computed on full value less value of liens or encumbrances remaining at time of sale

☐ Unincorporated area ☒ City of Roseville

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
_____ ("Grantor"), hereby GRANTS AND CONVEYS to
_____ ("Grantee"), following described real property located in the City of
Roseville, California, and more particularly described in Exhibit A, attached to and incorporated
into this Grant Deed by this reference.

IN WITNESS WHEREOF, Grantor has caused this Grant Deed to be executed as of the
____ day of _____, 201__

"Grantor"

CITY OF ROSEVILLE,
a municipal corporation:

BY: _____
DOMINICK CASEY
City Manager

EXHIBIT A TO GRANT DEED

Legal Description

HOUSING SUCESSOR AGENCY

RESOLUTION NO. 19-21

APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT, BY AND BETWEEN ROSEVILLE APARTMENTS, L.P. AND THE CITY OF ROSEVILLE, AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE

WHEREAS, a Disposition and Development Agreement, Bifurcated for 9% Federal Tax Credits, for the development of the Main Street Plaza Housing Project at Washington Boulevard and Main Street, by and between Roseville Apartments, L.P., and City of Roseville, has been reviewed by the City Council; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Roseville, acting in its role as Housing Successor, that said agreement is hereby approved and that the City Manager is authorized to execute it on behalf of the City of Roseville.

PASSED AND ADOPTED by the Council of the City of Roseville this ____ day of _____, 20__, by the following vote on roll call:

AYES COUNCILMEMBERS/AUTHORITY MEMBERS:

NOES COUNCILMEMBERS/AUTHORITY MEMBERS:

ABSENT COUNCILMEMBERS/AUTHORITY MEMBERS:

MAYOR

ATTEST:

City Clerk & Secretary

DISPOSITION AND DEVELOPMENT AGREEMENT

By and Between

CITY OF ROSEVILLE

and

ROSEVILLE APARTMENTS, L.P.

BIFURCATED FOR 9% FEDERAL TAX CREDITS

(9% DDA)

Dated as of _____, 2019

TABLE OF CONTENTS

1.	DEFINITIONS AND INTERPRETATION	2
1.1	Defined Terms	2
1.2	Singular and Plural Terms	5
1.3	Accounting Principles	5
1.4	References and Other Terms	5
1.5	Attachments Incorporated	5
2.	SUBJECT OF THE AGREEMENT	6
2.1	Purpose of the Agreement	6
2.2	The Project	6
2.3	The Site	6
2.4	Parties to the Agreement	6
3.	SCHEDULE OF PERFORMANCE	6
4.	DUE DILIGENCE; LAND USE REQUIREMENT	7
4.1	Due Diligence Period; Permission to Enter Site	7
4.2	Developer Obligations	8
4.3	Land Use Entitlements	8
4.4	Developer Right to Terminate	8
5.	DEVELOPMENT OF THE PROPERTY	8
5.1	Scope of Development	8
5.2	City's Right to Review Plans and Specifications	9
5.3	Approval of Plans	9
5.4	Changes in Construction Drawings	10
5.5	Construction Contract	10
5.6	Local, State and Federal Laws	10
5.7	Nondiscrimination During Construction	10

5.8	Entitlements.....	11
5.9	Defects in Plans.....	11
5.10	Marketing Plan.....	11
5.11	Performance and Payment Bonds	12
5.12	Public Safety Protections	12
5.13	City Access to the Site.....	12
5.14	Project Sign	12
5.15	Notification of General Contractors, Architects and Engineers	12
5.16	Prevailing Wages.....	12
5.17	DIR Registration	13
5.18	Relocation	13
6.	FINANCING FOR THE PROJECT	13
6.1	Financing Plan.....	13
6.2	Final Project Budget	13
6.3	Financing Commitments	14
6.4	Developer Right to Terminate	14
7.	CONVEYANCE OF PROPERTY	14
7.1	Purchase and Sale of Site	14
7.2	Escrow.....	14
7.2.1	Costs of Escrow	14
7.2.2	Escrow Instructions	14
7.2.3	Closing.....	15
7.3	Title Insurance	15
7.4	City's Conditions to Conveyance of the Site.....	15
7.5	Developer's Conditions to Acquire the Site	17
7.6	Developer Right to Terminate	19

7.7	City Right to Terminate	19
7.8	Waiver of Conditions.....	19
8.	AFFORDABILITY COVENANTS	19
9.	PHYSICAL CONDITION OF PROPERTY	20
9.1	Hazardous Materials Remediation	20
9.2	Hazardous Materials Indemnity.....	20
10.	CITY FINANCING	21
10.1	City Land Loan	21
10.2	Reserved	22
10.3	CDBG Loan	22
10.4	Affordable Housing Regulatory Agreement.....	22
10.5	General Terms and Conditions.	22
11.	CERTIFICATE OF COMPLETION	23
12.	INTENTIONALLY DELETED.....	24
13.	INDEMNIFICATION AND INSURANCE	24
13.1	Nonliability of City	24
13.2	Indemnity	24
13.3	Insurance.....	25
13.4	Reimbursement of City	27
14.	DEFAULTS AND REMEDIES	27
14.1	Event of Default	27
14.2	No Waiver.....	27
14.3	Rights and Remedies are Cumulative.....	27
15.	NOTICES	28
16.	LIMITATIONS ON TRANSFERS AND ASSIGNMENT OF THIS AGREEMENT	28
16.1	Transfer and Assignment.....	28

16.2	Security Financing; Rights of Holders	29
17.	ADMINISTRATION.....	29
18.	MISCELLANEOUS.....	30
18.1	Counterparts.....	30
18.2	Prior Agreements; Amendments; Consents	30
18.3	Governing Law; Venue	30
18.4	Severability of Provisions.....	30
18.5	Headings	30
18.6	Time of the Essence	30
18.7	Conflict of Interest.....	30
18.8	Warranty Against Payment of Consideration.....	30
18.9	Nonliability of City Officials and Employees	31
18.10	Submission of Documents and Other Matters for Approval.....	31
18.11	Force Majeure	31
18.12	Inspection of Books and Records	31
18.13	Ownership of Data	31

LIST OF ATTACHMENTS

ATTACHMENT NO. 1	LEGAL DESCRIPTION OF THE PROPERTY
ATTACHMENT NO. 2	SCHEDULE OF PERFORMANCE
ATTACHMENT NO. 3	SCOPE OF DEVELOPMENT
ATTACHMENT NO. 4	CITY LAND LOAN PROMISSORY NOTE FORM
ATTACHMENT NO. 5	CITY LAND LOAN DEED OF TRUST FORM
ATTACHMENT NO. 6	RESERVED
ATTACHMENT NO. 7	RESERVED
ATTACHMENT NO. 8	CDBG LOAN PROMISSORY NOTE FORM
ATTACHMENT NO. 9	CDBG LOAN DEED OF TRUST FORM
ATTACHMENT NO. 10	CITY AFFORDABLE HOUSING REGULATORY AGREEMENT FORM
ATTACHMENT NO. 11	GRANT DEED

**DISPOSITION AND DEVELOPMENT AGREEMENT
BIFURCATED FOR 9% FEDERAL TAX CREDITS**

THIS DISPOSITION AND DEVELOPMENT AGREEMENT (the "Agreement") dated, for identification purposes only, as of _____, 2019 (the "Effective Date") is made and entered into by and between the CITY OF ROSEVILLE, a municipal corporation ("City" or "the City"), and ROSEVILLE APARTMENTS, L.P., a California limited partnership ("Developer" or "the Developer"), with reference to the following:

RECITALS

A. WHEREAS, the principal of the general partner of Developer is an experienced owner and developer of affordable housing for low, very low, and extremely low income households; and

B. WHEREAS, the City, as Housing Successor to the former Redevelopment Agency of the City of Roseville, currently owns that certain real property as more particularly described in the Legal Description of the Master Site attached hereto as Attachment No. 1 A (the "Master Site") and incorporated herein by this reference. The Master Site was purchased by the former Roseville Redevelopment Agency with housing funds for the development of affordable housing; and

C. WHEREAS, in 2010, the City issued a request for proposals for the development of the Master Site and selected a response from USA Properties. This proposal was pursued for some time and ultimately deemed infeasible; and

D. WHEREAS, on January 18, 2017, the City and Meta Housing Corporation, which owns and controls Developer and Main Street Plaza, LLC, entered into an Exclusive Right to Negotiate Agreement in order to continue further discussions about the Master Site and the Developer's planned development; and

E. WHEREAS, on February 15, 2017, the City and Main Street Plaza, LLC entered into a Disposition and Development Agreement ("Original Agreement") outlining the terms and conditions related to the City's conveyance of the Master Site to Main Street Plaza, LLC, and the City's financial commitments to the project described therein; and

F. WHEREAS, on March 15, 2017, the City and Main Street Plaza, LLC entered into an Amended and Restated Disposition and Development Agreement and a Second Amended and Restated Disposition Agreement, dated December 20, 2017 as further amendment that certain First Amendment thereto dated June 20, 2018 (collectively, "Amended Agreement"); and

G. WHEREAS, to enhance the financial feasibility of the Project described in the Amended Agreement, the parties now desire to bifurcate the "Project" as described in the Amended Agreement into a 44-unit tax exempt bond financed project to be developed on a portion of the Master Site described in a Disposition and Development Agreement executed by the City and Main Street Plaza, LLC concurrently herewith (the "4% DDA"), and 21 unit 9% federal tax credit financed project to be developed by Developer on a portion of the Master Site as more particularly described in the Legal Description of the Site attached hereto as Attachment No. 1B (the "Site") pursuant to the terms of this Agreement; and

H. WHEREAS, the City finds development of the Site in conjunction with the Adjacent Parcel to be highly beneficial to the Site's development and the overall public benefit; and

I. WHEREAS, the parties desire to amend and restate the Amended Agreement in its entirety on the terms and conditions set forth in this Agreement and this Agreement contains the terms and conditions negotiated and agreed to by the Parties, whereby the City plans to convey to the Developer, and the Developer will accept conveyance of the Site, for development of an affordable housing project on the Site and the adjacent parcel located at 130-134 Main Street (the "Adjacent Parcel") with no fewer than 21 units and the associated parking spaces, as described in the Scope of Development (the "Project") pursuant to the terms and conditions set forth in this Agreement ; and

J. WHEREAS, the City consents to the assignment of all rights and obligations of Main Street Plaza, LLC as stated in the Amended Agreement to Developer, insofar as those rights and obligations pertain to the Site.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and conditions herein contained, City and Developer hereto agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Defined Terms

As used in this Agreement (including in the Recitals above), capitalized terms are defined where first used or as set forth in this Section 1.1. Capitalized terms used in an attachment attached hereto and not defined therein shall also have the meanings set forth in this Section 1.1.

"Adjacent Parcel" has the meaning set forth in Recital I of this Agreement.

"Affordable Housing Regulatory Agreement" has the meaning set forth in Section 10.4.

"Building Permit" means all permits issued by the City of Roseville and required for commencement of construction of the Improvements.

"CDBG Loan" means the predevelopment and permanent loan made by the City to the Developer pursuant to Section 10.3 from the proceeds of funds made available under Title I of the Housing and Community Development Act of 1974, as amended, in the amount of Seven Hundred Ninety-Three Thousand Five Hundred Three Dollars (\$793,503). This amount may be increased, without amendment to this Agreement, by City Council action to disburse additional CDBG funding.

"CDBG Note" means the CDBG Note attached hereto as Attachment No. 8.

"CDBG Deed of Trust" means the CDBG Deed of Trust attached hereto as Attachment No. 9.

"Certificate of Completion" has the meaning set forth in Section 11.

"City" has the meaning set forth in the opening paragraph of this Agreement.

"City Land Loan" means the loan in the amount of the purchase price to be made to Developer by City pursuant to Section 10.1.

"City Land Note" means the City Land Note attached hereto as Attachment No. 4.

"City Land Deed of Trust" means the City Land Deed of Trust attached hereto as Attachment No. 5.

"City Manager" means the City Manager for the City of Roseville, California, and his or her designee.

"Construction Lender" means the first trust deed lender that provides construction financing for the Project.

"Construction Loan" means the construction loan for the Project.

"Construction Loan Closing" means the date of recordation of the Loan Documents in the Official Records.

"Consumer Price Index" means United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for Urban Wage Earners and Clerical Workers, Subgroup "All Items," for the San Francisco-Oakland-San Jose area, 1982-84 = 100, or successor or equivalent index in case such index is no longer published.

"County" means the County of Placer, California.

"Developer" has the meaning set forth in the opening paragraph of this Agreement.

"Developer Title Policy" has the meaning set forth in Section 7.3.

"Economic Development Director" means the Economic Development Director for the City of Roseville, California.

"Environmental Law" means any federal, state or local law, statute, ordinance or regulation pertaining to health, industrial hygiene or the environmental conditions on, under or about the premises, including, without limitation, (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. Sections 9601 et seq.; (ii) the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. Sections 6901 et seq.; (iii) California Health and Safety Code Sections 25100 et seq.; (iv) the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code Section 25249.5 et seq.; (v) California Health and Safety Code Section 25359.7; (vi) California Health and Safety Code Section 25915; (vii) the Federal Water Pollution Control Act, 33 U.S.C. Sections 1317 et seq.; (viii) California Water Code Section 1300 et seq.; and (ix) California Civil Code Section 3479 et seq., as such laws are amended and the regulations and administrative codes applicable thereto.

"Escrow" means the escrow through which the Construction Loan Closing is conducted and through which the Lender's Title Policy and the Developer's Title Policy are obtained.

"Escrow Holder" means the firm that holds the Escrow.

"Event of Default" has the meaning set forth in Section 14.1.

"Federal Tax Credits" has the meaning set forth in Section 6.1(a).

"Final Project Budget" has the meaning set forth in Section 6.2.

"Final Construction Documents" means plans, drawings and specifications in sufficient detail to support issuance of a Building Permit for the Project.

"Grant Deed" means the grant deed for the conveyance of the Site from the City to Developer, in the form of Attachment No. 11 attached hereto which is incorporated herein.

"Hazardous Materials" includes, without limitation, any material or substance which is (i) defined or listed as a "hazardous waste", "extremely hazardous waste", "restrictive hazardous waste" or "hazardous substance" or considered a waste, condition of pollution or nuisance under the Environmental Laws; (ii) petroleum or a petroleum product or fraction thereof; (iii) asbestos; and/or (iv) substances known by the State of California to cause cancer and/or reproductive toxicity. Hazardous Materials expressly exclude substances typically used in the construction, development, operation and maintenance of an apartment complex provided such substances are used in accordance with all applicable laws.

"Improvements" means the improvements to be made to the Site substantially in accordance with this Agreement, including, without limitation, substantially in accordance with the Scope of Development and the Final Construction Documents.

"Indemnitees" means the City and its officers, employees, representatives, agents, and volunteers.

"Issuance of the Developer Title Policy" has the meaning set forth in Section 7.3.

"Lender's Title Policy" has the meaning set forth in Section 7.4(g).

"Management Agreement" has the meaning set forth in Section 7.4(j).

"Notes" means the City Housing Note, City Land Note, and CDBG Note as defined in Section 10.

"Notices" has the meaning set forth in Section 15.

"Official Records" means the Official Records of the County.

"Permanent Lender" means the lending institution that makes the Permanent Loan and its successors and assigns.

"Permanent Loan" means the long-term loan made by the Permanent Lender to Developer in order to take out the Construction Loan.

"Project" has the meaning set forth in Recital I above.

"Project Architect" means the lead architect for the Project.

"Project Budget" means the final budget approved by Developer.

“Project Costs” means all costs of any nature incurred in connection with development of the Project.

“Project Documents” means, collectively, this Agreement, and any other agreement, document or instrument that the Developer and City enter into pursuant to this Agreement or in order to effectuate the purposes of this Agreement.

“Project Financing” has the meaning set forth in Section 6.1.

“Schedule of Performance” means the Schedule of Performance attached hereto as Attachment No. 2.

“Scope of Development” means the Scope of Development attached hereto as Attachment No. 3.

“Site” means that certain real property described in Attachment No. 1.

“Site Plan Approval” has the meaning set forth in Section 4.2.

“Syndication” has the meaning set forth in Section 6.1(a).

“Title Company” means First American Title Company or such other title insurance company agreed to by Developer and the City.

1.2 Singular and Plural Terms

Any defined term used in the plural in this Agreement shall refer to all members of the relevant class and any defined term used in the singular shall refer to any number of the members of the relevant class.

1.3 Accounting Principles

Any accounting term used and not specifically defined in this Agreement shall be construed in conformity with, and all financial data required to be submitted under this Agreement shall be prepared in conformity with, generally accepted accounting principles applied on a consistent basis or in accordance with such other principles or methods as are reasonably acceptable to the City.

1.4 References and Other Terms

References herein to Articles, Sections and Attachments shall be construed as references to this Agreement unless a different document is named. References to subparagraphs shall be construed as references to the same Section in which the reference appears. The terms “including” and “include” mean “including (include) without limitation”.

1.5 Attachments Incorporated

All attachments to this Agreement, as now existing and as the same may from time to time be modified, are incorporated herein by this reference.

2. SUBJECT OF THE AGREEMENT

2.1 Purpose of the Agreement

The provision of affordable housing is in the interest of the City and the general public. The purpose of this Agreement is to assist in the construction of affordable housing to benefit the community of Roseville. This Agreement and the attachments hereto are intended to effectuate the purpose of providing affordable housing to the residents of the City of Roseville ("City").

2.2 The Project

For purposes of this Agreement, the Project, as more particularly described in the Scope of Development in Attachment No. 3, will consist of the construction of a residential housing project consisting of no fewer than 21 residential units, one of which may be a manager's unit and the rest of which shall be rented to qualified lower income persons and families for the longest feasible time but no less than fifty-five (55) years from the date of recordation of the Certificate of Completion.

2.3 The Site

The Site is located within the boundaries of the City of Roseville and is owned by the City. The parties hereto acknowledge that Placer Street is a public right of way that bisects the Site and the Adjoining Parcel and that in order to construct the Project, the City will need to relinquish its rights (excluding public utility easements) in and to the strip of land lying between the Site and the Adjacent Parcel commonly known as Placer Street. The City hereby agrees to effectuate the foregoing through a vacation or extinguishment of its rights (excluding public utility easements) prior to the Closing.

2.4 Parties to the Agreement

(a) City. City is the City of Roseville and any successor to its rights, powers and responsibilities. The principal offices of the City are located at 311 Vernon Street, Roseville, CA 95678.

(b) Developer. Developer is Roseville Apartments, L.P., a California limited partnership. The principal offices of the Developer are located at 11150 West Olympic Blvd Suite 620 Los Angeles, CA 90064.

3. SCHEDULE OF PERFORMANCE

A Schedule of Performance for the Project is attached hereto as Attachment No. 2 and incorporated herein by this reference. Subject to force majeure delays, the Schedule of Performance sets forth the times by which the parties are to perform certain obligations under this Agreement. The Schedule of Performance may be modified from time to time by written agreement of Developer and City.

4. DUE DILIGENCE; LAND USE REQUIREMENT

4.1 Due Diligence Period; Permission to Enter Site

City shall permit Developer and Developer's representatives and agents to enter onto the Site commencing on the Effective Date and continuing for a period of ninety (90) calendar days thereafter ("Due Diligence Period") for the purpose of enabling Developer to examine, inspect, and investigate the physical and environmental condition of the Site, including any foundations, soil, subsurface soils, drainage, seismic, and other geological and topographical matters, location of asbestos, toxic substances, Hazardous Materials, if any, and, at Developer's sole and absolute discretion, to enable Developer to determine whether the Site is acceptable to Developer and suitable for Developer's intended use. Developer and Developer's representatives and agents shall also be entitled to enter onto the Site to conduct additional examinations and investigations at any time after expiration of the Due Diligence Period and through the Closing.

(i) As a condition to Developer's entry onto the Site prior to the Closing, whether before or after the expiration of the Due Diligence Period, Developer shall, without any representation or warranty, provide to City a copy of all reports, studies, and test results prepared by Developer's consultants. Developer shall notify City, in writing, at least twenty-four (24) hours prior to any entry by Developer or Developer's representatives on the Site. City shall have the right, but not the obligation, to accompany the Developer during such investigations. As an additional condition of such entry, Developer shall (i) conduct all work or studies in a diligent, expeditious, and safe manner and not allow any dangerous or hazardous conditions to occur on the Site during or after the investigation, (ii) obtain any required governmental permits and comply with all applicable laws and governmental regulations; (iii) keep the Site free and clear of all materialmen's liens, lis pendens, and other liens or notices arising out of the entry and work performed under this paragraph; (iv) maintain or assure maintenance of workers' compensation insurance (or state approved self-insurance) for all persons entering the Site in the amounts required by the State of California; and (v) provide to City prior to initial entry a certificate of insurance evidencing that Developer and/or the persons entering the Site have procured and have in effect commercial general liability insurance with a combined single limit of liability not less than two million dollars (\$2,000,000.00). City shall be named as an additional insured upon such insurance. Such coverage shall provide that the policy shall not be cancelled, modified or allowed to lapse without the insurer providing to City thirty (30) calendar days' prior written notice. Developer shall provide the certificate of such insurance with the attached endorsement prior to, and as a condition of, any entry.

Additionally, Developer shall, in a timely manner, repair any and all damage to the Site caused by such inspections or investigations and shall indemnify, defend, and hold harmless Indemnitees from and against any claims, liabilities, and losses arising from the entries of Developer and its representatives and agents on the Site pursuant to this Section 4.1.

Notwithstanding Developer's right to enter the Site after expiration of the Due Diligence Period pursuant to the second sentence in the first paragraph of this Section 4.1, Developer shall notify City in writing on or before the expiration of the Due Diligence Period of Developer's approval or disapproval of the physical and environmental condition of the Site and Developer's investigations with respect thereto. Developer's disapproval shall constitute Developer's election to terminate this Agreement and cancel the Escrow and the parties shall have no further liability hereunder. Developer's failure to deliver notice to City on or before the expiration of the Due

Diligence Period shall be conclusively deemed Developer's approval thereof and Developer shall be deemed to have waived its termination/cancellation right set forth in this Section 4.1.

4.2 Developer Obligations

The Developer shall make commercially reasonable efforts to secure, by the time provided in the Schedule of Performance and under applicable laws, regulations and ordinances, the site plan and design review approval (collectively, the "Site Plan Approval").

4.3 Land Use Entitlements

Subject to the terms of Section 4.1 hereof, the City will provide all required assistance and cooperation to the Developer in connection with Developer obtaining all required land use entitlement applications, including but not limited to, General Plan Amendment, Zoning Code Amendment, Conditional Use Permit, California Environmental Quality Act approval, or any and all permits and fees required by the City, County, and other governmental agencies with jurisdiction over the Improvements. All related costs associated with any land use entitlements required under this Agreement shall be at the sole cost of Developer and execution of this Agreement does not constitute the granting of or a commitment to obtain any required land use permits, entitlements, or approvals required by the City.

4.4 Developer Right to Terminate

At any time prior to Construction Loan Closing, the Developer may terminate this Agreement by giving thirty (30) calendar days' notice to City if the Developer is unable, by the time provided in the Schedule of Performance, to secure the Site Plan Approval.

5. DEVELOPMENT OF THE PROPERTY

5.1 Scope of Development

5.1.1 Developer shall perform the tasks set forth on the Schedule of Performance by the deadlines set forth in the Schedule of Performance, subject to force majeure delays as described in Section 18.11 below.

5.1.2 Without limiting the foregoing, Developer shall complete the Improvements in accordance with the Scope of Development, the Plans and Specifications, and the Schedule of Performance. Subject to force majeure delays as provided in Section 18.11 below, construction of the Improvements shall commence no later than the date specified therefor in the Schedule of Performance and be diligently prosecuted to completion, and the Developer shall otherwise comply with all deadlines and tasks in the Schedule of Performance.

5.1.3 The Developer shall also comply with any and all applicable federal, state and local laws, rules and regulations, and any applicable mitigation measures adopted pursuant to the California Environmental Quality Act.

5.2 City's Right to Review Plans and Specifications

This Agreement is both a real property purchase and sale document and financing document of the City, and is not a land use or planning document. Approval of the Project under this Agreement by the City is not and shall not be considered an approval of land use entitlements or structural design of the Project, or the aesthetic design of the Project except as an approval by the City of the Project design "concept" as presented in this Agreement. Developer shall comply with all applicable land use, planning and design laws, rules and regulations of each governmental agency acting in proper exercise of their respective jurisdictions, including without limitation, departments, staff, boards and commissions of the City. The City shall have the right, but not the obligation, to review the plans to assure their conformity with the provisions of this Agreement and approvals given under this Agreement, and to assure that any City funds which may be obligated under this Agreement are used as intended by the City. City's right of review includes, without limitation, the right to review architectural and engineering plans and specifications, off-site plans and specifications, and landscaping designs and specifications. City's approval of plans is not an assurance of their adequacy or correctness.

In connection with design of the Improvements, the Developer shall submit basic concept drawings, preliminary plans, landscaping plans, and final plans and specifications to the City for the City's review and approval, which review and approval shall not be unreasonably delayed or withheld, provided, however, that if City has not responded within thirty (30) calendar days after submission to the City, City shall be deemed to have approved the item submitted. Final plans and specifications shall consist of the set of construction documents from which the Improvements will be constructed. The Developer shall construct the Improvements in substantial compliance with the plans and specifications approved by the City. This section shall not apply to the review and approval of concept drawings, preliminary plans, landscaping plans, and final plans and specifications required as part of the City's entitlement and building permit process.

5.3 Approval of Plans

The City shall reasonably approve or disapprove such plans, drawings, and related documents referred to in Section 5.2 in a reasonably timely fashion but in no event, longer than thirty (30) calendar days after the Developer submits such plans, drawings and related documents referred to in Section 5.2. In the event the City fails to approve or disapprove such plans, drawings and related documents within thirty (30) calendar days after submittal by the Developer, the plans, drawings and related documents shall be deemed approved by the City. Any disapproval shall state in writing the reasons for disapproval. The Developer, upon receipt of a notice of disapproval, shall revise such portion of the plans, drawings or related documents in a manner that satisfies the reasons for disapproval and shall resubmit such revised portions to the City as soon as possible after receipt of the notice of disapproval. The City shall approve or disapprove such revised portions in the same manner as provided in this Agreement for approval or disapproval of plans, drawings, and related documents initially submitted to the City, which approval or disapproval shall be provided within a reasonable time taking into consideration the scope and detail of the plans, drawings and documents submitted. All approvals or disapprovals to be made by the City pursuant to this Section 5 may be made by the Economic Development Director of the City or the Economic Development Director's designated staff members. Notwithstanding the above, City approval hereunder shall only pertain to the approval of the design and concept. All final building permit and public safety approvals shall be approved by the applicable building and safety departments of the City. This section shall not apply to the review

and approval of plans, drawings, and related documents required as part of the City's entitlement and building permit process.

5.4 Changes in Construction Drawings

If the Developer desires to make any changes in the construction drawings and related documents after their approval by the City, the Developer shall submit the proposed changes to the Economic Development Director for his/her reasonable approval. The City shall approve or disapprove such changes in the same manner as provided in Section 5.3 for approval or disapproval of plans, drawings, and related documents initially submitted to the City, which approval or disapproval shall be provided within a reasonable time taking into consideration the scope and detail of the plans, drawings and documents submitted, provided, however, that if the Economic Development Director has not responded within thirty (30) calendar days after submission to the Economic Development Director, the Economic Development Director shall be deemed to have approved the item submitted. The Developer shall revise any disapproved portions and resubmit them to the Economic Development Director as provided in Section 5.3. This section shall not apply to the review and approval of construction drawings and related documents required as part of the City's entitlement and building permit process.

5.5 Construction Contract

Consistent with the date(s) set forth in the Schedule of Performance, the Developer shall provide to the City a copy of the fully executed construction contract or contracts as may be applicable (the "Construction Contract(s)"), which Construction Contract(s) shall obligate a reputable and financially responsible general contractor (the "General Contractor"), licensed in California and experienced in completing the type of improvements contemplated by this Agreement, to commence and complete the construction of the Improvements in accordance with this Agreement, and all applicable laws. Such Construction Contract(s) shall set forth a stipulated sum based on the City-approved plans and specifications. The City shall also have the right to confirm that the Construction Contract(s) will conform to the Project Budget.

5.6 Local, State and Federal Laws

The Developer shall carry out the construction of the Improvements in conformity with all applicable laws, including all applicable federal, state and local occupation, safety and health laws, rules, regulations and standards. Developer agrees to indemnify, defend and hold Indemnitees harmless from and against any cost, expense, claim, charge or liability relating to or arising directly or indirectly from any breach by or failure of Developer or its contractor(s) or agents to comply with such laws, rules or regulations, including but not limited to, the failure to pay prevailing wages if required by law.

5.7 Nondiscrimination During Construction

The Developer, for itself and its successors and assigns, agrees that it shall not discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status in the construction of the Improvements. The Developer

shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to the categories stated in this section. Such affirmative action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Developer agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

Additionally, Developer will, in all solicitations or advertisements for employees placed by or on behalf of the Developer, state that all qualified applicants will receive consideration for employment without regard to the categories stated in this section.

5.8 Entitlements

The City will provide its assistance and cooperation to the Developer in connection with any entitlement applications for the Project.

5.9 Defects in Plans

The City shall not be responsible either to the Developer or to third parties in any way for any defects in the design review set forth herein, nor for any structural or other defects in any work done according to the approved designs, construction drawings, or plans set for which City approval is required under this Agreement, nor for any delays reasonably caused by the review and approval process established by this Section 5. Developer agrees to indemnify, defend and hold Indemnitees harmless from and against any cost, expense, claim, charge or liability relating to or arising directly or indirectly from any defects in any work done according to the approved designs, construction drawings, or plan sets, or from delays caused by the review and approval process.

5.10 Marketing Plan

Prior to the conveyance of the Site and the closing of the Construction Loan, Developer shall submit a marketing plan to the City for its approval. The Marketing Plan shall include, but not be limited to, Developer's marketing plan describing in reasonable detail the following: (i) how the affordable units shall be marketed and advertised to City residents, business owners, and the public and (ii) how the waiting list will be compiled and formed, if applicable. The Marketing Plan shall include reasonable measures for marketing to existing City residents, relatives of residents, business owners within the City, and individuals employed within the jurisdictional boundaries of the City of Roseville. Additional outreach may be required by City based on special needs populations and other population demographics aimed to be served by the Project.

5.11 Performance and Payment Bonds

As a condition precedent to beginning construction of the Project, the Developer shall provide the City with a performance bond obtained by Developer or contractor in favor of the Developer as a named obligee, and a payment bond securing payment of all labor and material suppliers and subcontractors for the work as stated in the construction contract for the Project.

The bonds shall be written with a surety admitted in the State of California. The bonds shall be in an amount equal to the project budget, subject to project cost increases, and in a form approved by the Roseville City Attorney.

5.12 Public Safety Protections

Developer shall assure that all necessary steps are taken (including the erection of fences, barricades and warning devices) to protect private contractors and their employees and the public from the risk of injury arising out of the condition of the Site or Developer's activities in connection with the Site, including without limitation, fire, or the failure, collapse or deterioration of any improvements or buildings.

5.13 City Access to the Site

Developer shall, with twenty-four (24) hours prior notice, permit City representatives access, without charge, to the entire Site at any time and for any purpose which City reasonably considers necessary to carry out its obligations and protect its interests under this Agreement. Purposes for City entry may include, without limitation, inspection of all work being performed in connection with the construction of the Project.

5.14 Project Sign

If Developer places a sign on the Site during construction stating the names of the Project participants, it shall also name "the City of Roseville" as a participant in the Project. The City name on the sign shall be in letters not less than the size of letters used to name any of the other participants.

5.15 Notification of General Contractors, Architects and Engineers

Developer shall assure notification of the Project contractors, architects and engineers for the Project of the requirements of this Agreement. Where applicable, Developer shall include the provisions of this Agreement in construction contracts, subcontracts, materials and supplies contracts and services and consulting contracts for the Project, and Developer shall undertake the enforcement of such provisions.

5.16 Prevailing Wages

Developer shall comply with all applicable prevailing wage laws with regard to any improvements to the Site and shall indemnify City for violations of applicable prevailing wage laws.

5.17 DIR Registration

Pursuant to Labor Code Section 1771.1(b), notice is hereby given that a contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contractor for public work, as defined in Labor Code Sections 1720, et seq., unless currently registered and qualified to perform public work pursuant to Labor Code Section 1725.5. It is not a violation of Labor Code Section 1771.1 for an unregistered contractor to submit a bid that is

authorized by Section 7029.1 of the Business and Professions Code or by Section 10164 or 20103.5 of the Public Contract Code, provided the contractor is registered to perform public work pursuant to Section 1725.5.

5.18 Relocation

If and to the extent acquisition or disposition of the Site or the Adjacent Parcel or any aspect of development or operation of the Project results in the permanent or temporary displacement of any occupants of the Site or Adjacent Parcel, the following shall apply: (a) Developer shall comply with all applicable local, state and federal statutes and regulations with respect to relocation planning, advisory assistance and payment of monetary benefits (collectively referred to as the "Relocation Laws"); and (b) Developer shall be solely responsible for payment of any relocation benefits (if any) to any displaced persons and any other obligations (if any) associated with complying with the Relocation Laws. Developer also hereby agrees to indemnify, defend and hold the Indemnitees harmless from any and against any and all claims and liabilities arising directly or indirectly as a result of or in connection with the breach of Developer's obligations set forth in this Section 5.18.

6. **FINANCING FOR THE PROJECT**

6.1 Financing Plan

It is contemplated that Developer will finance the Project through a combination of:

(a) Developer equity, consisting of equity raised by the syndication of limited partnership interests in the Developer to reputable investors (the "Syndication") wishing to acquire federal low-income housing tax credits obtained pursuant to 26 U.S.C. § 42 (the "Federal Tax Credits");

(b) the Construction Loan and, following repayment of the Construction Loan, the Permanent Loan; and

(c) the City Land Loan; and

(d) the CDBG Loan

(collectively, the "Project Financing").

6.2 Final Project Budget

Prior to the Construction Loan Closing, the Developer and the third-party lenders and/or investors providing the Project Financing shall agree on the final Project Budget (the "Final Project Budget").

6.3 Financing Commitments

The Developer shall use commercially reasonable efforts to obtain financing for the Project, including, without limitation, (a) a commitment for the Construction Loan, (b) a commitment for the Permanent Loan, and (c) a reservation for the Federal and State Tax

Credits (collectively, the "Project Financing"). The City agrees to allow the Developer six (6) successive rounds to apply for nine percent (9%) Federal Tax Credits from the California Tax Credit Allocation Committee ("TCAC"). In the event that Developer has not received an allocation of Federal Tax Credits after six (6) successive rounds of TCAC applications, the City will allow the Developer to pursue a bond allocation from the California Debt Limit Allocation Committee ("CDLAC").

6.4 Developer Right to Terminate

At any time prior to the Construction Loan Closing, the Developer may terminate this Agreement by giving thirty (30) calendar days' notice to City if the Developer has been unable to obtain all or any portion of the Project Financing after the final round for the award of Federal Tax Credits in calendar year 2019.

7. **CONVEYANCE OF PROPERTY**

7.1 Purchase and Sale of Site

The City agrees to sell and convey to the Developer, and the Developer agrees to purchase and acquire from City, not later than the Construction Loan Closing, the Site for a purchase price of Three Hundred Sixty-Six Thousand Seven Hundred Ninety-Three Dollars (\$366,793) (the "Purchase Price"). The Purchase Price may be increased by mutual agreement of the parties without amendment to this Agreement.

7.2 Escrow

Within three (3) calendar days of the opening of the Construction Loan Escrow, the parties to this Agreement shall deposit this Agreement into Escrow for the purpose of conveying the Site from the City to Developer.

7.2.1 Costs of Escrow

The Developer shall pay the premiums for the Lender's Title Policy, the Developer's Owner Title Policy. The City shall pay documentary transfer tax, if any, due with respect to the conveyance of the Site. Developer agrees to pay all fees, charges, and costs which arise from Escrow.

7.2.2 Escrow Instructions

This Agreement constitutes the joint escrow instructions of Developer and City, and the escrow agent to whom these instructions are delivered is hereby empowered to act under this Agreement. The parties hereto agree to do all acts reasonably necessary to close Escrow in the shortest possible time. All funds received in the Escrow shall be deposited with other escrow funds and may be transferred to any other such escrow trust account in any State or National Bank doing business in the State of California. All disbursements shall be made by check from such account.

If in the opinion of either party it is necessary or convenient in order to accomplish the Closing, such party may require that the parties sign supplemental escrow instructions; provided that if there is any inconsistency between this Agreement and the supplemental escrow instructions, then the provisions of this Agreement shall control. The parties agree to execute such other and further documents as may be reasonably necessary, helpful or appropriate to effectuate the provisions of this Agreement. The Closing shall take place when both the City's Conditions to Conveyance of the Site and the Developer's Conditions to Acquire the Site as set forth under Section 7.4 and 7.5 have been satisfied and when all of Developer's and the Construction Loan conditions precedent to closing the Construction Loan have been satisfied.

7.2.3 Closing

This transaction shall close within thirty (30) calendar days of the parties satisfaction of all of City's and Developer's conditions precedent as set forth in Sections 7.4 and 7.5 hereof, but in no event later than December 31, 2021 (the "Outside Date"). The Closing shall occur at a location within the County of Placer at a time and place reasonably agreed on by the Parties. The "Closing" shall mean the time and day the Construction Loan documents are recorded in the Official Records.

7.3 Title Insurance

Subject to the terms and conditions of this Agreement, the City, concurrently with the Construction Loan Closing, will cause the Title Company to issue to the Developer an ALTA owner's form policy of title insurance (the "Developer Title Policy"), with liability in the amount of the total of the equity raised from the Syndication plus the principal amounts of the Permanent Loan, the City Land Loan and the CDBG Loan showing fee title to the Site vested in Developer, subject only to such liens and other exceptions as may be approved by Developer ("Issuance of the Developer Title Policy").

Subject to the terms and conditions of this Agreement, Developer, concurrently with the Construction Loan Closing, will cause the Title Company to issue to City an ALTA lender's coverage policy of title insurance to the City, with liability in the amount of the City Land Loan, and the CDBG Loan.

7.4 City's Conditions to Conveyance of the Site

The City's obligation to convey the Site to Developer shall be subject to satisfaction of the following conditions precedent:

(a) Site Plan Approval; Other Approvals

The Developer has secured and possesses the following approvals from the City: (1) Site Plan Approval, (2) approvals required pursuant to Sections 5.2 and 5.3, and (3) Marketing Plan approval pursuant to Section 5.10.

(b) Final Project Budget

The City has approved Developer's Final Project Budget and Developer's binding commitments for the Project Financing.

(c) Final Construction Documents

The City has received a full set of the Final Construction Documents for the construction of the Improvements.

(d) Organizational Documents

The City has received a copy of such portions of the organizational documents (e.g., partnership agreement, limited liability company operating agreement) of the Developer or the Developer's successor-in-interest as the City deems reasonably necessary to document the power and authority of the organization to perform its obligations under this Agreement. The Developer has also made full disclosure to the City of the names and addresses of all persons and entities that have a beneficial interest in the Developer, excluding, if the Developer is a limited partnership, the limited partners in the Developer.

(e) Building Permit

The Building Permit for the Improvements has been issued or is ready to be issued upon only payment of a sum certain.

(f) Work to Commence

The City shall be reasonably satisfied that the work of the Improvements will commence not later than thirty (30) calendar days after the Issuance of the Developer Title Policy and will thereafter be completed in a diligent manner.

(g) Title Insurance

The Title Company is prepared to issue its ALTA lender's coverage policy of title insurance to the City, with liability in the amount of the City Land Loan and the CDBG Loan (the "Lender's Title Policy").

(h) Assignment of Plans and Architect's Contract

The Developer shall conditionally assign to City the Final Construction Documents for the Improvements, which assignment shall be expressly subordinate to any concurrent or subsequent assignment by the Developer to the Construction Lender.

(i) Management Plan

The City has received from the Developer a comprehensive management plan for the Project, including a fair housing component.

(j) Management Agreement

The City has received a form of agreement between the Developer and a reputable and experienced property manager for management of the Project (the "Management Agreement"), which Management Agreement shall be consistent with this Agreement and the Affordable Housing Regulatory Agreement. The City hereby approves of the use of John Stewart Company as a reputable and experienced property manager for initial management of the Project. Developer and City agree that any property management fee paid pursuant to the Management Agreement shall not exceed six percent (6%) of the Project's "effective gross income".

(k) Documents Executed

Developer shall have duly executed the Notes, Deeds of Trust, and Affordable Housing Regulatory Agreement, and any other documents required hereunder with signatures acknowledged (as applicable) and deposited them into Escrow.

(l) Representations and Warranties

The representations of the Developer contained in this Agreement shall be correct in all material respects as of the Issuance of the Developer Title Policy.

(m) No Default

No Event of Default by the Developer shall then exist, and no event shall then exist which, with the giving of notice or the passage of time or both, would constitute an Event of Default by the Developer.

7.5 Developer's Conditions to Acquire the Site

Developer's obligation to acquire the Site from City shall be subject to satisfaction of the following conditions precedent or Developer's written waiver of such conditions precedent in its sole and absolute discretion:

(a) Developer's Approval or Disapproval of Physical and Environmental Condition of Site During Due Diligence Period.

Developer shall have approved the physical and environmental condition of the Site during the Due Diligence Period or be deemed to have so approved the physical and environmental condition of the Site, in accordance with Section 4.1.

(b) Land Use Entitlements.

Developer shall have approved or be deemed to have so approved the Land Use Entitlements for the Project, in accordance with Section 4.3.

(c) Building Permit.

Developer's receipt of a building permit from the City for the Project.

(d) Project Budget.

The City, Developer, Construction Lender, and Investor shall have approved the Project Budget.

(e) Financing.

The Developer shall have obtained commitments for the Project Financing in the form acceptable to the Developer in its sole discretion, and City shall have approved, in the exercise of its reasonable discretion, the financing for the Improvements as follows:

(i) Construction Loan. True and complete copies of the Construction Loan documents evidencing the obligation of an Institutional Lender, subject only to reasonable and customary conditions, to make the Construction Loan to Developer.

(ii) Tax Credit Financing. Documentary evidence reasonably acceptable to the City that Developer has committed, or caused to be committed, an equity investment in the Federal Tax Credits, which commitment may be subject only to reasonable and customary conditions.

(iii) Take-Out Loan Commitment. A commitment from an Institutional Lender (including, without limitation, the Construction Lender), subject only to reasonable and

customary conditions, pursuant to which said lender agrees to make a permanent loan to Developer (or to convert the Construction Loan to its permanent phase), with a term of not less than fifteen (15) years, in sum sufficient, when added to any equity investment made in connection with the Federal Tax Credits to be disbursed for such purpose, to take-out (or convert) any existing short-term financing.

(f) Condition of Title.

Developer shall have approved of the condition of title to the Site. With respect thereto, City shall, within thirty (30) calendar days after the Effective Date, cause the Title Company to provide to Developer a Preliminary Title Report, with copies of all exceptions noted therein (the "Report"). Developer also intends to obtain a survey for the Site. Developer shall have thirty (30) calendar days after receipt of the Report to notify City of Developer's approval or disapproval of any of the exceptions in the Report. If Developer objects to any exception or exceptions in the Report or anything shown on the Survey, City shall notify Developer within ten (10) calendar days after City's receipt of Developer's disapproval notice whether or not City will cause such exception(s) to be removed by the Site Closing. If City does not timely agree to cause any such exception to be removed, City shall be deemed to have declined to cause such disapproved exception(s) to be removed. If City does not timely agree or is deemed to not have agreed to cause such disapproved exception(s) to be removed, Developer shall, within ten (10) calendar days after receipt of City's notice or within ten (10) calendar days after the deadline for City's delivery of such notice, whichever first occurs, elect either to waive the exception or terminate this Agreement by written notice to City. If Developer fails to timely deliver written notice to City waiving an exception that it has previously disapproved, Developer shall be conclusively deemed to not have waived such exception and/or objection and this Agreement shall be terminated. From and after the Effective Date and continuing until the earlier of (i) the Close of the Site Escrow; and (ii) termination of this Agreement, the City shall not further encumber the Site with additional exceptions to title or matters which would be shown on a Survey without Developer's prior written consent. The condition of title approved by Developer or deemed to be approved by Developer as provided herein is referred to as the "Approved Title Condition."

(g) Title Insurance

The Title Company shall be prepared to issue its ALTA owner's form policy of title insurance, with liability in the amount of the total of the equity raised from the sale of the Federal Tax Credits plus the principal amount of the Take-Out Loan, showing fee title to the Site and title to the improvements located thereon vested in Developer in the Approved Title Condition, subject only to the liens of the Project Financing, and such other exceptions as Developer previously approved (the "Developer Title Policy").

(h) No Default

No Event of Default by City shall then exist, and no event shall then exist which, with only the giving of notice or the passage of time or both, would constitute an Event of Default by City.

(i) Documents Executed

City shall have duly executed the Grant Deed, and any other documents required hereunder with signatures acknowledged (as applicable) and deposited them into Escrow.

(j) Adjacent Parcel

Developer shall have acquired, or shall acquire concurrently with the acquisition of the Site, fee title to the Adjacent Parcel.

7.6 Developer Right to Terminate

At any time prior to the conveyance of the Site, the Developer may terminate this Agreement by giving thirty (30) calendar days' notice to the City if it has been unable, within fifteen (15) calendar days from the time provided in the Schedule of Performance, to satisfy any of the conditions set forth in Section 7.4.

7.7 City Right to Terminate

At any time prior to the Issuance of the Developer Title Policy, the City, if it is not then in material default under this Agreement, may terminate this Agreement by giving thirty (30) calendar days, notice to the Developer if, within thirty (30) calendar days from the time provided in the Schedule of Performance (as such time may be extended by the mutual agreement of the parties), the Developer has failed to satisfy any of the conditions set forth in Section 7.5. That notwithstanding, if the Developer, during said thirty (30) calendar day notice period, satisfies said conditions, then the City notice of termination shall be deemed nullified thereby.

7.8 Waiver of Conditions

The conditions set forth in Section 7.4 are for City's benefit only and the City may waive all or any part of such rights by notice to Developer and the Escrow Holder.

8. AFFORDABILITY COVENANTS

In accordance with the Affordable Housing Regulatory Agreement, one hundred percent (100%) of the dwelling units in the Project shall be rented to tenants whose incomes do not exceed sixty percent (60%) of area median income at rents affordable to such tenants for the longest feasible time but at least a period of fifty-five (55) years from the date of recordation of the Certificate of Completion. The Project will also include a significant number of units designated for tenants whose incomes do not exceed thirty percent (30%) and sixty percent (60%) of area median income. One (1) unit in the Project may be a manager's unit; provided, however, if not so used, it shall be rented to a tenant whose income does not exceed sixty percent (60%) of area median at rents affordable to such tenant. As of the date of execution of this DDA, Developer is anticipating that there will be (i) eight (8) units designated for tenants whose incomes do not exceed thirty percent (30%) of area median income, and (ii) twelve (12) units designated for tenants whose incomes do not exceed sixty percent (60%) of area median income. Notwithstanding the foregoing, the Economic Development Director shall have the authority to approve the final affordability restrictions on behalf of City.

The dwelling units shall be rented at affordable rent as defined by California Health and Safety Code Section 50053 and adjusted for each applicable income level and for family size appropriate for the unit. If the Project qualifies for Federal Tax Credits, then those rules for affordable rent rates shall apply in lieu of the requirements of the preceding sentence. For purposes hereof, "Area Median Income" shall mean the area median income for the Sacramento Metropolitan Statistical Area as published by the U.S. Department of Housing and Urban Development (HUD).

9. PHYSICAL CONDITION OF PROPERTY

9.1 Hazardous Materials Remediation

If, prior to the Construction Loan Closing, Developer discovers Hazardous Materials, then Developer, subject to the condition set forth below, shall have the right, prior to the Construction Loan Closing and provided that Developer is not then in material default under this Agreement (subject to the notice and cure provisions of Section 14.1), to terminate this Agreement by thirty (30) calendar days' written notice to City. Developer's right to terminate this Agreement shall be subject to the condition precedent that Developer first have submitted to City any and all information then available to Developer as to the nature and scope of the Hazardous Materials discovered and as to the cost estimated to remediate them, if any such cost estimate exists. Notwithstanding the foregoing, the City acknowledges and agrees that neither this Section 9.1, nor any other term, provision or condition of this Agreement obligates the Developer, as between it and City to remediate, or to incur any cost to remediate, any Hazardous Materials existing on, at, under or about the Site prior to the Construction Loan Closing, regardless of when such Hazardous Materials are discovered.

9.2 Hazardous Materials Indemnity

To the fullest extent permitted by law, Developer shall indemnify, protect, hold harmless and defend (with counsel reasonably satisfactory to City) the Indemnitees from and against any and all losses, costs, claims, expenses, damages (including, without limitation, foreseeable or unforeseeable consequential damages) and liabilities (including, without limitation, reasonable attorneys' fees and court costs) directly or indirectly arising from, related to, or as the result of the use, handling, production, transaction, disposal, presence, release or storage of any Hazardous Materials in, under or on the Site or the Project, except to the extent caused by the Indemnitees' gross negligence or willful misconduct or to the extent the Hazardous Materials first arose on at or under the Site prior to the Construction Loan Closing. This indemnity shall survive termination of this Agreement and issuance of the Certificate of Completion.

10. CITY FINANCING

10.1 City Land Loan

Subject to the terms and conditions of this Agreement, the City agrees to make a loan to the Developer in the principal amount of the Purchase Price (the "City Land Loan"), which shall be evidenced by a promissory note substantially in the form attached hereto as Attachment No. 4 (the "City Land Note") bearing interest at a simple interest rate of three percent (3%) per annum.

Repayment of the City Land Loan including all principal and accrued interest shall be made in annual payments from 8% of the Residual Cash Flow (as defined below) to the extent Residual Cash Flow is available commencing in the first year after issuance of the Certificate of Completion for the Project. The City Land Loan and any interest thereon, if applicable, shall be due in full fifty-five (55) years from the date of recordation of the Certificate of Completion (as hereinafter defined) (the "Maturity Date"). The City Land Note shall be secured by a deed of trust substantially in the form attached hereto as Attachment No. 5 (the "City Land Deed of Trust") encumbering the Developer's fee estate in the Site, which City Land Deed of Trust shall be junior and subordinate in all regards to the deeds of trust securing the Construction Loan (and, following repayment of the Construction Loan, the Permanent Loan) but senior to the deed of trust securing the CDBG Loan. Notwithstanding anything to the contrary contained herein, the City Land Loan shall be a nonrecourse obligation of the Developer. For purposes hereof, the following terms shall have the designated meanings:

(a) "Residual Cash Flow" means, for each calendar year commencing upon the funding of the Permanent Loan, Revenues less the sum of: (i) Operating Expenses, (ii) Debt Service, (iii) deposits made to any reserves established by or for the benefit of the Developer, (iv) deferred developer fees paid by the Developer, (v) partnership management and asset management fees in an aggregate amount of \$25,000 increasing 3% annually, (v) any tax credit adjuster payments, and (vi) an annual audit fee, in an amount not to exceed an aggregate amount for each calendar year that is within custom and standard of certified public accountants practicing in Placer County, California, who prepare annual audits for comparable properties; provided, however, that if such calculation results in a negative number, Residual Receipts shall be zero for that year.

(b) "Permanent Loan" means the long-term permanent loan for the Project.

(c) "Revenues" means all rental revenues of the Project in a calendar year, including without limitation, rental income and Section 8 housing assistance payments, if any.

(d) "Operating Expenses" actual, reasonable and customary (for comparable quality, newly constructed rental housing developments in Placer County) costs, fees and expenses directly incurred, paid, and attributable to the operation, maintenance and management of the Project in a calendar year, including, without limitation: Ground Lease rent, painting, cleaning, repairs, alterations, landscaping, utilities, refuse removal, certificates, permits and licenses, sewer charges, real and personal property taxes, assessments, insurance, security, advertising and promotion, janitorial services, cleaning and building supplies, purchase, repair, servicing and installation of appliances, equipment, fixtures and furnishings which are not paid from the capital replacement reserve, fees and expenses of property management and common area expenses, fees and expenses of accountants, attorneys and other professionals, the cost of social services, repayment of any completion or operating loans made to the Developer, its successors or assigns, and other actual operating costs and capital costs which are incurred and paid by the Developer, but which are not paid from reserve accounts.

(e) "Debt Service" means payments made in a calendar year pursuant to the financing obtained for the acquisition, construction, operation or ownership of the Project, but excluding payments made pursuant to the Notes.

10.2 Reserved

10.3 CDBG Loan

Subject to the terms and conditions of this Agreement, in addition to the City Land Loan, City agrees to make a loan to the Developer in the principal amount of Seven Hundred Ninety-Three Thousand Five Hundred Three Dollars (\$793,503) (the "CDBG Loan"), which shall be evidenced by a promissory note substantially in the form attached hereto as Attachment No. 8 bearing interest at a simple interest rate of three percent (3%) per annum. The CDBG Loan and any interest thereon, if applicable, shall be due in full fifty-five (55) years from the date of recordation of the Certificate of Completion. The CDBG Note shall be secured by a deed of trust substantially in the form attached hereto as Attachment No. 9 encumbering the Developer's fee estate in the Site, which CDBG Deed of Trust shall be junior and subordinate in all regards to the deeds of trust securing the City Land Loan, Construction Loan (and, following repayment of the Construction Loan, the Permanent Loan). Notwithstanding anything to the contrary contained herein, the CDBG Loan shall be a nonrecourse obligation of the Developer. Prior to maturity of the CDBG Loan, no payments shall be due with respect to the CDBG Loan unless and until the City Land Loan has been repaid in full. Upon repayment of the City Land Loan in full, Developer shall make payments on the CDBG Loan from 8% of the Residual Cash Flow.

10.4 Affordable Housing Regulatory Agreement

Concurrently with execution and delivery of the Note, the Developer shall also execute and deliver an "Affordable Housing Regulatory Agreement" setting out the Developer's obligations to develop and use the Project for affordable housing purposes, as provided under Section 8. The Affordable Housing Regulatory Agreement shall be in substantially the form attached hereto as Attachment No. 10 and incorporated herein by reference. The Affordable Housing Regulatory Agreement shall be recorded against the Site and Adjacent Parcel. The City agrees that the Affordable Housing Regulatory Agreement on the Site and Adjacent Parcel and any restrictions set forth in this Agreement shall be subordinate to any regulatory, deed of trust, or other covenants and restrictions relating to the Project Financing, in an amount reasonably approved by the City Manager, provided that such subordination conforms to the circumstances authorized by California Health and Safety Code Section 33334.14(a). Notwithstanding anything to the contrary contained herein, if the City does not agree to subordinate its Deeds of Trust and Affordable Housing Regulatory Agreement to the liens of Developer's Project Financing, Developer may terminate this Agreement.

10.5 General Terms and Conditions.

Notwithstanding anything to the contrary contained in this Section 10, in the event the Developer obtains additional residual receipt financing for the Project approved by the City, the City's percentage of Residual Cash Flow on the City Land Loan or the CDBG Loan shall be adjusted to be a fraction in which the principal amount of the financing pursuant to the applicable Note is the numerator and the sum of applicable Note plus all other residual receipts Project Financing is the denominator, multiplied by fifty percent (50%).

The Developer shall not have any direct or indirect personal liability for payment of the principal of, or interest on, the Notes or the performance of the covenants of the Developer under the Deeds of Trust. The sole recourse of the City with respect to the principal of, or interest on, the Notes and defaults by the Developer in the performance of its covenants under the Deeds of Trust shall be to the Site described in the Deeds of Trust; provided, however, that nothing contained in the foregoing limitation of liability shall (a) limit or impair the enforcement against all such security for the Notes of all the rights and remedies of the City thereunder, or (b) be deemed

in any way to impair the right of the City to assert the unpaid principal amount of the Notes as demand for money within the meaning and intendment of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto. The foregoing limitation of liability is intended to apply only to the obligation for the repayment of the principal of, and payment of interest on the Notes and the performance of the Developer's obligations under the Deeds of Trust, except as hereafter set forth. Nothing contained herein is intended to relieve the Developer of its obligation to indemnify for (i) fraud or willful misrepresentation; (ii) the failure to pay taxes, assessments or other charges which may create liens on the Site that are payable or applicable prior to any foreclosure under the Deeds of Trust (to the full extent of such taxes, assessments or other charges); (iii) the fair market value of any personal property or fixtures removed or disposed of by the Developer other than in accordance with the Deeds of Trust; and (iv) the misappropriation of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Site.

The City shall subordinate the Deeds of Trust to the lien of certain deeds of trust securing the Project Financing provided the subordination documents provide the City with reasonably adequate notice and cure rights to enable the City to avoid foreclosure of the deeds of trust securing the Project Financing.

11. CERTIFICATE OF COMPLETION

Promptly after completion of all construction and development of the Improvements in substantial conformity with the Final Construction Documents and the Scope of Development, and subject to the approval of the Roseville City Council, the City shall furnish Developer with a final Certificate of Completion. Such final Certificate of Completion shall be, and shall so state, conclusive determination of satisfactory completion of the construction and development required by this Agreement upon the Site. The Certificate of Completion shall be in such form as to permit it to be recorded in the Official Records of the County. If the City refuses or fails to furnish the applicable Certificate of Completion upon request therefor, the City shall, within fifteen (15) calendar days after such failure, provide the Developer with a written statement of the reasons the City refused or failed to furnish the Certificate of Completion. The statement shall also contain the City's opinion of the action the Developer must take to obtain the Certificate of Completion. If the reason for such refusal is confined to either (a) the immediate unavailability of specific items or materials for landscaping or (b) the need only to complete "punch list" items, the City will issue the Certificate of Completion upon the posting of a bond by Developer with the City in an amount representing the fair value of the work not yet completed. If City the fails to provide such written statement within said fifteen (15) day period, the Developer shall be deemed entitled to the Certificate of Completion.

12. INTENTIONALLY DELETED

13. INDEMNIFICATION AND INSURANCE

13.1 Nonliability of City

Developer acknowledges and agrees that:

(a) City neither undertakes nor assumes any responsibility to review, inspect, supervise, approve (other than for aesthetics) or inform Developer of any matter in connection with the Project, including matters relating to: (i) the Final Construction Drawings, (ii) architects, contractors, subcontractors and materialmen, or the workmanship of or materials used by any of them, or (iii) the progress of the Project and its conformity with the Final Construction Drawings; and Developer shall rely entirely on its own judgment with respect to such matters and acknowledge that any review, inspection, supervision, approval or information supplied to Developer by City in connection with such matters is solely for the protection of City and that neither Developer nor any third party is entitled to rely on it;

(b) Notwithstanding any other provision of this Agreement: (i) City is not a partner, joint venturer, developer, alter-ego, manager, controlling person or other business associate or participant of any kind of Developer and City does not intend to ever assume any such status; (ii) City shall not be deemed responsible for or a participant in any acts, omissions or decisions of Developer;

(c) City shall not be directly or indirectly liable or responsible for any loss or injury of any kind to any person or property resulting from any construction on, or occupancy or use of, any portion of the Site whether arising from: (i) any defect in any building, grading, landscaping or other onsite or offsite improvement; (ii) any act or omission of Developer or any of Developer's agents, employees, contractors, licensees or invitees; or (iii) any accident on any portion of the Site or any fire or other casualty or hazard thereon not caused by the Indemnitees; and

(d) By accepting or approving anything required to be performed or given to under this Agreement, including any certificate, financial statement, survey, appraisal or insurance policy, City shall not be deemed to have warranted or represented the sufficiency or legal effect of the same, and no such acceptance or approval shall constitute a warranty or representation by City to anyone.

13.2 Indemnity

Developer shall indemnify, protect, hold harmless and defend (with counsel reasonably satisfactory to City) the Indemnitees from and against any and all losses, costs, claims, expenses, damages (including, without limitation, foreseeable or unforeseeable consequential damages) and liabilities (including, without limitation, reasonable attorneys' fees and court costs) directly or indirectly arising from, related to, or as the result of (a) the death of any person, (b) damage, injury or loss to any person, (c) damage or injury to any property occurring or resulting directly or indirectly from the use, occupancy or development of the Site pursuant to this Agreement, (d) claims, expenses, reasonable attorney's fees, judgments associated with or arising out of the relocation of tenants, (e) the activities of Developer or its officers, directors, employees, agents, servants or contractors, or (f) the failure to pay prevailing wages if required by law, or from any other cause, except to the extent caused by the Indemnitees'

gross negligence or willful misconduct. This indemnity shall survive termination of this Agreement and issuance of the Certificate of Completion.

13.3 Insurance

With regard to this Agreement, the Developer shall obtain and maintain, and require the contractor and subcontractors for the Project to obtain and maintain such insurance as will protect them, respectively, from the following claims which may result from the operations of the Developer, contractor, subcontractor or anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable: (a) claims under workers' compensation benefit acts; (b) claims for damages because of bodily injury, occupational sickness or disease, or death of his employees; (c) claims for damages because of bodily injury, sickness or disease, or death of any person other than his employees; (d) claims for damages insured by usual personal injury liability coverage which are sustained (1) by any person as a result of an offense directly or indirectly related to the employment of such person by the Developer, or (2) by any other person; claims for damages, other than to the construction itself, because of injury to or destruction of tangible property, including resulting loss of use; (e) claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance or use of any motor vehicle; and (f) claims for contractual liability arising from the Developer's obligations under this Agreement.

Developer shall assure that the insurance required by this Section shall be written with a deductible of not more than One Hundred Thousand Dollars (\$100,000) or an amount approved by City, and for limits of liability which shall not be less than the following.

13.3.1 Workers' Compensation. Workers' compensation coverage shall be written for the statutory limits as required by Section 1 (commencing with Section 3700) of Chapter 4 of Part 1 of Division 4 of the California Labor Code (as it may, from time to time, be amended) and having an employer's liability of not less than \$1,000,000 per occurrence. The workers' compensation policy shall contain the insurer's waiver of subrogation in favor of the City, its officers, agents, employees, and volunteers.

13.3.2 Comprehensive General Liability. Commercial general liability coverage shall include premises-operations, independent contractor's protective, products and completed operations (for four years), broad form property damage, and contractual liability coverage with employment exclusion deleted (or such other substantially similar coverage as may be approved by Agency Counsel). Such insurance shall have limits of liability which are not less than \$2,000,000, each occurrence, for bodily injury coverage, and for products and completed operations coverage, and aggregate of \$4,000,000; and \$2,000,000 each occurrence for property damage coverage, and aggregate of \$4,000,000. The general liability policy shall contain the insurer's waiver of subrogation in favor of the City, its officers, agents, employees, and volunteers.

13.3.3 Comprehensive Automobile Liability. Comprehensive automobile liability coverage for any vehicle used for, or in connection with, the Project (owned, nonowned,

hired, leased) having limits of liability which are not less than \$1,000,000 combined single limits per accident.

13.3.4 Fire, Hazard and Extended Coverage Insurance. For the duration of this Agreement, Developer shall obtain and maintain fire and hazard insurance to the full insurable value of the Site with endorsements of extended coverage, vandalism, and malicious mischief, and with such other endorsements and in such amounts as the City may reasonably require to protect the Project. In the event of damage to the Project and subject to the requirements of any lender, Developer shall use the proceeds of such insurance to reconstruct the Project.

13.3.5 Approval of Insurer. Each policy of insurance required under this Agreement shall be obtained from a provider licensed to do business in California and having a current Best's Insurance Guide rating of AVII, or such other equivalent rating, as may reasonably be approved by City's Risk Manager. Each policy shall contain the following provisions stated below.

13.3.6 Additional Insured. During the term of construction, City and its officers, agents, employees, and volunteers shall be additional insured on all insurance policies, except the fire and hazard insurance and the worker's compensation policy, unless otherwise approved by City's Risk Manager in writing. The additional insured endorsement for the general liability policy shall be at least as broad as the Insurance Services Office ("ISO") CG 20 38 04 13 or an equivalent, blanket endorsement or section of the policy. Endorsements must include coverage for on-going and completed operations.

13.3.7 Cancellation. Each policy shall bear an endorsement precluding cancellation or termination of the policy or reduction in coverage unless the City has been given written notice of such intended action at least thirty (30) calendar days prior to its effective date.

13.3.8 Failure to Maintain. If Developer fails to obtain or maintain, or cause to be obtained and maintained, any insurance required by this Agreement, the City shall have the right to purchase the insurance on Developer's behalf, and Developer shall promptly reimburse the full cost of such insurance to the City. If Developer fails to reimburse the City for insurance, the amount of unpaid reimbursement shall bear interest, at the maximum rate permissible under the law, until paid.

13.3.9 Blanket Coverage. Developer's obligation to carry insurance as required under this section may be satisfied by coverage under a "blanket" policy or policies of insurance (as the term is customarily used in the insurance industry); provided, however, that the City shall nevertheless be named as an additional insured under such blanket policy or policies to the extent required by this section, the coverage afforded the City will not be reduced or diminished thereby, and all of the other requirements of this section with respect to such insurance shall otherwise be satisfied by such blanket policy.

13.4 Reimbursement of City

Developer shall, within fifteen (15) calendar days after written demand, reimburse City for all costs reasonably incurred by City (including the reasonable fees and expenses of attorneys, accountants, appraisers and other consultants) in connection with City enforcement of the Project Documents and all related matters, including, without limitation, the following: (a) City's commencement of, appearance in, or defense of any action or proceeding purporting to affect the rights or obligations of the parties to any Project Document; and (b) all claims, demands, causes of action, liabilities, losses, and other costs against which City is indemnified under the Project Documents. Such reimbursement obligations shall bear interest from the date occurring fifteen (15) calendar days after City makes written demand to Developer at the rate of ten percent (10%) per annum. Such reimbursement obligations shall survive termination of this Agreement and issuance of the Certificate of Completion.

14. **DEFAULTS AND REMEDIES**

14.1 Event of Default

Any of the following events or occurrences with respect to either party shall constitute a material breach of this Agreement and, after the expiration of any applicable cure period, shall constitute an "Event of Default" by such party:

(a) The failure by either party to pay any amount in full when it is due under this Agreement, if the failure has continued for a period of fifteen (15) calendar days after the party entitled to payment demands in writing that the other party cure that failure.

(b) The failure by either party to perform any other obligation under this Agreement, including, without limitation, the other Project Documents, if the failure has continued for a period of thirty (30) calendar days after demand in writing that such party cure the failure; provided, however, if such failure cannot reasonably be cured within such thirty (30) calendar day period, such party may have such longer period of time as may be reasonably necessary to cure the failure provided that cure is commenced within such thirty (30) calendar day period, and thereafter diligently prosecuted to completion.

14.2 No Waiver

Except as otherwise expressly provided in this Agreement, any failure or delay by any party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default, or of any such rights or remedies, or deprive any such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

14.3 Rights and Remedies are Cumulative

Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by any party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or any other default by another party.

15. NOTICES

All notices, consents, demands, approvals and other communications (the "Notices") that are given pursuant to this Agreement shall be in writing to the appropriate party and shall be deemed to have been fully given when delivered, including delivery by commercial delivery service, or if deposited in the United States mail, certified or registered, postage prepaid, when received or refused. All Notices shall be addressed as follows:

If to the Developer: Roseville Apartments, L.P.
 c/o Meta Housing Corporation
 11150 West Olympic Blvd.
 Los Angeles, CA 90064

If to City: City of Roseville
 Attn: Housing Division
 316 Vernon Street, Suite 150
 Roseville, CA 95678

Addresses for notice may be changed from time to time by notice to all other parties. Notwithstanding that Notices shall be deemed given when delivered, the nonreceipt of any Notice as the result of a change of address of which the sending party was not notified shall be deemed receipt of such Notice.

16. LIMITATIONS ON TRANSFERS AND ASSIGNMENT OF THIS AGREEMENT

16.1 Transfer and Assignment

Except as otherwise permitted herein, prior to completion of the Improvements, the Developer shall not (i) transfer its rights and obligations under this Agreement or (ii) sell, assign, transfer, encumber, pledge or lease the Project without the City's prior written consent, which consent may be granted or withheld at the sole and absolute discretion of the City. This prohibition shall not be deemed to prevent the (i) granting of easements or licenses to facilitate the construction of the Improvements or the development of the Site, (ii) any mortgage or deed of trust permitted by this Agreement, (iii) any residential leases to tenant entered into by the Developer in the normal course of business for improvements, (iv) recordation of any parcel map with respect to the Site, (v) transfer of limited partnership interests in Developer, (vi) assignment by Developer of its rights and obligations under this Agreement to an affiliate of Developer which is owned and controlled by Developer or to a limited partnership in which Developer acts as a general partner (as shown by evidence delivered and acceptable to City). Upon the issuance of the Certificate of Completion, subject to the prior written approval of the City, which approval shall not be unreasonably withheld or delayed, the Developer may transfer the Site and assign its interest in this Agreement to a transferee subject to the Affordable Housing Regulatory Agreement and the other Loan Documents so long as such transferee agrees in writing to assume and be bound by all of the covenants and conditions set forth in this Agreement.

16.2 Security Financing; Rights of Holders

(a) No Encumbrances Except Mortgages, Deeds of Trust, or Other Conveyance for Financing for Development.

(1) Notwithstanding Section 16.1 or any other provision herein to the contrary, mortgages, deeds of trust, sales and leaseback, or any other form of encumbrance or conveyance required for any reasonable method of construction and permanent financing are permitted but only for the purpose of securing loans of funds to be used for financing the direct and indirect costs of the Project (including reasonable and customary loan fees and costs, and other normal and customary project costs and/or tenant improvement costs), and City will subordinate its Deeds of Trust, this Agreement, and Regulatory Agreement to any such financing pursuant to a reasonable subordination agreement if required by the applicable lender. Further, to the extent necessary to make the Project financing feasible, and subject to the City's reasonable approval of the terms thereof, the City shall consent to encumber its fee interest (if applicable) in the Site in connection with Developer's financing for the Project.

(2) The words "mortgage" and "deed of trust" as used herein include all other appropriate modes of financing commonly used in construction and land development. Any reference herein to the "holder" of a mortgage or deed of trust shall be deemed also to refer to a lessor under a sale and leaseback.

(b) Noninterference with Holders.

The provisions of this Agreement do not limit the right of Holders to foreclose or otherwise enforce any mortgage, deed of trust, or other security instrument encumbering the Site and the improvements thereon, or the right of Holders to pursue any remedies for the enforcement of any pledge or lien encumbering the Site; provided, however, that in the event of a foreclosure sale under any such mortgage, deed of trust or other lien or encumbrance, or sale pursuant to any power of sale contained in any such mortgage or deed of trust, the purchaser or purchasers and their successors and assigns, and the Site, shall be, and shall continue to be, subject to all of the conditions, restrictions and covenants of this Agreement and all documents and instruments recorded pursuant hereto.

17. **ADMINISTRATION**

Following approval of this Agreement by the City, this Agreement shall be administered and executed on behalf of the City. The Economic Development Director shall have the authority to issue interpretations, waive terms and conditions, and enter into amendments to the Schedule of Performance on behalf of City provided that such actions do not substantially change the uses or development permitted on the Site or materially add to the costs of the City provided herein. However, all amendments to this Agreement require the approval of the Roseville City Council.

18. MISCELLANEOUS

18.1 Counterparts

This Agreement may be executed in counterparts, all of which, taken together, shall be deemed to be one and the same document.

18.2 Prior Agreements; Amendments; Consents

This Agreement contains the entire agreement between the City and the Developer with respect to the Site, and all prior negotiations, understandings and agreements are superseded by this Agreement. No modification of this Agreement (including waivers of rights and conditions) shall be effective unless in writing and signed by the party against whom enforcement of such modification is sought, and then only in the specific instance and for the specific purpose given.

18.3 Governing Law; Venue

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California. Assuming proper service of process, the Developer and the City waive any objection regarding personal or in rem jurisdiction and agree that venue shall be proper in the County of Placer, California.

18.4 Severability of Provisions

No provision of this Agreement that is held to be unenforceable or invalid shall affect the remaining provisions, and to this end all provisions of this Agreement are hereby declared to be severable.

18.5 Headings

Section headings are included in this Agreement for convenience of reference only and shall not be used in construing this Agreement.

18.6 Time of the Essence

Time is of the essence of this Agreement.

18.7 Conflict of Interest

No member, official or employee of the City shall have any direct or indirect interest in this Agreement, nor participate in any decision relating to this Agreement which is prohibited by law.

18.8 Warranty Against Payment of Consideration

The Developer warrants that it has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Agreement.

18.9 Nonliability of City Officials and Employees

No member, official or employee of the City shall be personally liable to the Developer, or any successor in interest, in the event of any material default or breach by the City or for any amount which may become due to the Developer or successor, or on any obligation under the terms of this Agreement.

18.10 Submission of Documents and Other Matters for Approval

Whenever this Agreement requires either party to submit plans, drawings, documents or other matters to the other party for approval, and there is no time specified herein for such approval, the submitting party may submit a letter requiring approval or rejection by the other party of the documents or matter submitted within ten (10) calendar days after submission, and unless rejected within the stated time such documents or matter shall be deemed approved. Except where such approval is expressly reserved to the sole discretion of the approving party, all approvals required hereunder by either party shall be reasonable and not unreasonably withheld or delayed. This section shall not apply to the approval of documents required as part of the City's entitlement and building permit process.

18.11 Force Majeure

In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; litigation beyond the reasonable control of a party; unusually severe weather; inability, despite best efforts, to secure necessary labor, materials or tools; delays of any contractor, subcontractor or supplier beyond the reasonable control of a party; acts of the other party; acts or the failure to act of any public or governmental entity (except that acts or the failure to act of City shall not excuse performance by City); or any other acts or causes beyond the reasonable control of the party claiming an extension of time to perform. An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) calendar days of the commencement of the cause.

Force Majeure shall serve also to extend the time by which any condition, for the benefit of either party, shall be satisfied under this Agreement.

18.12 Inspection of Books and Records

City has the right, at all reasonable times, to inspect the books and records of Developer regarding the Site as reasonably necessary to carry out its purposes of this Agreement.

18.13 Ownership of Data

If this Agreement is terminated, for any reason other than an event of default by City, prior to the completion of the Project, Developer shall deliver to City, without representation and warranty and subject to the receipt of any third party consents, originals or copies of any and all data acquired for development of the Site, including but not limited to plans, reports and studies. City shall reimburse Developer for actual and verifiable costs of such documentation. The City

shall have full ownership and rights to use such data provided, however, that the City's rights pursuant to this Section 18.13 shall be subordinate to the rights of any third-party lenders and/or investors providing the Project Financing.

[Signatures on the following page]

IN WITNESS WHEREOF, the City of Roseville, a municipal corporation, has authorized the execution of the Agreement in duplicate by its City Manager and attested to by its City Clerk under the authority of Resolution No. _____, adopted by the City of Roseville on the _____ day of _____, 2019, and DEVELOPER has caused this Agreement to be executed.

CITY OF ROSEVILLE,
a municipal corporation:

BY: _____
DOMINICK CASEY
City Manager

ATTEST:

BY: _____
SONIA OROZCO
City Clerk

APPROVED AS TO FORM:

BY: _____
ROBERT R. SCHMITT
City Attorney

APPROVED AS TO SUBSTANCE:

BY: 
LAURA MATTEOLI
Economic Development Director

**ROSEVILLE APARTMENTS, L.P.,
a California limited partnership**

**By: WCH Affordable XXXIX, LLC,
a California limited liability company,
its Managing General Partner**

By 

**Graham Espley-Jones
President**

**By: Main Street Plaza LLC,
a California limited liability company,
its Administrative General Partner**

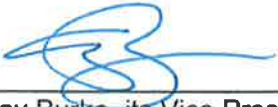
By: _____
Kasey Burke, its Vice President

**ROSEVILLE APARTMENTS, L.P.,
a California limited partnership**

**By: WCH Affordable XXXIX, LLC,
a California limited liability company,
its Managing General Partner**

By _____
Graham Espley-Jones
President

**By: Main Street Plaza LLC,
a California limited liability company,
its Administrative General Partner**

By:  _____
Kasey Burke, its Vice President

ATTACHMENT NO. 1 A

LEGAL DESCRIPTION OF MASTER SITE

Real property in the City of Roseville, County of Placer, State of California, described as follows:

TRACT ONE: (APN: 011-146-018)

LOT 1, BLOCK 2 OF AMENDED MAP OF MCRAE'S ADDITION, ACCORDING TO THE MAP THEREOF FILED AUGUST 21, 1906, IN BOOK A OF MAPS, PAGE 38, PLACER COUNTY RECORDS.

TRACT TWO: (APN: 011-146-019)

LOT 16 IN BLOCK 2 OF AMENDED MAP OF MCRAE'S ADDITION AS PER MAP FILED AUGUST 21, 1906, IN BOOK A OF MAPS, PAGE 38, PLACER COUNTY RECORDS.

TRACT THREE: (APN: 011-145-005)

PARCEL ONE:

LOTS 1 AND 2, BLOCK 3, AS SHOWN ON THAT CERTAIN MAP OF PLAT ENTITLED "AMENDED MAP OF MCRAE'S ADDITION OF THE TOWN (NOW CITY OF ROSEVILLE)" FILED IN THE OFFICE OF THE RECORDER OF PLACER COUNTY, AUGUST 21, 1906 IN BOOK A OF MAPS AT PAGE 38, PLACER COUNTY RECORDS.

PARCEL TWO:

A PORTION OF LOTS 3 AND 4 IN BLOCK 3, AS SHOWN ON THAT CERTAIN MAP OF PLAT ENTITLED "AMENDED MAP OF MCRAE'S ADDITIONS TO THE TOWN (NOW CITY) OF ROSEVILLE", FILED IN THE OFFICE OF THE RECORDER OF PLACER COUNTY, AUGUST 31, 1906 IN BOOK A OF MAPS AT PAGE 38, DESCRIBED AS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 3; THENCE WESTERLY 85.49 FEET ALONG THE NORTH LINE OF SAID LOT 3 AND 4 TO A POINT IN THE NORTH LINE OF SAID LOT 4 THAT IS DISTANT WESTERLY 35.49 FEET FROM THE NORTHEAST CORNER OF SAID LOT 4; THENCE FROM A TANGENT THAT BEARS SOUTH 20° 17' 20" EAST ALONG A CURVE TO THE LEFT, WITH A RADIUS OF 420.50 FEET, THROUGH AN ANGLE OF 11° 20' A DISTANCE OF 83.98 FEET (THE CHORD OF SAID CURVE BEARS SOUTH 25° 58' 20" EAST 83.04 FEET TO A POINT IN THE EAST LINE OF SAID LOT 4 THAT IS DISTANT NORTHERLY 65.01 FEET FROM THE SOUTHEAST CORNER OF SAID LOT 4; THENCE CONTINUING ALONG SAID CURVE TO THE LEFT WITH A RADIUS OF 420.50 FEET, FROM A TANGENT THAT BEARS SOUTH 31° 37' 20" EAST THROUGH AN ANGLE OF 7° 03' 40" A DISTANCE OF 57.43 FEET; THE CHORD OF WHICH CURVE BEARS SOUTH 35° 11' 40" EAST 57.40 FEET; THENCE SOUTH 38° 46' EAST 37.83 FEET TO A POINT IN THE SOUTH LINE OF SAID LOT 3 THAT IS DISTANT WESTERLY 3.06 FEET FROM THE SOUTHEAST CORNER OF SAID LOT 3; THENCE EASTERLY 3.06 FEET ALONG THE SOUTH LINE OF SAID LOT 3 TO THE SOUTHEAST CORNER OF SAID LOT 3; THENCE NORTHERLY 140.00 FEET ALONG THE EASTERLY LINE OF SAID LOT 3 TO THE POINT OF BEGINNING.

ATTACHMENT NO. 1B

LEGAL DESCRIPTION OF SITE

Real property in the City of Roseville, County of Placer, State of California, described as follows:

TRACT ONE: (APN: 011-146-018)

LOT 1, BLOCK 2 OF AMENDED MAP OF MCRAE'S ADDITION, ACCORDING TO THE MAP THEREOF FILED AUGUST 21, 1906, IN BOOK A OF MAPS, PAGE 38, PLACER COUNTY RECORDS.

TRACT TWO: (APN: 011-146-019)

LOT 16 IN BLOCK 2 OF AMENDED MAP OF MCRAE'S ADDITION AS PER MAP FILED AUGUST 21, 1906, IN BOOK A OF MAPS, PAGE 38, PLACER COUNTY RECORDS.

TRACT THREE: (APN: 011-145-005)

LOT 16 IN BLOCK 2 OF AMENDED MAP OF MCRAE'S ADDITION AS PER MAP FILED AUGUST 21, 1906, IN BOOK A OF MAPS, PAGE 38, PLACER COUNTY RECORDS.

ATTACHMENT NO. 2

SCHEDULE OF PERFORMANCE

Main Street Plaza Apartments

Schedule of Performance

12/7/2018

DATE	MILESTONE	RESPONSIBLE PARTY
COMPLETE	Site Control - Old Roseville Hotel	Meta Housing Corporation
COMPLETE	Land Use Entitlements Submitted	Meta Housing Corporation
COMPLETE	DDA/City Funding Approved	City of Roseville
COMPLETE	PBV/VASH NOFA Application Submitted	Meta Housing Corporation
COMPLETE	134 Main Street Site Acquisition Completed	Meta Housing Corporation
COMPLETE	MHSA Funding Commitment Approved	Placer County
COMPLETE	Land Use Entitlements Approved	City of Roseville
COMPLETE	PBV/VASH NOFA Application Approved	City of Roseville
COMPLETE	HCD VHHP Application Submitted	Meta Housing Corporation
COMPLETE	AHP Application Submitted	Meta Housing Corporation
COMPLETE	HCD VHHP Application Approved	Meta Housing Corporation
COMPLETE	AHP Application Approved	Meta Housing Corporation
COMPLETE	Land Use Entitlements Re-Submission	Meta Housing Corporation
COMPLETE	Land Use Entitlements Re-Submission Approved	City of Roseville
COMPLETE	HCD IIG Application Submitted	Meta Housing Corporation
COMPLETE	HCD HOME Application Submitted	Meta Housing Corporation
COMPLETE	HCD IIG Application Approved	Meta Housing Corporation
COMPLETE	HCD HOME Application Submitted	Meta Housing Corporation
COMPLETE	TCAC 9% Application Submitted	Meta Housing Corporation
COMPLETE	TCAC 9% Application Award	Meta Housing Corporation
COMPLETE	Building Permit Application Submitted	Meta Housing Corporation
2/15/2019	Secure Permits and Construction Plans Approval	Meta Housing Corporation
3/1/2019	Close Construction Financings, Start Construction	Meta Housing Corporation
9/1/2020	Construction Completion	Meta Housing Corporation
12/1/2020	Lease-up Completion	Meta Housing Corporation
3/1/2021	Permanent Conversion	Meta Housing Corporation

ATTACHMENT NO. 3

SCOPE OF DEVELOPMENT

The development will consist of a housing community of no fewer than 21 affordable units. The development will be located on approximately 0.575 acres of land in the City of Roseville, plus portions of the public streets and right of ways, and will be constructed in conformance with the entitlements approved by the City of Roseville. The development will consist of one building and will share a pedestrian paseo with the neighboring Main Street Plaza 4 project.

Within the development, there shall be a mix of unit types from one to three bedroom units, as approved by the City Development Services Department and Housing Division. There will be on-grade parking spaces distributed about the Site for residents and guests. The recreational amenity package shall include use of the neighboring community center, property management and supportive services offices, and laundry facilities. In addition, there will be a neighboring shared tot lot, landscaped open space, and a barbecue/picnic area.

The development is planned to target low, very low, and extremely low income families, and individuals with special needs. The final mix of project financing and resident populations will be approved by the City Housing Division.

ATTACHMENT NO. 4

CITY LAND PROMISSORY NOTE

\$366,793

_____, 201____
Roseville, California

FOR VALUE RECEIVED, _____ (the "Maker"), having an address of _____, promises to pay the **CITY OF ROSEVILLE** ("Holder"), the initial principal sum of _____, or so much of said amount which may be advanced from time to time, with simple interest at the rate of **Three Percent (3%)** per annum.

1. This Note is made pursuant to Section 10.1 of that Disposition and Development Agreement dated as of _____ (the "DDA") between Maker and Holder. All capitalized terms not otherwise defined herein shall have the meaning set forth in the DDA. Pursuant to the DDA, Maker has acquired that certain real property defined in the DDA as the "Site", and will construct on the Site a residential housing project consisting of 21 residential units (the "Units"), one of which may be a manager's unit and the rest of which shall be rented to qualified low income persons and families (the "Housing Project"), as described in the DDA and the Affordable Housing Regulatory Agreement dated concurrently herewith between Developer and Holder.

2. Payment of this Note is secured by a deed of trust having even date herewith, assignment of rents, security agreement and fixture filing (the "Deed of Trust") from Maker to Holder upon the Site.

3. All principal and any interest thereon shall be due in full on the date that is fifty-five (55) years from the date of recordation of the Certificate of Completion (as defined in the DDA). Payment shall be made in lawful money of the United States to Holder at 311 Vernon Street, Roseville, California 95678. The place of payment may be changed from time to time as the Holder may from time to time designate in writing.

All payments on this Note shall be without expense to the Holder, and the Maker agrees to pay all costs and expenses, including reconveyance fees and reasonable attorneys' fees of the Holder, incurred in connection with the payment of this Note and the release of any security hereof.

4. A default by Maker under the DDA not cured within any applicable cure period under the DDA, and a failure to pay any sum due hereunder within ten (10) business days after it is due shall constitute an event of default under this Note.

If written request is made by Maker's limited partner, Holder shall also deliver a copy of default notice to such limited partner. Any partner of Maker shall have the right to cure any default within the applicable cure periods set forth hereinabove, whether in its own capacity or on behalf of Maker, and Holder shall accept such cure as if tendered by Maker. However, failure by Holder to deliver such notice to Maker's limited partner shall not be a default under this Note or the DDA.

Upon the occurrence of any event of default, or at any time thereafter, at the option of the Holder hereof and without notice, the entire unpaid principal and interest owing on this Note shall become immediately due and payable. This option may be exercised at any time following any such event, and the acceptance of one or more installments thereafter shall not constitute a

waiver of Holder's option. Holder's failure to exercise such option shall not constitute a waiver of such option with respect to any subsequent event. Holder's failure in the exercise of any other right or remedy hereunder or under any agreement which secures the indebtedness or is related thereto shall not affect any right or remedy and no single or partial exercise of any such right or remedy shall preclude any further exercise thereof.

5. At all times when Maker is in default hereunder by reason of Maker's failure to pay principal due under this Note or any amounts due under any loan documents securing this Note, the interest rate on the sums as to which Maker is in default (including principal, if Holder has elected to declare it immediately due and payable), shall be the lower of (i) the highest rate then allowed by law or (ii) two percent (2%) over the prime interest rate announced by Wells Fargo Bank, N.A., as of the date of the default.

6. During the existence of default or delinquency under the terms of this Note or the Deed of Trust, Holder is expressly authorized to apply all payments made on this Note to the payment of all or part of the delinquency, as it may elect.

7. Maker and any endorsers hereof and all others who may become liable for all or any part of this obligation, severally waive presentment for payment, demand and protest and notice of protest, and of dishonor and nonpayment of this Note, and expressly consent to any extension of the time of payment hereof or of any installment hereof, to the release of any party liable for this obligation, and any such extension or release may be made without notice to any of said parties and without any way affecting or discharging this liability.

8. Maker agrees to pay immediately upon demand all costs and expenses of Holder including reasonable attorneys' fees, (i) if after default this Note be placed in the hands of an attorney or attorneys for collection, (ii) if after a default hereunder or under the Deed of Trust, the DDA or under any loan document referred to herein Holder finds it necessary or desirable to secure the services or advice of one or more attorneys with regard to collection of this Note against Maker, any guarantor or any other party liable therefor or to the protection of its rights under this Note, the Deed of Trust, the DDA or other loan document, or (iii) if Holder seeks to have the Site abandoned by or reclaimed from any estate in bankruptcy, or attempts to have any stay or injunction prohibiting the enforcement or collection of the Note or prohibiting the enforcement of the Deed of Trust or any other agreement evidencing or securing this Note lifted by any bankruptcy or other court.

9. If Holder shall be made a party to or shall reasonably intervene in any action or proceeding, whether in court or before any governmental agency, affecting the property or the title thereto or the interest of the Holder under the Deed of Trust, including, without limitation, any form of condemnation or eminent domain proceeding, Holder shall be reimbursed by maker immediately upon demand for all costs, charges and attorneys' fees incurred by Holder in any such case, and the same shall be secured by the Deed of Trust as a further charge and lien upon the Site.

10. Any notices provided for in this Note shall be given by mailing such notice by certified mail, return receipt requested at the address stated in this Note or at such address as either party may designate by written notice.

11. This Note shall be binding upon Maker, its successors and assigns. Except as permitted in the DDA, this Note shall not be assumable by the successors and assigns of Maker without the prior written consent of Holder.

12. This Note shall be construed in accordance with and be governed by the laws of the State of California.

13. If any provision of this Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

14. Except for misrepresentation, waste and willful misconduct, the obligation to repay this Note is a nonrecourse obligation of the Borrower.

15. Except for any misrepresentation or willful misconduct by Maker, and except as otherwise provided in the Deed of Trust, this Note is nonrecourse and neither Maker nor any member, officer, partner or employee of Maker shall have any personal liability for repayment of the sums evidenced hereby, and the Holder must resort only to the Housing Project for repayment should the Maker fail to repay the sums evidenced hereby.

16. Any extension of time for payment of this Note or any installment hereof made by agreement of Holder with any person now or hereafter liable for payment of this Note shall not operate to release, discharge, modify, change or affect the original liability of Maker under this Note, either in whole or in part.

17. The obligations of Maker under this Note shall be absolute and Maker waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reason whatsoever.

18. Maker promises to pay all costs and expenses, including reasonable attorneys' fees, incurred by Holder in the enforcement of the provisions of this Note, regardless of whether suit is filed to seek enforcement.

19. This Note may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

20. This document, together with the DDA, the Deed of Trust, and the Affordable Housing Regulatory Agreement, contains the entire agreement between the parties as to the loan. It may not be modified except upon written consent of the parties.

21. The times for the performance of any obligations hereunder shall be strictly construed, time being of the essence.

22. If any term, condition or provision of this Note is in conflict with the term, condition or provision of the DDA, the Deed of Trust, or the Affordable Housing Regulatory Agreement, said term, condition or provision of the DDA, the Deed of Trust, and the Affordable Housing Regulatory Agreement shall control to the extent of such conflict.

23. Maker may prepay this Note in full or in part at any time, without any prepayment penalty being charged by Holder.

MAKER:

By: _____

Print Name: _____

Title: _____

ATTACHMENT NO. 5

FORM OF CITY LAND LOAN DEED OF TRUST

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Roseville
311 Vernon Street
Roseville, CA 95678
Attention: City Clerk

No fee for recording pursuant to
Government Code Section 27383

**DEED OF TRUST WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT, AND
FIXTURE FILING
CITY LAND LOAN**

_____, **Roseville**

THIS DEED OF TRUST WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT,
AND FIXTURE FILING ("Deed of Trust") is made as of _____, 2019, by and among
_____ ("Trustor"), First American Title Company, a California corporation
("Trustee"), and the City of Roseville ("Beneficiary").

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein
recited and the trust herein created, the receipt of which is hereby acknowledged, Trustor
hereby irrevocably grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH
POWER OF SALE, for the benefit and security of Beneficiary, under and subject to the terms
and conditions hereinafter set forth, Trustor's interest in the property located in the City of
Roseville, County of Placer, State of California, that is described in the attached Exhibit A,
incorporated herein by this reference (the "Property").

TOGETHER WITH all interest, estates or other claims, both in law and in equity which
Trustor now has or may hereafter acquire in the Property and the rents;

TOGETHER WITH all easements, rights-of-way and rights used in connection therewith
or as a means of access thereto, including (without limiting the generality of the foregoing) all
tenements, hereditaments and appurtenances thereof and thereto;

TOGETHER WITH any and all buildings and improvements of every kind and
description now or hereafter erected thereon, and all property of the Trustor now or hereafter
affixed to or placed upon the Property;

TOGETHER WITH all building materials and equipment now or hereafter delivered to
said property and intended to be installed therein;

TOGETHER WITH all right, title and interest of Trustor, now owned or hereafter

acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Property, and any and all sidewalks, alleys and strips and areas of land adjacent to or used in connection with the Property;

TOGETHER WITH all estate, interest, right, title, other claim or demand, of every nature, in and to such property, including the Property, both in law and in equity, including, but not limited to, all deposits made with or other security given by Trustor to utility companies, the proceeds from any or all of such property, including the Property, claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Trustor now has or may hereafter acquire, any and all awards made for the taking by eminent domain or by any proceeding or purchase in lieu thereof of the whole or any part of such property, including without limitation, any awards resulting from a change of grade of streets and awards for severance damages to the extent Beneficiary has an interest in such awards for taking as provided in Paragraph 4.1 herein;

TOGETHER WITH all of Trustor's interest in all articles of personal property or fixtures now or hereafter attached to or used in and about the building or buildings now erected or hereafter to be erected on the Property which are necessary to the complete and comfortable use and occupancy of such building or buildings for the purposes for which they were or are to be erected, including all other goods and chattels and personal property as are ever used or furnished in operating a building, or the activities conducted therein, similar to the one herein described and referred to, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are, or shall be attached to said building or buildings in any manner; and

TOGETHER WITH all of Trustor's interest in all building materials, fixtures, equipment, work in process and other personal property to be incorporated into the Property; all goods, materials, supplies, fixtures, equipment, machinery, furniture and furnishings, signs and other personal property now or hereafter appropriated for use on the Property, whether stored on the Property or elsewhere, and used or to be used in connection with the Property; all rents, issues and profits, and all inventory, accounts, accounts receivable, contract rights, general intangibles, chattel paper, instruments, documents, notes drafts, letters of credit, insurance policies, insurance and condemnation awards and proceeds, trade names, trademarks and service marks arising from or related to the Property and any business conducted thereon by Trustor; all replacements, additions, accessions and proceeds; and all books, records and files relating to any of the foregoing.

All of the foregoing, together with the Property, is herein referred to as the "Security." To have and to hold the Security together with acquittances to the Trustee, its successors and assigns forever.

FOR THE PURPOSE OF SECURING THE FOLLOWING OBLIGATIONS (the "Secured Obligations"):

(a) Payment to Beneficiary of all sums at any time owing under or in connection with the Note (defined in Section 1.3 below) until paid or cancelled and any other amounts owing under the Loan Documents (defined in Section 1.2 below). Said principal and other payments shall be due and payable as provided in the Note or other Loan Documents, as applicable. The Note and all its terms are incorporated herein by reference, and this conveyance shall secure any and all extensions thereof, however evidenced;

(b) Payment of any sums advanced by Beneficiary to protect the Security pursuant to the terms and provisions of this Deed of Trust following a breach of Trustor's obligation to advance said sums and the expiration of any applicable cure period, with interest thereon as provided herein;

(c) Performance of every obligation, covenant or agreement of Trustor contained herein and in the Loan Documents; and

(d) All modifications, extensions and renewals of any of the Secured Obligations (including without limitation (i) modifications, extensions, or renewals at a different rate of interest, or (ii) deferrals or accelerations of the required principal payment dates or interest payment dates or both, in whole or in part), however evidenced, whether or not any such modification, extension or renewal is evidenced by a new or additional promissory note or notes.

AND TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR
COVENANTS AND AGREES:

ARTICLE 1: DEFINITIONS

In addition to the terms defined elsewhere in this Deed of Trust, the following terms shall have the following meanings in this Deed of Trust:

Section 1.1 The term "DDA" means that certain Disposition and Development Agreement between Trustor and Beneficiary, of even date herewith, providing for the Beneficiary to loan to the Trustor of Three Hundred Sixty-six Thousand and Seven Hundred Ninety-Three Dollars (\$366,793) to assist in the permanent financing of a project of no fewer than twenty-one (21) rental housing units (and up to one manager's unit) on the Property, of which twenty (20) units shall be affordable for fifty-five (55) years in accordance with the Regulatory Agreement. Capitalized terms used but not defined in this Deed of Trust shall have the meanings set forth in the DDA.

Section 1.2 The term "Loan Documents" means this Deed of Trust, the Note, the DDA, the Regulatory Agreement, and any other debt, loan or security instruments between Trustor and the Beneficiary relating to the Property.

Section 1.3 The term "Note" means the promissory note in the principal amount of Three Hundred Sixty-six Thousand and Seven Hundred Ninety-Three Dollars (\$366,793) of even date herewith, executed by Trustor in favor of the Beneficiary, as it may be amended or restated, the payment of which is secured by this Deed of Trust. (A copy of the Note is on file with the Beneficiary and terms and provisions of the Note are incorporated herein by reference.).

Section 1.4 The term "Principal" means the amount required to be paid under the Note.

Section 1.5 The term "Regulatory Agreement" means the Affordable Housing Regulatory Agreement of even date herewith by and between the Beneficiary and the Trustor.

**ARTICLE 2:
MAINTENANCE AND MODIFICATION OF
THE PROPERTY AND SECURITY**

Section 2.1 Maintenance and Modification of the Property by Trustor.

The Trustor agrees that at all times prior to full payment and performance of the Secured Obligations, the Trustor will, at the Trustor's own expense, maintain, preserve and keep the Security or cause the Security to be maintained and preserved in good condition and shall not commit waste. The Trustor will from time to time make or cause to be made all repairs, replacements and renewals deemed proper and necessary by it. In addition, Trustor shall not use, maintain, operate or occupy, or allow the use, maintenance, operation or occupancy of, the Security in any manner which (1) violates any laws; (2) endangers the Security or adjoining properties; or (3) constitutes a public or private nuisance. The Beneficiary shall have no responsibility in any of these matters or for the making of improvements or additions to the Security.

Trustor agrees to pay fully and discharge (or cause to be paid fully and discharged) all claims for labor done and for material and services furnished in connection with the Security, diligently to file or procure the filing of a valid notice of cessation upon the event of a cessation of labor on the work or construction on the Security for a continuous period of thirty (30) calendar days or more, and to take all other reasonable steps to forestall the assertion of claims of lien against the Security of any part thereof. Trustor irrevocably appoints, designates and authorizes Beneficiary as its agent (said agency being coupled with an interest) with the authority, but without any obligation, to file for record any notices of completion or cessation of labor or any other notice that Beneficiary deems necessary or desirable to protect its interest in and to the Security or the Loan Documents; provided, however, that Beneficiary shall exercise its rights as agent of Trustor only in the event that Trustor shall fail to take, or shall fail to diligently continue to take, those actions as hereinbefore provided.

Upon demand by Beneficiary, Trustor shall make or cause to be made such demands or claims as Beneficiary shall specify upon laborers, materialmen, subcontractors or other persons who have furnished or claim to have furnished labor, services or materials in connection with the Security. Nothing herein contained shall require Trustor to pay any claims for labor, materials or services which Trustor in good faith disputes and is diligently contesting provided that Trustor shall, within thirty (30) calendar days after the filing of any claim of lien, record in the Office of the Recorder of Placer County, a surety bond in an amount required by law to protect against a claim of lien.

Section 2.2 Granting of Easements.

Trustor may not grant easements, licenses, rights-of-way or other rights or privileges in the nature of easements with respect to any property or rights included in the Security except those required or desirable for installation and maintenance of public utilities including, without limitation, water, gas, electricity, sewer, telephone and telegraph, or those required by law, and as approved, in writing, by Beneficiary.

Section 2.3 Assignment of Rents.

As part of the consideration for the indebtedness evidenced by the Note and subject to

the rights of the Senior Lenders, Trustor hereby absolutely and unconditionally assigns and transfers to Beneficiary all the rents and revenues of the Property including those now due, past due, or to become due by virtue of any lease or other agreement for the occupancy or use of all or any part of the Property, regardless of to whom the rents and revenues of the Property are payable. Trustor hereby authorizes Beneficiary or Beneficiary's agents to collect the aforesaid rents and revenues and hereby directs each tenant of the Property to pay such rents to Beneficiary or Beneficiary's agents; provided, however, that prior to written notice given by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents, Trustor shall collect and receive all rents and revenues of the Property as trustee for the benefit of Beneficiary and Trustor to apply the rents and revenues so collected to the Secured Obligations with the balance, so long as no such breach has occurred, to the account of Trustor, it being intended by Trustor and Beneficiary that this assignment of rents constitutes an absolute assignment and not an assignment for additional security only. Upon delivery of written notice by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents, and without the necessity of Beneficiary entering upon and taking and maintaining full control of the Property in person, by agent or by a court appointed receiver, Beneficiary shall immediately be entitled to possession of all rents and revenues of the Property as specified in this Section 2.3 as the same become due and payable, including but not limited to rents then due and unpaid, and all such rents shall immediately upon delivery of such notice be held by Trustor as trustee for the benefit of Beneficiary only; provided, however, that the written notice by Beneficiary to Trustor of the breach by Trustor shall contain a statement that Beneficiary exercises its rights to such rents. Trustor agrees that commencing upon delivery of such written notice of Trustor's breach by Beneficiary to Trustor, each tenant of the Property shall make such rents payable to and pay such rents to Beneficiary or Beneficiary's agents on Beneficiary's written demand to each tenant therefor, delivered to each tenant personally, by mail or by delivering such demand to each rental unit, without any liability on the part of said tenant to inquire further as to the existence of a default by Trustor.

Trustor hereby covenants that Trustor has not executed any prior assignment of said rents other than assignments to the Senior Lenders, that Trustor has not performed, and will not perform, any acts or has not executed and will not execute, any instrument which would prevent Beneficiary from exercising its rights under this Section 2.3, and that at the time of execution of this Deed of Trust, there has been no anticipation or prepayment of any of the rents of the Property for more than two (2) months prior to the due dates of such rents. Trustor covenants that Trustor will not hereafter collect or accept payment of any rents of the Property more than two (2) months prior to the due dates of such rents. Trustor further covenant that Trustor will execute and deliver to Beneficiary such further assignments of rents and revenues of the Property as Beneficiary may from time to time request.

Upon Trustor's breach of any covenant or agreement of Trustor in the Loan Documents and after the expiration of any applicable cure periods, Beneficiary may in person, by agent or by a court-appointed receiver, regardless of the adequacy of Beneficiary's security, enter upon and take and maintain full control of the Property in order to perform all acts necessary and appropriate for the operation and maintenance thereof including, but not limited to, the execution, cancellation or modification of leases, the collection of all rents and revenues of the Property, the making of repairs to the Property and the execution or termination of contracts providing for the management or maintenance of the Property, all on such terms as are deemed best to protect the security of this Deed of Trust. In the event Beneficiary elects to seek the appointment of a receiver for the Property upon Trustor's breach of any covenant or agreement of Trustor in this Deed of Trust, Trustor hereby expressly consents to the appointment of such

receiver. Beneficiary or the receiver shall be entitled to receive a reasonable fee for so managing the Property.

All rents and revenues collected subsequent to delivery of written notice by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents shall be applied first to the costs, if any, of taking control of and managing the Property and collecting the rents, including, but not limited to, reasonable attorney's fees, receiver's fees, premiums on receiver's bonds, costs of repairs to the Property, premiums on insurance policies, taxes, assessments and other charges on the Property, and the costs of discharging any obligation or liability of Trustor as lessor or landlord of the Property and then to the sums secured by this Deed of Trust. Beneficiary or the receiver shall have access to the books and records used in the operation and maintenance of the Property and shall be liable to account only for those rents actually received. Beneficiary shall not be liable to Trustor, anyone claiming under or through Trustor or anyone having an interest in the Property by reason of anything done or left undone by Beneficiary under this Section 2.3.

If the rents of the Property are not sufficient to meet the costs, if any, of taking control of and managing the Property and collecting the rents, any funds expended by Beneficiary for such purposes shall become part of the Secured Obligations pursuant to Section 3.3 hereof. Unless Beneficiary and Trustor agree in writing to other terms of payment, such amounts shall be payable upon notice from Beneficiary to Trustor requesting payment thereof and shall bear interest from the date of disbursement at the rate stated in Section 3.3.

Any entering upon and taking and maintaining of control of the Property by Beneficiary or the receiver and any application of rents as provided herein shall not cure or waive any default hereunder or invalidate any other right or remedy of Beneficiary under applicable law or provided herein. This assignment of rents of the Property shall terminate at such time as this Deed of Trust ceases to secure the Secured Obligations.

ARTICLE 3: TAXES AND INSURANCE; ADVANCES

Section 3.1 Taxes, Other Governmental Charges and Utility Charges.

Trustor shall pay, or cause to be paid, prior to the date of delinquency, all taxes, assessments, charges and levies imposed by any public authority or utility company which are or may become a lien affecting the Security or any part thereof; provided, however, that Trustor shall not be required to pay and discharge any such tax, assessment, charge or levy so long as (a) the legality thereof shall be promptly and actively contested in good faith and by appropriate proceedings, and (b) Trustor maintains reserves adequate to pay any liabilities contested pursuant to this Section 3.1. With respect to taxes, special assessments or other similar governmental charges, Trustor shall pay such amount in full prior to the attachment of any lien therefor on any part of the Security; provided, however, if such taxes, assessments or charges may be paid in installments, Trustor may pay in such installments. Except as provided in clause (b) of the first sentence of this paragraph, the provisions of this Section 3.1 shall not be construed to require that Trustor maintain a reserve account, escrow account, impound account or other similar account for the payment of future taxes, assessments, charges and levies.

In the event that Trustor shall fail to pay any of the foregoing items required by this Section to be paid by Trustor, Beneficiary may (but shall be under no obligation to) pay the

same, after the Beneficiary has notified the Trustor of such failure to pay and the Trustor fails to fully pay such items within seven (7) business days after receipt of such notice. Any amount so advanced therefor by Beneficiary, together with interest thereon from the date of such advance at the maximum rate permitted by law, shall become part of the Secured Obligations secured hereby, and Trustor agrees to pay all such amounts.

Section 3.2 Provisions Respecting Insurance.

Trustor agrees to provide insurance conforming in all respects to that required under the Loan Documents during the course of construction and following completion, and at all times until all amounts secured by this Deed of Trust have been paid and all Secured Obligations secured hereunder fulfilled, and this Deed of Trust reconveyed.

All such insurance policies and coverages shall be maintained at Trustor's sole cost and expense. Certificates of insurance for all of the above insurance policies, showing the same to be in full force and effect, shall be delivered to the Beneficiary upon demand therefor at any time prior to Trustor's satisfaction of the Secured Obligations.

Section 3.3 Advances.

In the event the Trustor shall fail to maintain the full insurance coverage required by this Deed of Trust or shall fail to keep the Security in accordance with the Loan Documents, the Beneficiary, after at least seven (7) calendar days prior notice to Trustor, may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefor by the Beneficiary shall become part of the Secured Obligations (together with interest as set forth below) and shall be secured hereby, which amounts the Trustor agrees to pay on the demand of the Beneficiary, and if not so paid, shall bear interest from the date of the advance at the lesser of eight percent (8%) per annum or the maximum rate permitted by law.

ARTICLE 4: DAMAGE, DESTRUCTION OR CONDEMNATION

Section 4.1 Awards and Damages.

Subject to the rights of the Senior Lenders, all judgments, awards of damages, settlements and compensation made in connection with or in lieu of (1) taking of all or any part of or any interest in the Property by or under assertion of the power of eminent domain, (2) any damage to or destruction of the Property or in any part thereof by insured casualty, and (3) any other injury or damage to all or any part of the Property (collectively, the "Funds") are hereby assigned to and shall be paid to the Beneficiary by a check made payable to the Beneficiary. The Beneficiary is authorized and empowered (but not required) to collect and receive any Funds and is authorized to apply them in whole or in part upon any indebtedness or obligation secured hereby, in such order and manner as the Beneficiary shall determine at its sole option. The Beneficiary shall be entitled to settle and adjust all claims under insurance policies provided under this Deed of Trust and may deduct and retain from the proceeds of such insurance the amount of all expenses incurred by it in connection with any such settlement or adjustment. Application of all or any part of the Funds collected and received by the Beneficiary or the release thereof shall not cure or waive any default under this Deed of Trust. The rights of the

Beneficiary under this Section 4.1 are subject to the rights of any Senior Lender (as defined in the DDA). The Beneficiary shall release the Funds to Trustor to be used to reconstruct the improvements on the Property under the terms and conditions set forth in Section 36 of the DDA.

**ARTICLE 5:
AGREEMENTS AFFECTING THE PROPERTY; FURTHER ASSURANCES; PAYMENT OF
PRINCIPAL AND INTEREST**

Section 5.1 Other Agreements Affecting Property.

The Trustor shall duly and punctually perform all terms, covenants, conditions and agreements binding upon it under the Loan Documents and any other agreement of any nature whatsoever now or hereafter involving or affecting the Security or any part thereof.

Section 5.2 Agreement to Pay Attorneys' Fees and Expenses.

In the event of any Event of Default (as defined in Section 7.1) hereunder, and if the Beneficiary should employ attorneys or incur other expenses for the collection of amounts due or the enforcement of performance or observance of an obligation or agreement on the part of the Trustor in this Deed of Trust, the Trustor agrees that it will, on demand therefor, pay to the Beneficiary the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Beneficiary (including, but not limited to, other professional service fees and costs); and any such amounts paid by the Beneficiary shall be added to the Secured Obligations, and shall bear interest from the date such expenses are incurred at the lesser of eight percent (8%) per annum or the maximum rate permitted by law.

Section 5.3 Payment of the Principal.

The Trustor shall pay to the Beneficiary the Principal and any other payments as set forth in the Note in the amounts and by the times set out therein.

Section 5.4 Personal Property.

To the maximum extent permitted by law, the personal property subject to this Deed of Trust shall be deemed to be fixtures and part of the real property and this Deed of Trust shall constitute a fixtures filing under the California Commercial Code. As to any personal property not deemed or permitted to be fixtures, this Deed of Trust shall constitute a security agreement under the California Commercial Code. The Trustor hereby grants the Beneficiary a security interest in such items.

Section 5.5 Financing Statement.

The Trustor shall execute and deliver to the Beneficiary such financing statements pursuant to the appropriate statutes, and any other documents or instruments as are required to convey to the Beneficiary a valid perfected security interest in the Security. The Trustor agrees to perform all acts which the Beneficiary may reasonably request so as to enable the Beneficiary to maintain such valid perfected security interest in the Security in order to secure the payment of the Note in accordance with its terms. The Beneficiary is authorized to file a copy of any such financing statement in any jurisdiction(s) as it shall deem appropriate from

time to time in order to protect the security interest established pursuant to this instrument. Trustor shall pay all costs of filing such financing statements and any extensions, renewals, amendments, and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements, and releases thereof, as the Beneficiary may reasonably require. Without the prior written consent of the Beneficiary, Trustor shall not create or suffer to be created pursuant to the California Commercial Code any other security interest in the Security, including replacements and additions thereto.

Section 5.6 Operation of the Security.

The Trustor shall operate the Security (and, in case of a transfer of a portion of the Security subject to this Deed of Trust, the transferee shall operate such portion of the Security) in full compliance with the Loan Documents.

Section 5.7 Inspection of the Security.

At any and all reasonable times upon seventy-two (72) hours' notice, the Beneficiary and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right, without payment of charges or fees, to inspect the Security.

Section 5.8 Nondiscrimination.

The Trustor herein covenants by and for itself, its heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, age, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, or genetic information in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Security, nor shall the Trustor itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Security. The foregoing covenants shall run with the land.

ARTICLE 6: HAZARDOUS WASTE

Trustor shall keep and maintain the Property in compliance with, and shall not cause or permit the Property to be in violation of any federal, state or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions on, under or about the Property including, but not limited to, soil and ground water conditions. Trustor shall not use, generate, manufacture, store or dispose of on, under, or about the Property or transport to or from the Property any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials, including without limitation, any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal or state laws or regulations (collectively referred to hereinafter as "Hazardous Materials") except such of the foregoing as may be customarily used in construction or operation of a multifamily residential development.

Trustor shall immediately advise Beneficiary in writing if at any time it receives written notice of (i) any and all enforcement, cleanup, removal or other governmental or regulatory

actions instituted, completed or threatened against Trustor or the Property pursuant to any applicable federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials, ("Hazardous Materials Law"); (ii) all claims made or threatened by any third party against Trustor or the Property relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (i) and (ii) above are hereinafter referred to a "Hazardous Materials Claims"); and (iii) Trustor's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any part thereof to be classified as "border-zone property" (as defined in the California Health and Safety Code) under the provision of California Health and Safety Code, Sections 25220 et seq., or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Property under any Hazardous Materials Law.

Beneficiary shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and to have its reasonable attorneys' fees in connection therewith paid by Trustor. Trustor shall defend, indemnify and hold harmless Beneficiary and its board members, supervisors, directors, officers, employees, agents, successors and assigns from and against any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence of Hazardous Materials on, under, or about the Property including without limitation: (a) all foreseeable consequential damages; (b) the costs of any required or necessary repair, cleanup or detoxification of the Property and the preparation and implementation of any closure, remedial or other required plans; and (c) all reasonable costs and expenses incurred by Beneficiary in connection with clauses (a) and (b), including but not limited to reasonable attorneys' fees and consultant's fees. This indemnification applies whether or not any government agency has issued a cleanup order. Losses, claims, costs, suits, liability, and expenses covered by this indemnification provision include, but are not limited to: (1) losses attributable to diminution in the value of the Property; (2) loss or restriction of use of rentable space on the Property; (3) adverse effect on the marketing of any rental space on the Property; and (4) penalties and fines levied by, and remedial or enforcement actions of any kind issued by any regulatory agency (including but not limited to the costs of any required testing, remediation, repair, removal, cleanup or detoxification of the Property and surrounding properties).

Without Beneficiary's prior written consent, which shall not be unreasonably withheld, Trustor shall not take any remedial action in response to the presence of any Hazardous Materials on, under or about the Property, nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Material Claims, which remedial action, settlement, consent decree or compromise might, in Beneficiary's reasonable judgment, impair the value of the Beneficiary's security hereunder; provided, however, that Beneficiary's prior consent shall not be necessary in the event that the presence of Hazardous Materials on, under, or about the Property either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not reasonably possible to obtain Beneficiary's consent before taking such action, provided that in such event Trustor shall notify Beneficiary as soon as practicable of any action so taken. Beneficiary agrees not to withhold its consent, where such consent is required hereunder, if (i) a particular remedial action is ordered by a court of competent jurisdiction, (ii) Trustor will or may be subjected to civil or criminal sanctions or penalties if it fails to take a required action; (iii) Trustor establishes to the reasonable satisfaction of Beneficiary that there is no reasonable alternative to such remedial action which would result in less impairment of Beneficiary's

security hereunder; or (iv) the action has been agreed to by Beneficiary.

The Trustor hereby acknowledges and agrees that (i) this Article is intended as the Beneficiary's written request for information (and the Trustor's response) concerning the environmental condition of the Property as required by California Code of Civil Procedure Section 726.5, and (ii) each representation and warranty in this Deed of Trust or any of the other Loan Documents (together with any indemnity applicable to a breach of any such representation and warranty) with respect to the environmental condition of the property is intended by the Beneficiary and the Trustor to be an "environmental provision" for purposes of California Code of Civil Procedure Section 736.

In the event that any portion of the Property is determined to be "environmentally impaired" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(3)) or to be an "affected parcel" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(1)), then, without otherwise limiting or in any way affecting the Beneficiary's or the Trustee's rights and remedies under this Deed of Trust, the Beneficiary may elect to exercise its rights under California Code of Civil Procedure Section 726.5(a) to (1) waive its lien on such environmentally impaired or affected portion of the Property and (2) exercise (a) the rights and remedies of an unsecured creditor, including reduction of its claim against the Trustor to judgment, and (b) any other rights and remedies permitted by law. For purposes of determining the Beneficiary's right to proceed as an unsecured creditor under California Code of Civil Procedure Section 726.5(a), the Trustor shall be deemed to have willfully permitted or acquiesced in a release or threatened release of hazardous materials, within the meaning of California Code of Civil Procedure Section 726.5(d)(1), if the release or threatened release of hazardous materials was knowingly or negligently caused or contributed to by any lessee, occupant, or user of any portion of the Property and the Trustor knew or should have known of the activity by such lessee, occupant, or user which caused or contributed to the release or threatened release. All costs and expenses, including (but not limited to) reasonable attorneys' fees, incurred by the Beneficiary in connection with any action commenced under this paragraph, including any action required by California Code of Civil Procedure Section 726.5(b) to determine the degree to which the Property is environmentally impaired, plus interest thereon at the default rate specified in the DDA, until paid, shall be added to the indebtedness secured by this Deed of Trust and shall be due and payable to the Beneficiary upon its demand made at any time following the conclusion of such action.

The Trustor is aware that California Civil Code Section 2955.5(a) provides as follows: "No lender shall require a borrower, as a condition of receiving or maintaining a loan secured by real property, to provide hazard insurance coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on the property."

ARTICLE 7: EVENTS OF DEFAULT AND REMEDIES

Section 7.1 Events of Default.

The following shall constitute events of default ("Events of Default") following the expiration of any applicable notice and cure periods: (1) failure to make any payment to be paid by Trustor under the Loan Documents; (2) failure to observe or perform any of Trustor's other covenants, agreements or obligations under the Loan Documents, including, without limitation, the provisions concerning transfer and discrimination; or (3) failure to make any payment or

observe or perform any of Trustor's other covenants, agreements, or obligations under any Secured Obligations, which default shall not be cured within the times and in the manner provided therein. Trustor's limited partner shall have cure rights as set forth in Section 14.1 of the DDA.

Section 7.2 Acceleration of Maturity.

If an Event of Default shall have occurred and be continuing, then at the option of the Beneficiary, the amount of any payment related to the Event of Default and all unpaid Secured Obligations shall immediately become due and payable, upon written notice by the Beneficiary to the Trustor (or automatically where so specified in the Loan Documents), and no omission on the part of the Beneficiary to exercise such option when entitled to do so shall be construed as a waiver of such right.

Section 7.3 The Beneficiary's Right to Enter and Take Possession.

If an Event of Default shall have occurred and be continuing, the Beneficiary may:

(a) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, enter upon the Security and take possession thereof (or any part thereof) and of any of the Security, in its own name or in the name of Trustee, and do any acts which it deems necessary or desirable to preserve the value or marketability of the Property, or part thereof or interest therein, increase the income therefrom or protect the security thereof. The entering upon and taking possession of the Security shall not cure or waive any Event of Default or Notice of Sale (as defined in Section 7.3(c)) hereunder or invalidate any act done in response to such Event of Default or pursuant to such Notice of Sale and, notwithstanding the continuance in possession of the Security, Beneficiary shall be entitled to exercise every right provided for in this Deed of Trust, or by law upon occurrence of any Event of Default, including the right to exercise the power of sale;

(b) Commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof;

(c) Deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause Trustor's interest in the Security to be sold ("Notice of Sale"), which notice Trustee or Beneficiary shall cause to be duly filed for record in the Official Records of Placer County; or

(d) Exercise all other rights and remedies provided herein, in the instruments by which the Trustor acquires title to any Security, or in any other document or agreement now or hereafter evidencing, creating or securing the Secured Obligations.

Section 7.4 Foreclosure By Power of Sale.

Should the Beneficiary elect to foreclose by exercise of the power of sale herein contained, the Beneficiary shall deliver to the Trustee the Notice of Sale and shall deposit with Trustee this Deed of Trust which is secured hereby (and the deposit of which shall be deemed to constitute evidence that the Secured Obligations are immediately due and payable), and such receipts and evidence of any expenditures made that are additionally secured hereby as

Trustee may require.

(a) Upon receipt of such Notice of Sale from the Beneficiary, Trustee shall cause to be recorded, published and delivered to Trustor such Notice of Sale as then required by law and by this Deed of Trust. Trustee shall, without demand on Trustor, after lapse of such time as may then be required by law and after recordation of such Notice of Sale having been given as required by law, sell the Security, at the time and place of sale fixed by it in the Notice of Sale, whether as a whole or in separate lots or parcels or items as Trustee shall deem expedient and in such order as it may determine unless specified otherwise by the Trustor according to California Civil Code Section 2924g(b), at public auction to the highest bidder, for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed or any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Trustor, Trustee or Beneficiary, may purchase at such sale.

(b) After deducting all reasonable costs, fees and expenses of Trustee, including costs of evidence of title in connection with such sale, Trustee shall apply the proceeds of sale to payment of: (i) the unpaid Principal amount of the Note; (ii) all other Secured Obligations owed to Beneficiary under the Loan Documents; (iii) all other sums then secured hereby; and (iv) the remainder, if any, to Trustor.

(c) Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter, and without further notice make such sale at the time fixed by the last postponement, or may, in its discretion, give a new Notice of Sale.

Section 7.5 Receiver.

If an Event of Default shall have occurred and be continuing, Beneficiary, as a matter of right and without further notice to Trustor or anyone claiming under the Security, and without regard to the then value of the Security or the interest of Trustor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Security (or a part thereof), and Trustor hereby irrevocably consents to such appointment and waives further notice of any application therefor. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases, and all the powers and duties of Beneficiary in case of entry as provided herein, and shall continue as such and exercise all such powers until the date of confirmation of sale of the Security, unless such receivership is sooner terminated.

Section 7.6 Remedies Cumulative.

No right, power or remedy conferred upon or reserved to the Beneficiary by this Deed of Trust is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity.

Section 7.7 No Waiver.

(a) No delay or omission of the Beneficiary to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or

remedy, or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every right, power and remedy given by this Deed of Trust to the Beneficiary may be exercised from time to time and as often as may be deemed expeditious by the Beneficiary. Beneficiary's express or implied consent to breach, or waiver of, any obligation of the Trustor hereunder shall not be deemed or construed to be a consent to any subsequent breach, or further waiver, of such obligation or of any other obligations of the Trustor hereunder. Failure on the part of the Beneficiary to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by the Beneficiary of its right hereunder or impair any rights, power or remedies consequent on any Event of Default by the Trustor.

(b) If the Beneficiary (i) grants forbearance or an extension of time for the payment or performance of any Secured Obligations, (ii) takes other or additional security or the payment of any sums secured hereby, (iii) waives or does not exercise any right granted in the Loan Documents, (iv) releases any part of the Security from the lien of this Deed of Trust, or otherwise changes any of the terms, covenants, conditions or agreements in the Loan Documents, (v) consents to the granting of any easement or other right affecting the Security, or (vi) makes or consents to any agreement subordinating the lien hereof, any such act or omission shall not release, discharge, modify, change or affect the original liability under this Deed of Trust, or any other obligation of the Trustor or any subsequent purchaser of the Security or any part thereof, or any maker, co-signer, endorser, surety or guarantor (unless expressly released); nor shall any such act or omission preclude the Beneficiary from exercising any right, power or privilege herein granted or intended to be granted in any Event of Default then made or of any subsequent Event of Default, nor, except as otherwise expressly provided in an instrument or instruments executed by the Beneficiary shall the lien of this Deed of Trust be altered thereby.

Section 7.8 Suits to Protect the Security.

The Beneficiary shall have power to (a) institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Security and the rights of the Beneficiary as may be unlawful or any violation of this Deed of Trust, (b) preserve or protect its interest (as described in this Deed of Trust) in the Security, and (c) restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement for compliance with such enactment, rule or order would impair the Security thereunder or be prejudicial to the interest of the Beneficiary.

Section 7.9 Trustee May File Proofs of Claim.

In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting the Trustor, its creditors or its property, the Trustee and/or the Beneficiary, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of the Beneficiary allowed in such proceedings and for any additional amount which may become due and payable by the Trustor hereunder after such date.

Section 7.10 Waiver.

The Trustor waives presentment, demand for payment, notice of dishonor, notice of

protest and nonpayment, protest, notice of interest on interest and late charges, and diligence in taking any action to collect any Secured Obligations or in proceedings against the Security, in connection with the delivery, acceptance, performance, default, endorsement or guaranty of this Deed of Trust.

ARTICLE 8: MISCELLANEOUS

Section 8.1 Amendments.

This Deed of Trust cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by Beneficiary and Trustor.

Section 8.2 Reconveyance by Trustee.

Upon written request of Beneficiary stating that all Secured Obligations have been paid or forgiven, and upon surrender of this Deed of Trust to Trustee for cancellation and retention, and upon payment by Trustor of Trustee's reasonable fees, Trustee shall reconvey the Security to Trustor, or to the person or persons legally entitled thereto.

Section 8.3 Notices.

If at any time after the execution of this Deed of Trust it shall become necessary or convenient for one of the parties hereto to serve any notice, demand or communication upon the other party, such notice, demand or communication shall be in writing and shall be served personally, by reputable overnight delivery service (which provides a delivery receipt) or by depositing the same in the registered United States mail, return receipt requested, postage prepaid and (1) if intended for Beneficiary shall be addressed to:

City of Roseville
311 Vernon Street
Roseville, CA 95678
Attention: City Manager

and (2) if intended for Trustor shall be addressed to:

with a copy to:

Any notice, demand or communication shall be deemed given, received, made or communicated on the date personal delivery is effected or, if mailed in the manner herein specified, on the delivery date or date delivery is refused by the addressee, as shown on the return receipt. Either party may change its address at any time by giving written notice of such change to Beneficiary or Trustor as the case may be, in the manner provided herein, at least ten (10) calendar days prior to the date such change is desired to be effective.

Section 8.4 Successors and Joint Trustors.

Where an obligation created herein is binding upon Trustor, the obligation shall also apply to and bind any transferee or successors in interest. Where the terms of the Deed of Trust have the effect of creating an obligation of the Trustor and a transferee, such obligation shall be deemed to be a joint and several obligation of the Trustor and such transferee. Where Trustor is more than one entity or person, all obligations of Trustor shall be deemed to be a joint and several obligation of each and every entity and person comprising Trustor.

Section 8.5 Captions.

The captions or headings at the beginning of each Section hereof are for the convenience of the parties and are not a part of this Deed of Trust.

Section 8.6 Invalidity of Certain Provisions.

Every provision of this Deed of Trust is intended to be severable. In the event any term or provision hereof is declared to be illegal or invalid for any reason whatsoever by a court or other body of competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of the Security, the unsecured or partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid or applied to the full payment of that portion of the debt which is not secured or partially secured by the lien of this Deed of Trust.

Section 8.7 Governing Law.

This Deed of Trust shall be governed by and construed in accordance with the laws of the State of California.

Section 8.8 Gender and Number.

In this Deed of Trust the singular shall include the plural and the masculine shall include the feminine and neuter and vice versa, if the context so requires.

Section 8.9 Deed of Trust, Mortgage.

Any reference in this Deed of Trust to a mortgage shall also refer to a deed of trust and

any reference to a deed of trust shall also refer to a mortgage.

Section 8.10 Actions.

Trustor agrees to appear in and defend any action or proceeding purporting to affect the Security.

Section 8.11 Substitution of Trustee.

Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this Trust. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers, and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and substitution shall be made by written instrument executed by Beneficiary, containing reference to this Deed of Trust and its place of record, which, when duly recorded in the proper office of the county or counties in which the Property is situated, shall be conclusive proof of proper appointment of the successor trustee.

Section 8.12 Statute of Limitations.

The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the full extent permissible by law.

Section 8.13 Acceptance by Trustee.

Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made public record as provided by law. Except as otherwise provided by law the Trustee is not obligated to notify any party hereto of pending sale under this Deed of Trust or of any action of proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

Section 8.14 Tax Credit Provisions.

Notwithstanding anything to the contrary contained herein or in any documents secured by this Deed of Trust or contained in any subordination agreement, the Beneficiary acknowledges and agrees that in the event of a foreclosure or deed-in-lieu of foreclosure (collectively, "Foreclosure") with respect to the Security encumbered by this Deed of Trust, the following rule contained in Section 42(h)(6)(E)(ii) of the Internal Revenue Code of 1986 (26 U.S.C. Section 42 (h)(6)(E)(ii)), as amended, shall apply:

For a period of three (3) years from the date of Foreclosure, with respect to any unit that had been regulated by the Regulatory Agreement with the California Tax Credit Allocation Committee, (i) none of the tenants occupying those units at the time of Foreclosure may be evicted or their tenancy terminated (other than for good cause), (ii) nor may any rent be increased except as otherwise permitted under Section 42 of the Code.

Section 8.15 Statement of Obligation.

Beneficiary may collect a reasonable fee for furnishing the statement of obligation as provided by Section 2943 of the California Civil Code, as it may be amended from time to time.

[Remainder of page intentionally blank.]

[Signatures on following page.]

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as to the day and year first above written.

TRUSTOR:

By:
Print Name:
Title:

RIDER TO DEED OF TRUST

This Rider To Deed of Trust (the "Rider") is attached to and made a part of the Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing (the "Deed of Trust") entered into by _____ (the "Trustor") for the benefit of **the City of Roseville** (the "Beneficiary"), which secures a loan (the "Loan") in the amount of (\$_____) made to Trustor to help finance the development of that certain property as further described in the Deed of Trust (the "Property"). The Loan is evidenced by a Disposition and Development Agreement executed by Trustor and Beneficiary (the "DDA") and by a Promissory Note executed by Trustor in favor of the Beneficiary (the "Note"). The Trustor, through its limited partner, is providing equity for the Property and is sometimes referred to herein as the "Partnership."

The parties herein agree that the following covenants, terms and conditions shall be part of and shall modify or supplement the Deed of Trust, the Note, and the DDA between the parties and any and all other documents evidencing, securing or governing the Loan referenced therein (the "Loan Documents"), and that in the event of any inconsistency or conflict between the covenants, terms and conditions of the Loan Documents and this Rider, the following covenants, terms and conditions shall control and prevail:

1. If a non-monetary event of default occurs under the terms of any of the Loan Documents, prior to exercising any remedies thereunder, Beneficiary shall give Trustor and each of its general and limited partners simultaneous written notice of such default. If the default is reasonably capable of being cured within thirty (30) calendar days, the Trustor and its limited partner shall have such period to effect a cure prior to exercise of remedies by Beneficiary under the Loan Documents. If the default is such that it is not reasonably capable of being cured within thirty (30) calendar days, and if the Trustor (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then the Trustor shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Beneficiary.
2. Beneficiary hereby agrees that any cure of any default made or tendered by one or more of the Partnership's limited partners shall be deemed to be a cure by the Partnership and shall be accepted or rejected on the same basis as if made or tendered by the Partnership. Copies of all notices which are sent to the Partnership under the terms of the Loan Documents shall also be sent to:

The Partnership's limited partners may change their address for receipt of copies of notices by giving notice in writing stating its new address to the Beneficiary.

3. Transfers permitted under Section 16.1 of the DDA shall not constitute a violation of the Loan Documents.

4. The Trustor and the Beneficiary hereby agree that the lien of this Deed of Trust is subordinate to and inferior in lien priority to that certain deed of trust, as amended, in favor of

5. This Rider may be executed in counterparts.

In Witness Whereof, the undersigned have caused this Rider to be executed.

TRUSTOR:

By:
Print Name:
Title:

BENEFICIARY:

CITY OF ROSEVILLE, a municipal corporation

By: _____
Dominick Casey
City Manager

ATTEST:

Sonia Orozco
City Clerk

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of San Francisco)

On _____ before me, _____, a Notary Public in and for said State, personally appeared, _____, proved to me the basis of satisfactory evidence to be the person (s) whose name (s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her their authorized capacity (ies), and that by his/her/their signature (s) on the instrument the person (s), or the entity upon behalf of which the person (s) acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

Exhibit A

Legal Description of the Property

The land described herein is situated in the State of California, County of Placer, City of Roseville, and is described as follows:

APN:

ATTACHMENT NO. 6

RESERVED

ATTACHMENT NO. 7

RESERVED

ATTACHMENT NO. 8
FORM OF CDBG NOTE

\$793,503

Roseville, California

FOR VALUE RECEIVED, _____ (the "Maker"), having an address of _____, promises to pay the **CITY OF ROSEVILLE** ("Holder"), the initial principal sum of **Seven Hundred Ninety-Three Thousand Five Hundred Three Dollars (\$ 793,503)**. or so much of said amount which may be advanced from time to time, with simple interest at the rate of **Three Percent (3%)** per annum.

1. This Note is made pursuant to Section 10.3 of that Disposition and Development Agreement dated as of _____ (the "DDA") between Maker and Holder. All capitalized terms not otherwise defined herein shall have the meaning set forth in the DDA. Pursuant to the DDA, Maker has acquired that certain real property defined in the DDA as the "Site", and will construct on the Site a residential housing project consisting of 21 residential units (the "Units"), one of which may be a manager's unit and the rest of which shall be rented to qualified low income persons and families (the "Housing Project"), as described in the DDA and the Affordable Housing Regulatory Agreement dated concurrently herewith between Developer and Holder.

2. Payment of this Note is secured by a deed of trust having even date herewith, assignment of rents, security agreement and fixture filing (the "Deed of Trust") from Maker to Holder upon the Site.

3. All principal and any interest thereon shall be due in full on the date that is fifty-five (55) years from the date of recordation of the Certificate of Completion (as defined in the DDA). Payment shall be made in lawful money of the United States to Holder at 311 Vernon Street, Roseville, California 95678. The place of payment may be changed from time to time as the Holder may from time to time designate in writing.

All payments on this Note shall be without expense to the Holder, and the Maker agrees to pay all costs and expenses, including reconveyance fees and reasonable attorneys' fees of the Holder, incurred in connection with the payment of this Note and the release of any security hereof.

4. A default by Maker under the DDA not cured within any applicable cure period under the DDA, and a failure to pay any sum due hereunder within ten (10) business days after it is due shall constitute an event of default under this Note.

If written request is made by Maker's limited partner, Holder shall also deliver a copy of default notice to such limited partner. Any partner of Maker shall have the right to cure any default within the applicable cure periods set forth hereinabove, whether in its own capacity or on behalf of Maker, and Holder shall accept such cure as if tendered by Maker. However, failure by Holder to deliver such notice to Maker's limited partner shall not be a default under this Note or the DDA.

Upon the occurrence of any event of default, or at any time thereafter, at the option of the Holder hereof and without notice, the entire unpaid principal and interest owing on this Note shall become immediately due and payable. This option may be exercised at any time following any such event, and the acceptance of one or more installments thereafter shall not constitute a waiver of Holder's option. Holder's failure to exercise such option shall not constitute a waiver of

such option with respect to any subsequent event. Holder's failure in the exercise of any other right or remedy hereunder or under any agreement which secures the indebtedness or is related thereto shall not affect any right or remedy and no single or partial exercise of any such right or remedy shall preclude any further exercise thereof.

5. At all times when Maker is in default hereunder by reason of Maker's failure to pay principal due under this Note or any amounts due under any loan documents securing this Note, the interest rate on the sums as to which Maker is in default (including principal, if Holder has elected to declare it immediately due and payable), shall be the lower of (i) the highest rate then allowed by law or (ii) two percent (2%) over the prime interest rate announced by Wells Fargo Bank, N.A., as of the date of the default.

6. During the existence of default or delinquency under the terms of this Note or the Deed of Trust, Holder is expressly authorized to apply all payments made on this Note to the payment of all or part of the delinquency, as it may elect.

7. Maker and any endorsers hereof and all others who may become liable for all or any part of this obligation, severally waive presentment for payment, demand and protest and notice of protest, and of dishonor and nonpayment of this Note, and expressly consent to any extension of the time of payment hereof or of any installment hereof, to the release of any party liable for this obligation, and any such extension or release may be made without notice to any of said parties and without any way affecting or discharging this liability.

8. Maker agrees to pay immediately upon demand all costs and expenses of Holder including reasonable attorneys' fees, (i) if after default this Note be placed in the hands of an attorney or attorneys for collection, (ii) if after a default hereunder or under the Deed of Trust, the DDA or under any loan document referred to herein Holder finds it necessary or desirable to secure the services or advice of one or more attorneys with regard to collection of this Note against Maker, any guarantor or any other party liable therefor or to the protection of its rights under this Note, the Deed of Trust, the DDA or other loan document, or (iii) if Holder seeks to have the Site abandoned by or reclaimed from any estate in bankruptcy, or attempts to have any stay or injunction prohibiting the enforcement or collection of the Note or prohibiting the enforcement of the Deed of Trust or any other agreement evidencing or securing this Note lifted by any bankruptcy or other court.

9. If Holder shall be made a party to or shall reasonably intervene in any action or proceeding, whether in court or before any governmental agency, affecting the property or the title thereto or the interest of the Holder under the Deed of Trust, including, without limitation, any form of condemnation or eminent domain proceeding, Holder shall be reimbursed by maker immediately upon demand for all costs, charges and attorneys' fees incurred by Holder in any such case, and the same shall be secured by the Deed of Trust as a further charge and lien upon the Site.

10. Any notices provided for in this Note shall be given by mailing such notice by certified mail, return receipt requested at the address stated in this Note or at such address as either party may designate by written notice.

11. This Note shall be binding upon Maker, its successors and assigns. Except as permitted in the DDA, this Note shall not be assumable by the successors and assigns of Maker without the prior written consent of Holder.

12. This Note shall be construed in accordance with and be governed by the laws of the State of California.

13. If any provision of this Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

14. Except for misrepresentation, waste and willful misconduct, the obligation to repay this Note is a nonrecourse obligation of the Borrower.

15. Except for any misrepresentation or willful misconduct by Maker, and except as otherwise provided in the Deed of Trust, this Note is nonrecourse and neither Maker nor any member, officer, partner or employee of Maker shall have any personal liability for repayment of the sums evidenced hereby, and the Holder must resort only to the Housing Project for repayment should the Maker fail to repay the sums evidenced hereby.

16. Any extension of time for payment of this Note or any installment hereof made by agreement of Holder with any person now or hereafter liable for payment of this Note shall not operate to release, discharge, modify, change or affect the original liability of Maker under this Note, either in whole or in part.

17. The obligations of Maker under this Note shall be absolute and Maker waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reason whatsoever.

18. Maker promises to pay all costs and expenses, including reasonable attorneys' fees, incurred by Holder in the enforcement of the provisions of this Note, regardless of whether suit is filed to seek enforcement.

19. This Note may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

20. This document, together with the DDA, the Deed of Trust, and the Affordable Housing Regulatory Agreement, contains the entire agreement between the parties as to the loan. It may not be modified except upon written consent of the parties.

21. The times for the performance of any obligations hereunder shall be strictly construed, time being of the essence.

22. If any term, condition or provision of this Note is in conflict with the term, condition or provision of the DDA, the Deed of Trust, or the Affordable Housing Regulatory Agreement, said term, condition or provision of the DDA, the Deed of Trust, and the Affordable Housing Regulatory Agreement shall control to the extent of such conflict.

23. Maker may prepay this Note in full or in part at any time, without any prepayment penalty being charged by Holder.

MAKER:

By: _____

Print Name: _____

Title: _____

ATTACHMENT NO. 9
FORM OF CDBG DEED OF TRUST

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Roseville
311 Vernon Street
Roseville, CA 95678
Attention: City Clerk

No fee for recording pursuant to
Government Code Section 27383

**DEED OF TRUST WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT, AND
FIXTURE FILING
CDBG LOAN**

_____, Roseville

THIS DEED OF TRUST WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT,
AND FIXTURE FILING ("Deed of Trust") is made as of _____, 2019, by and among
_____ ("Trustor"), First American Title Company, a California corporation
("Trustee"), and the City of Roseville ("Beneficiary").

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein
recited and the trust herein created, the receipt of which is hereby acknowledged, Trustor
hereby irrevocably grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH
POWER OF SALE, for the benefit and security of Beneficiary, under and subject to the terms
and conditions hereinafter set forth, Trustor's interest in the property located in the City of
Roseville, County of Placer, State of California, that is described in the attached Exhibit A,
incorporated herein by this reference (the "Property").

TOGETHER WITH all interest, estates or other claims, both in law and in equity which
Trustor now has or may hereafter acquire in the Property and the rents;

TOGETHER WITH all easements, rights-of-way and rights used in connection therewith
or as a means of access thereto, including (without limiting the generality of the foregoing) all
tenements, hereditaments and appurtenances thereof and thereto;

TOGETHER WITH any and all buildings and improvements of every kind and
description now or hereafter erected thereon, and all property of the Trustor now or hereafter
affixed to or placed upon the Property;

TOGETHER WITH all building materials and equipment now or hereafter delivered to
said property and intended to be installed therein;

TOGETHER WITH all right, title and interest of Trustor, now owned or hereafter
acquired, in and to any land lying within the right-of-way of any street, open or proposed,
adjoining the Property, and any and all sidewalks, alleys and strips and areas of land adjacent

to or used in connection with the Property;

TOGETHER WITH all estate, interest, right, title, other claim or demand, of every nature, in and to such property, including the Property, both in law and in equity, including, but not limited to, all deposits made with or other security given by Trustor to utility companies, the proceeds from any or all of such property, including the Property, claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Trustor now has or may hereafter acquire, any and all awards made for the taking by eminent domain or by any proceeding or purchase in lieu thereof of the whole or any part of such property, including without limitation, any awards resulting from a change of grade of streets and awards for severance damages to the extent Beneficiary has an interest in such awards for taking as provided in Paragraph 4.1 herein;

TOGETHER WITH all of Trustor's interest in all articles of personal property or fixtures now or hereafter attached to or used in and about the building or buildings now erected or hereafter to be erected on the Property which are necessary to the complete and comfortable use and occupancy of such building or buildings for the purposes for which they were or are to be erected, including all other goods and chattels and personal property as are ever used or furnished in operating a building, or the activities conducted therein, similar to the one herein described and referred to, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are, or shall be attached to said building or buildings in any manner; and

TOGETHER WITH all of Trustor's interest in all building materials, fixtures, equipment, work in process and other personal property to be incorporated into the Property; all goods, materials, supplies, fixtures, equipment, machinery, furniture and furnishings, signs and other personal property now or hereafter appropriated for use on the Property, whether stored on the Property or elsewhere, and used or to be used in connection with the Property; all rents, issues and profits, and all inventory, accounts, accounts receivable, contract rights, general intangibles, chattel paper, instruments, documents, notes drafts, letters of credit, insurance policies, insurance and condemnation awards and proceeds, trade names, trademarks and service marks arising from or related to the Property and any business conducted thereon by Trustor; all replacements, additions, accessions and proceeds; and all books, records and files relating to any of the foregoing.

All of the foregoing, together with the Property, is herein referred to as the "Security." To have and to hold the Security together with acquitances to the Trustee, its successors and assigns forever.

FOR THE PURPOSE OF SECURING THE FOLLOWING OBLIGATIONS (the "Secured Obligations"):

(a) Payment to Beneficiary of all sums at any time owing under or in connection with the Note (defined in Section 1.3 below) until paid or cancelled and any other amounts owing under the Loan Documents (defined in Section 1.2 below). Said principal and other payments shall be due and payable as provided in the Note or other Loan Documents, as applicable. The Note and all its terms are incorporated herein by reference, and this conveyance shall secure any and all extensions thereof, however evidenced;

(b) Payment of any sums advanced by Beneficiary to protect the Security pursuant

to the terms and provisions of this Deed of Trust following a breach of Trustor's obligation to advance said sums and the expiration of any applicable cure period, with interest thereon as provided herein;

(c) Performance of every obligation, covenant or agreement of Trustor contained herein and in the Loan Documents; and

(d) All modifications, extensions and renewals of any of the Secured Obligations (including without limitation (i) modifications, extensions, or renewals at a different rate of interest, or (ii) deferrals or accelerations of the required principal payment dates or interest payment dates or both, in whole or in part), however evidenced, whether or not any such modification, extension or renewal is evidenced by a new or additional promissory note or notes.

AND TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR COVENANTS AND AGREES:

ARTICLE 1: DEFINITIONS

In addition to the terms defined elsewhere in this Deed of Trust, the following terms shall have the following meanings in this Deed of Trust:

Section 1.1 The term "DDA" means that certain Disposition and Development Agreement between Trustor and Beneficiary, of even date herewith, providing for the Beneficiary to loan to the Trustor Seven Hundred Ninety-Three Thousand Five Hundred Three Dollars (\$793,503) to assist in the permanent financing of no fewer than twenty-one (21) rental housing units (and up to one manager's unit) on the Property, of which twenty (20) units shall be affordable for fifty-five (55) years in accordance with the Regulatory Agreement. Capitalized terms used but not defined in this Deed of Trust shall have the meanings set forth in the DDA.

Section 1.2 The term "Loan Documents" means this Deed of Trust, the Note, the DDA, the Regulatory Agreement, and any other debt, loan or security instruments between Trustor and the Beneficiary relating to the Property.

Section 1.3 The term "Note" means the promissory note in the principal amount of Seven Hundred Ninety-Three Thousand Five Hundred Three Dollars (\$793,503) of even date herewith, executed by Trustor in favor of the Beneficiary, as it may be amended or restated, the payment of which is secured by this Deed of Trust. (A copy of the Note is on file with the Beneficiary and terms and provisions of the Note are incorporated herein by reference.).

Section 1.4 The term "Principal" means the amount required to be paid under the Note.

Section 1.5 The term "Regulatory Agreement" means the Affordable Housing Regulatory Agreement of even date herewith by and between the Beneficiary and the Trustor.

**ARTICLE 2:
MAINTENANCE AND MODIFICATION OF
THE PROPERTY AND SECURITY**

Section 2.1 Maintenance and Modification of the Property by Trustor.

The Trustor agrees that at all times prior to full payment and performance of the Secured Obligations, the Trustor will, at the Trustor's own expense, maintain, preserve and keep the Security or cause the Security to be maintained and preserved in good condition and shall not commit waste. The Trustor will from time to time make or cause to be made all repairs, replacements and renewals deemed proper and necessary by it. In addition, Trustor shall not use, maintain, operate or occupy, or allow the use, maintenance, operation or occupancy of, the Security in any manner which (1) violates any laws; (2) endangers the Security or adjoining properties; or (3) constitutes a public or private nuisance. The Beneficiary shall have no responsibility in any of these matters or for the making of improvements or additions to the Security.

Trustor agrees to pay fully and discharge (or cause to be paid fully and discharged) all claims for labor done and for material and services furnished in connection with the Security, diligently to file or procure the filing of a valid notice of cessation upon the event of a cessation of labor on the work or construction on the Security for a continuous period of thirty (30) calendar days or more, and to take all other reasonable steps to forestall the assertion of claims of lien against the Security of any part thereof. Trustor irrevocably appoints, designates and authorizes Beneficiary as its agent (said agency being coupled with an interest) with the authority, but without any obligation, to file for record any notices of completion or cessation of labor or any other notice that Beneficiary deems necessary or desirable to protect its interest in and to the Security or the Loan Documents; provided, however, that Beneficiary shall exercise its rights as agent of Trustor only in the event that Trustor shall fail to take, or shall fail to diligently continue to take, those actions as hereinbefore provided.

Upon demand by Beneficiary, Trustor shall make or cause to be made such demands or claims as Beneficiary shall specify upon laborers, materialmen, subcontractors or other persons who have furnished or claim to have furnished labor, services or materials in connection with the Security. Nothing herein contained shall require Trustor to pay any claims for labor, materials or services which Trustor in good faith disputes and is diligently contesting provided that Trustor shall, within thirty (30) calendar days after the filing of any claim of lien, record in the Office of the Recorder of Placer County, a surety bond in an amount required by law to protect against a claim of lien.

Section 2.2 Granting of Easements.

Trustor may not grant easements, licenses, rights-of-way or other rights or privileges in the nature of easements with respect to any property or rights included in the Security except those required or desirable for installation and maintenance of public utilities including, without limitation, water, gas, electricity, sewer, telephone and telegraph, or those required by law, and as approved, in writing, by Beneficiary.

Section 2.3 Assignment of Rents.

As part of the consideration for the indebtedness evidenced by the Note and subject to

the rights of the Senior Lenders, Trustor hereby absolutely and unconditionally assigns and transfers to Beneficiary all the rents and revenues of the Property including those now due, past due, or to become due by virtue of any lease or other agreement for the occupancy or use of all or any part of the Property, regardless of to whom the rents and revenues of the Property are payable. Trustor hereby authorizes Beneficiary or Beneficiary's agents to collect the aforesaid rents and revenues and hereby directs each tenant of the Property to pay such rents to Beneficiary or Beneficiary's agents; provided, however, that prior to written notice given by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents, Trustor shall collect and receive all rents and revenues of the Property as trustee for the benefit of Beneficiary and Trustor to apply the rents and revenues so collected to the Secured Obligations with the balance, so long as no such breach has occurred, to the account of Trustor, it being intended by Trustor and Beneficiary that this assignment of rents constitutes an absolute assignment and not an assignment for additional security only. Upon delivery of written notice by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents, and without the necessity of Beneficiary entering upon and taking and maintaining full control of the Property in person, by agent or by a court appointed receiver, Beneficiary shall immediately be entitled to possession of all rents and revenues of the Property as specified in this Section 2.3 as the same become due and payable, including but not limited to rents then due and unpaid, and all such rents shall immediately upon delivery of such notice be held by Trustor as trustee for the benefit of Beneficiary only; provided, however, that the written notice by Beneficiary to Trustor of the breach by Trustor shall contain a statement that Beneficiary exercises its rights to such rents. Trustor agrees that commencing upon delivery of such written notice of Trustor's breach by Beneficiary to Trustor, each tenant of the Property shall make such rents payable to and pay such rents to Beneficiary or Beneficiary's agents on Beneficiary's written demand to each tenant therefor, delivered to each tenant personally, by mail or by delivering such demand to each rental unit, without any liability on the part of said tenant to inquire further as to the existence of a default by Trustor.

Trustor hereby covenants that Trustor has not executed any prior assignment of said rents other than assignments to the Senior Lenders, that Trustor has not performed, and will not perform, any acts or has not executed and will not execute, any instrument which would prevent Beneficiary from exercising its rights under this Section 2.3, and that at the time of execution of this Deed of Trust, there has been no anticipation or prepayment of any of the rents of the Property for more than two (2) months prior to the due dates of such rents. Trustor covenants that Trustor will not hereafter collect or accept payment of any rents of the Property more than two (2) months prior to the due dates of such rents. Trustor further covenant that Trustor will execute and deliver to Beneficiary such further assignments of rents and revenues of the Property as Beneficiary may from time to time request.

Upon Trustor's breach of any covenant or agreement of Trustor in the Loan Documents and after the expiration of any applicable cure periods, Beneficiary may in person, by agent or by a court-appointed receiver, regardless of the adequacy of Beneficiary's security, enter upon and take and maintain full control of the Property in order to perform all acts necessary and appropriate for the operation and maintenance thereof including, but not limited to, the execution, cancellation or modification of leases, the collection of all rents and revenues of the Property, the making of repairs to the Property and the execution or termination of contracts providing for the management or maintenance of the Property, all on such terms as are deemed best to protect the security of this Deed of Trust. In the event Beneficiary elects to seek the appointment of a receiver for the Property upon Trustor's breach of any covenant or agreement of Trustor in this Deed of Trust, Trustor hereby expressly consents to the appointment of such

receiver. Beneficiary or the receiver shall be entitled to receive a reasonable fee for so managing the Property.

All rents and revenues collected subsequent to delivery of written notice by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents shall be applied first to the costs, if any, of taking control of and managing the Property and collecting the rents, including, but not limited to, reasonable attorney's fees, receiver's fees, premiums on receiver's bonds, costs of repairs to the Property, premiums on insurance policies, taxes, assessments and other charges on the Property, and the costs of discharging any obligation or liability of Trustor as lessor or landlord of the Property and then to the sums secured by this Deed of Trust. Beneficiary or the receiver shall have access to the books and records used in the operation and maintenance of the Property and shall be liable to account only for those rents actually received. Beneficiary shall not be liable to Trustor, anyone claiming under or through Trustor or anyone having an interest in the Property by reason of anything done or left undone by Beneficiary under this Section 2.3.

If the rents of the Property are not sufficient to meet the costs, if any, of taking control of and managing the Property and collecting the rents, any funds expended by Beneficiary for such purposes shall become part of the Secured Obligations pursuant to Section 3.3 hereof. Unless Beneficiary and Trustor agree in writing to other terms of payment, such amounts shall be payable upon notice from Beneficiary to Trustor requesting payment thereof and shall bear interest from the date of disbursement at the rate stated in Section 3.3.

Any entering upon and taking and maintaining of control of the Property by Beneficiary or the receiver and any application of rents as provided herein shall not cure or waive any default hereunder or invalidate any other right or remedy of Beneficiary under applicable law or provided herein. This assignment of rents of the Property shall terminate at such time as this Deed of Trust ceases to secure the Secured Obligations.

ARTICLE 3: TAXES AND INSURANCE; ADVANCES

Section 3.1 Taxes, Other Governmental Charges and Utility Charges.

Trustor shall pay, or cause to be paid, prior to the date of delinquency, all taxes, assessments, charges and levies imposed by any public authority or utility company which are or may become a lien affecting the Security or any part thereof; provided, however, that Trustor shall not be required to pay and discharge any such tax, assessment, charge or levy so long as (a) the legality thereof shall be promptly and actively contested in good faith and by appropriate proceedings, and (b) Trustor maintains reserves adequate to pay any liabilities contested pursuant to this Section 3.1. With respect to taxes, special assessments or other similar governmental charges, Trustor shall pay such amount in full prior to the attachment of any lien therefor on any part of the Security; provided, however, if such taxes, assessments or charges may be paid in installments, Trustor may pay in such installments. Except as provided in clause (b) of the first sentence of this paragraph, the provisions of this Section 3.1 shall not be construed to require that Trustor maintain a reserve account, escrow account, impound account or other similar account for the payment of future taxes, assessments, charges and levies.

In the event that Trustor shall fail to pay any of the foregoing items required by this Section to be paid by Trustor, Beneficiary may (but shall be under no obligation to) pay the

same, after the Beneficiary has notified the Trustor of such failure to pay and the Trustor fails to fully pay such items within seven (7) business days after receipt of such notice. Any amount so advanced therefor by Beneficiary, together with interest thereon from the date of such advance at the maximum rate permitted by law, shall become part of the Secured Obligations secured hereby, and Trustor agrees to pay all such amounts.

Section 3.2 Provisions Respecting Insurance.

Trustor agrees to provide insurance conforming in all respects to that required under the Loan Documents during the course of construction and following completion, and at all times until all amounts secured by this Deed of Trust have been paid and all Secured Obligations secured hereunder fulfilled, and this Deed of Trust reconveyed.

All such insurance policies and coverages shall be maintained at Trustor's sole cost and expense. Certificates of insurance for all of the above insurance policies, showing the same to be in full force and effect, shall be delivered to the Beneficiary upon demand therefor at any time prior to Trustor's satisfaction of the Secured Obligations.

Section 3.3 Advances.

In the event the Trustor shall fail to maintain the full insurance coverage required by this Deed of Trust or shall fail to keep the Security in accordance with the Loan Documents, the Beneficiary, after at least seven (7) calendar days prior notice to Trustor, may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefor by the Beneficiary shall become part of the Secured Obligations (together with interest as set forth below) and shall be secured hereby, which amounts the Trustor agrees to pay on the demand of the Beneficiary, and if not so paid, shall bear interest from the date of the advance at the lesser of eight percent (8%) per annum or the maximum rate permitted by law.

ARTICLE 4: DAMAGE, DESTRUCTION OR CONDEMNATION

Section 4.1 Awards and Damages.

Subject to the rights of the Senior Lenders, all judgments, awards of damages, settlements and compensation made in connection with or in lieu of (1) taking of all or any part of or any interest in the Property by or under assertion of the power of eminent domain, (2) any damage to or destruction of the Property or in any part thereof by insured casualty, and (3) any other injury or damage to all or any part of the Property (collectively, the "Funds") are hereby assigned to and shall be paid to the Beneficiary by a check made payable to the Beneficiary. The Beneficiary is authorized and empowered (but not required) to collect and receive any Funds and is authorized to apply them in whole or in part upon any indebtedness or obligation secured hereby, in such order and manner as the Beneficiary shall determine at its sole option. The Beneficiary shall be entitled to settle and adjust all claims under insurance policies provided under this Deed of Trust and may deduct and retain from the proceeds of such insurance the amount of all expenses incurred by it in connection with any such settlement or adjustment. Application of all or any part of the Funds collected and received by the Beneficiary or the release thereof shall not cure or waive any default under this Deed of Trust. The rights of the

Beneficiary under this Section 4.1 are subject to the rights of any Senior Lender (as defined in the DDA). The Beneficiary shall release the Funds to Trustor to be used to reconstruct the improvements on the Property under the terms and conditions set forth in Section 36 of the DDA.

ARTICLE 5:
AGREEMENTS AFFECTING THE PROPERTY; FURTHER ASSURANCES; PAYMENT OF PRINCIPAL AND INTEREST

Section 5.1 Other Agreements Affecting Property.

The Trustor shall duly and punctually perform all terms, covenants, conditions and agreements binding upon it under the Loan Documents and any other agreement of any nature whatsoever now or hereafter involving or affecting the Security or any part thereof.

Section 5.2 Agreement to Pay Attorneys' Fees and Expenses.

In the event of any Event of Default (as defined in Section 7.1) hereunder, and if the Beneficiary should employ attorneys or incur other expenses for the collection of amounts due or the enforcement of performance or observance of an obligation or agreement on the part of the Trustor in this Deed of Trust, the Trustor agrees that it will, on demand therefor, pay to the Beneficiary the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Beneficiary (including, but not limited to, other professional service fees and costs); and any such amounts paid by the Beneficiary shall be added to the Secured Obligations, and shall bear interest from the date such expenses are incurred at the lesser of eight percent (8%) per annum or the maximum rate permitted by law.

Section 5.3 Payment of the Principal.

The Trustor shall pay to the Beneficiary the Principal and any other payments as set forth in the Note in the amounts and by the times set out therein.

Section 5.4 Personal Property.

To the maximum extent permitted by law, the personal property subject to this Deed of Trust shall be deemed to be fixtures and part of the real property and this Deed of Trust shall constitute a fixtures filing under the California Commercial Code. As to any personal property not deemed or permitted to be fixtures, this Deed of Trust shall constitute a security agreement under the California Commercial Code. The Trustor hereby grants the Beneficiary a security interest in such items.

Section 5.5 Financing Statement.

The Trustor shall execute and deliver to the Beneficiary such financing statements pursuant to the appropriate statutes, and any other documents or instruments as are required to convey to the Beneficiary a valid perfected security interest in the Security. The Trustor agrees to perform all acts which the Beneficiary may reasonably request so as to enable the Beneficiary to maintain such valid perfected security interest in the Security in order to secure the payment of the Note in accordance with its terms. The Beneficiary is authorized to file a copy of any such financing statement in any jurisdiction(s) as it shall deem appropriate from

time to time in order to protect the security interest established pursuant to this instrument. Trustor shall pay all costs of filing such financing statements and any extensions, renewals, amendments, and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements, and releases thereof, as the Beneficiary may reasonably require. Without the prior written consent of the Beneficiary, Trustor shall not create or suffer to be created pursuant to the California Commercial Code any other security interest in the Security, including replacements and additions thereto.

Section 5.6 Operation of the Security.

The Trustor shall operate the Security (and, in case of a transfer of a portion of the Security subject to this Deed of Trust, the transferee shall operate such portion of the Security) in full compliance with the Loan Documents.

Section 5.7 Inspection of the Security.

At any and all reasonable times upon seventy-two (72) hours' notice, the Beneficiary and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right, without payment of charges or fees, to inspect the Security.

Section 5.8 Nondiscrimination.

The Trustor herein covenants by and for itself, its heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, age, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, or genetic information in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Security, nor shall the Trustor itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Security. The foregoing covenants shall run with the land.

ARTICLE 6: HAZARDOUS WASTE

Trustor shall keep and maintain the Property in compliance with, and shall not cause or permit the Property to be in violation of any federal, state or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions on, under or about the Property including, but not limited to, soil and ground water conditions. Trustor shall not use, generate, manufacture, store or dispose of on, under, or about the Property or transport to or from the Property any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials, including without limitation, any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal or state laws or regulations (collectively referred to hereinafter as "Hazardous Materials") except such of the foregoing as may be customarily used in construction or operation of a multifamily residential development.

Trustor shall immediately advise Beneficiary in writing if at any time it receives written notice of (i) any and all enforcement, cleanup, removal or other governmental or regulatory

actions instituted, completed or threatened against Trustor or the Property pursuant to any applicable federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials, ("Hazardous Materials Law"); (ii) all claims made or threatened by any third party against Trustor or the Property relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (i) and (ii) above are hereinafter referred to a "Hazardous Materials Claims"); and (iii) Trustor's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any part thereof to be classified as "border-zone property" (as defined in the California Health and Safety Code) under the provision of California Health and Safety Code, Sections 25220 et seq., or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Property under any Hazardous Materials Law.

Beneficiary shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and to have its reasonable attorneys' fees in connection therewith paid by Trustor. Trustor shall defend, indemnify and hold harmless Beneficiary and its board members, supervisors, directors, officers, employees, agents, successors and assigns from and against any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence of Hazardous Materials on, under, or about the Property including without limitation: (a) all foreseeable consequential damages; (b) the costs of any required or necessary repair, cleanup or detoxification of the Property and the preparation and implementation of any closure, remedial or other required plans; and (c) all reasonable costs and expenses incurred by Beneficiary in connection with clauses (a) and (b), including but not limited to reasonable attorneys' fees and consultant's fees. This indemnification applies whether or not any government agency has issued a cleanup order. Losses, claims, costs, suits, liability, and expenses covered by this indemnification provision include, but are not limited to: (1) losses attributable to diminution in the value of the Property; (2) loss or restriction of use of rentable space on the Property; (3) adverse effect on the marketing of any rental space on the Property; and (4) penalties and fines levied by, and remedial or enforcement actions of any kind issued by any regulatory agency (including but not limited to the costs of any required testing, remediation, repair, removal, cleanup or detoxification of the Property and surrounding properties).

Without Beneficiary's prior written consent, which shall not be unreasonably withheld, Trustor shall not take any remedial action in response to the presence of any Hazardous Materials on, under or about the Property, nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Material Claims, which remedial action, settlement, consent decree or compromise might, in Beneficiary's reasonable judgment, impair the value of the Beneficiary's security hereunder; provided, however, that Beneficiary's prior consent shall not be necessary in the event that the presence of Hazardous Materials on, under, or about the Property either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not reasonably possible to obtain Beneficiary's consent before taking such action, provided that in such event Trustor shall notify Beneficiary as soon as practicable of any action so taken. Beneficiary agrees not to withhold its consent, where such consent is required hereunder, if (i) a particular remedial action is ordered by a court of competent jurisdiction, (ii) Trustor will or may be subjected to civil or criminal sanctions or penalties if it fails to take a required action; (iii) Trustor establishes to the reasonable satisfaction of Beneficiary that there is no reasonable alternative to such remedial action which would result in less impairment of Beneficiary's

security hereunder; or (iv) the action has been agreed to by Beneficiary.

The Trustor hereby acknowledges and agrees that (i) this Article is intended as the Beneficiary's written request for information (and the Trustor's response) concerning the environmental condition of the Property as required by California Code of Civil Procedure Section 726.5, and (ii) each representation and warranty in this Deed of Trust or any of the other Loan Documents (together with any indemnity applicable to a breach of any such representation and warranty) with respect to the environmental condition of the property is intended by the Beneficiary and the Trustor to be an "environmental provision" for purposes of California Code of Civil Procedure Section 736.

In the event that any portion of the Property is determined to be "environmentally impaired" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(3)) or to be an "affected parcel" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(1)), then, without otherwise limiting or in any way affecting the Beneficiary's or the Trustee's rights and remedies under this Deed of Trust, the Beneficiary may elect to exercise its rights under California Code of Civil Procedure Section 726.5(a) to (1) waive its lien on such environmentally impaired or affected portion of the Property and (2) exercise (a) the rights and remedies of an unsecured creditor, including reduction of its claim against the Trustor to judgment, and (b) any other rights and remedies permitted by law. For purposes of determining the Beneficiary's right to proceed as an unsecured creditor under California Code of Civil Procedure Section 726.5(a), the Trustor shall be deemed to have willfully permitted or acquiesced in a release or threatened release of hazardous materials, within the meaning of California Code of Civil Procedure Section 726.5(d)(1), if the release or threatened release of hazardous materials was knowingly or negligently caused or contributed to by any lessee, occupant, or user of any portion of the Property and the Trustor knew or should have known of the activity by such lessee, occupant, or user which caused or contributed to the release or threatened release. All costs and expenses, including (but not limited to) reasonable attorneys' fees, incurred by the Beneficiary in connection with any action commenced under this paragraph, including any action required by California Code of Civil Procedure Section 726.5(b) to determine the degree to which the Property is environmentally impaired, plus interest thereon at the default rate specified in the DDA, until paid, shall be added to the indebtedness secured by this Deed of Trust and shall be due and payable to the Beneficiary upon its demand made at any time following the conclusion of such action.

The Trustor is aware that California Civil Code Section 2955.5(a) provides as follows: "No lender shall require a borrower, as a condition of receiving or maintaining a loan secured by real property, to provide hazard insurance coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on the property."

ARTICLE 7: EVENTS OF DEFAULT AND REMEDIES

Section 7.1 Events of Default.

The following shall constitute events of default ("Events of Default") following the expiration of any applicable notice and cure periods: (1) failure to make any payment to be paid by Trustor under the Loan Documents; (2) failure to observe or perform any of Trustor's other covenants, agreements or obligations under the Loan Documents, including, without limitation, the provisions concerning transfer and discrimination; or (3) failure to make any payment or

observe or perform any of Trustor's other covenants, agreements, or obligations under any Secured Obligations, which default shall not be cured within the times and in the manner provided therein. Trustor's limited partner shall have cure rights as set forth in Section 14.1 of the DDA.

Section 7.2 Acceleration of Maturity.

If an Event of Default shall have occurred and be continuing, then at the option of the Beneficiary, the amount of any payment related to the Event of Default and all unpaid Secured Obligations shall immediately become due and payable, upon written notice by the Beneficiary to the Trustor (or automatically where so specified in the Loan Documents), and no omission on the part of the Beneficiary to exercise such option when entitled to do so shall be construed as a waiver of such right.

Section 7.3 The Beneficiary's Right to Enter and Take Possession.

If an Event of Default shall have occurred and be continuing, the Beneficiary may:

(a) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, enter upon the Security and take possession thereof (or any part thereof) and of any of the Security, in its own name or in the name of Trustee, and do any acts which it deems necessary or desirable to preserve the value or marketability of the Property, or part thereof or interest therein, increase the income therefrom or protect the security thereof. The entering upon and taking possession of the Security shall not cure or waive any Event of Default or Notice of Sale (as defined in Section 7.3(c)) hereunder or invalidate any act done in response to such Event of Default or pursuant to such Notice of Sale and, notwithstanding the continuance in possession of the Security, Beneficiary shall be entitled to exercise every right provided for in this Deed of Trust, or by law upon occurrence of any Event of Default, including the right to exercise the power of sale;

(b) Commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof;

(c) Deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause Trustor's interest in the Security to be sold ("Notice of Sale"), which notice Trustee or Beneficiary shall cause to be duly filed for record in the Official Records of Placer County; or

(d) Exercise all other rights and remedies provided herein, in the instruments by which the Trustor acquires title to any Security, or in any other document or agreement now or hereafter evidencing, creating or securing the Secured Obligations.

Section 7.4 Foreclosure By Power of Sale.

Should the Beneficiary elect to foreclose by exercise of the power of sale herein contained, the Beneficiary shall deliver to the Trustee the Notice of Sale and shall deposit with Trustee this Deed of Trust which is secured hereby (and the deposit of which shall be deemed to constitute evidence that the Secured Obligations are immediately due and payable), and such receipts and evidence of any expenditures made that are additionally secured hereby as

Trustee may require.

(a) Upon receipt of such Notice of Sale from the Beneficiary, Trustee shall cause to be recorded, published and delivered to Trustor such Notice of Sale as then required by law and by this Deed of Trust. Trustee shall, without demand on Trustor, after lapse of such time as may then be required by law and after recordation of such Notice of Sale having been given as required by law, sell the Security, at the time and place of sale fixed by it in the Notice of Sale, whether as a whole or in separate lots or parcels or items as Trustee shall deem expedient and in such order as it may determine unless specified otherwise by the Trustor according to California Civil Code Section 2924g(b), at public auction to the highest bidder, for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed or any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Trustor, Trustee or Beneficiary, may purchase at such sale.

(b) After deducting all reasonable costs, fees and expenses of Trustee, including costs of evidence of title in connection with such sale, Trustee shall apply the proceeds of sale to payment of: (i) the unpaid Principal amount of the Note; (ii) all other Secured Obligations owed to Beneficiary under the Loan Documents; (iii) all other sums then secured hereby; and (iv) the remainder, if any, to Trustor.

(c) Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter, and without further notice make such sale at the time fixed by the last postponement, or may, in its discretion, give a new Notice of Sale.

Section 7.5 Receiver.

If an Event of Default shall have occurred and be continuing, Beneficiary, as a matter of right and without further notice to Trustor or anyone claiming under the Security, and without regard to the then value of the Security or the interest of Trustor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Security (or a part thereof), and Trustor hereby irrevocably consents to such appointment and waives further notice of any application therefor. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases, and all the powers and duties of Beneficiary in case of entry as provided herein, and shall continue as such and exercise all such powers until the date of confirmation of sale of the Security, unless such receivership is sooner terminated.

Section 7.6 Remedies Cumulative.

No right, power or remedy conferred upon or reserved to the Beneficiary by this Deed of Trust is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity.

Section 7.7 No Waiver.

(a) No delay or omission of the Beneficiary to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or

remedy, or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every right, power and remedy given by this Deed of Trust to the Beneficiary may be exercised from time to time and as often as may be deemed expeditious by the Beneficiary. Beneficiary's express or implied consent to breach, or waiver of, any obligation of the Trustor hereunder shall not be deemed or construed to be a consent to any subsequent breach, or further waiver, of such obligation or of any other obligations of the Trustor hereunder. Failure on the part of the Beneficiary to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by the Beneficiary of its right hereunder or impair any rights, power or remedies consequent on any Event of Default by the Trustor.

(b) If the Beneficiary (i) grants forbearance or an extension of time for the payment or performance of any Secured Obligations, (ii) takes other or additional security or the payment of any sums secured hereby, (iii) waives or does not exercise any right granted in the Loan Documents, (iv) releases any part of the Security from the lien of this Deed of Trust, or otherwise changes any of the terms, covenants, conditions or agreements in the Loan Documents, (v) consents to the granting of any easement or other right affecting the Security, or (iv) makes or consents to any agreement subordinating the lien hereof, any such act or omission shall not release, discharge, modify, change or affect the original liability under this Deed of Trust, or any other obligation of the Trustor or any subsequent purchaser of the Security or any part thereof, or any maker, co-signer, endorser, surety or guarantor (unless expressly released); nor shall any such act or omission preclude the Beneficiary from exercising any right, power or privilege herein granted or intended to be granted in any Event of Default then made or of any subsequent Event of Default, nor, except as otherwise expressly provided in an instrument or instruments executed by the Beneficiary shall the lien of this Deed of Trust be altered thereby.

Section 7.8 Suits to Protect the Security.

The Beneficiary shall have power to (a) institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Security and the rights of the Beneficiary as may be unlawful or any violation of this Deed of Trust, (b) preserve or protect its interest (as described in this Deed of Trust) in the Security, and (c) restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement for compliance with such enactment, rule or order would impair the Security thereunder or be prejudicial to the interest of the Beneficiary.

Section 7.9 Trustee May File Proofs of Claim.

In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting the Trustor, its creditors or its property, the Trustee and/or the Beneficiary, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of the Beneficiary allowed in such proceedings and for any additional amount which may become due and payable by the Trustor hereunder after such date.

Section 7.10 Waiver.

The Trustor waives presentment, demand for payment, notice of dishonor, notice of

protest and nonpayment, protest, notice of interest on interest and late charges, and diligence in taking any action to collect any Secured Obligations or in proceedings against the Security, in connection with the delivery, acceptance, performance, default, endorsement or guaranty of this Deed of Trust.

ARTICLE 8: MISCELLANEOUS

Section 8.1 Amendments.

This Deed of Trust cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by Beneficiary and Trustor.

Section 8.2 Reconveyance by Trustee.

Upon written request of Beneficiary stating that all Secured Obligations have been paid or forgiven, and upon surrender of this Deed of Trust to Trustee for cancellation and retention, and upon payment by Trustor of Trustee's reasonable fees, Trustee shall reconvey the Security to Trustor, or to the person or persons legally entitled thereto.

Section 8.3 Notices.

If at any time after the execution of this Deed of Trust it shall become necessary or convenient for one of the parties hereto to serve any notice, demand or communication upon the other party, such notice, demand or communication shall be in writing and shall be served personally, by reputable overnight delivery service (which provides a delivery receipt) or by depositing the same in the registered United States mail, return receipt requested, postage prepaid and (1) if intended for Beneficiary shall be addressed to:

City of Roseville
311 Vernon Street
Roseville, CA 95678
Attention: City Manager

and (2) if intended for Trustor shall be addressed to:

with a copy to:

Any notice, demand or communication shall be deemed given, received, made or communicated on the date personal delivery is effected or, if mailed in the manner herein specified, on the delivery date or date delivery is refused by the addressee, as shown on the return receipt. Either party may change its address at any time by giving written notice of such change to Beneficiary or Trustor as the case may be, in the manner provided herein, at least ten (10) calendar days prior to the date such change is desired to be effective.

Section 8.4 Successors and Joint Trustors.

Where an obligation created herein is binding upon Trustor, the obligation shall also apply to and bind any transferee or successors in interest. Where the terms of the Deed of Trust have the effect of creating an obligation of the Trustor and a transferee, such obligation shall be deemed to be a joint and several obligation of the Trustor and such transferee. Where Trustor is more than one entity or person, all obligations of Trustor shall be deemed to be a joint and several obligation of each and every entity and person comprising Trustor.

Section 8.5 Captions.

The captions or headings at the beginning of each Section hereof are for the convenience of the parties and are not a part of this Deed of Trust.

Section 8.6 Invalidity of Certain Provisions.

Every provision of this Deed of Trust is intended to be severable. In the event any term or provision hereof is declared to be illegal or invalid for any reason whatsoever by a court or other body of competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of the Security, the unsecured or partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid or applied to the full payment of that portion of the debt which is not secured or partially secured by the lien of this Deed of Trust.

Section 8.7 Governing Law.

This Deed of Trust shall be governed by and construed in accordance with the laws of the State of California.

Section 8.8 Gender and Number.

In this Deed of Trust the singular shall include the plural and the masculine shall include the feminine and neuter and vice versa, if the context so requires.

Section 8.9 Deed of Trust, Mortgage.

Any reference in this Deed of Trust to a mortgage shall also refer to a deed of trust and any reference to a deed of trust shall also refer to a mortgage.

Section 8.10 Actions.

Trustor agrees to appear in and defend any action or proceeding purporting to affect the Security.

Section 8.11 Substitution of Trustee.

Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this Trust. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers, and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and substitution shall be made by written instrument executed by Beneficiary, containing reference to this Deed of Trust and its place of record, which, when duly recorded in the proper office of the county or counties in which the Property is situated, shall be conclusive proof of proper appointment of the successor trustee.

Section 8.12 Statute of Limitations.

The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the full extent permissible by law.

Section 8.13 Acceptance by Trustee.

Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made public record as provided by law. Except as otherwise provided by law the Trustee is not obligated to notify any party hereto of pending sale under this Deed of Trust or of any action of proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

Section 8.14 Tax Credit Provisions.

Notwithstanding anything to the contrary contained herein or in any documents secured by this Deed of Trust or contained in any subordination agreement, the Beneficiary acknowledges and agrees that in the event of a foreclosure or deed-in-lieu of foreclosure (collectively, "Foreclosure") with respect to the Security encumbered by this Deed of Trust, the following rule contained in Section 42(h)(6)(E)(ii) of the Internal Revenue Code of 1986 (26 U.S.C. Section 42 (h)(6)(E)(ii)), as amended, shall apply:

For a period of three (3) years from the date of Foreclosure, with respect to any unit that had been regulated by the Regulatory Agreement with the California Tax Credit Allocation Committee, (i) none of the tenants occupying those units at the time of Foreclosure may be evicted or their tenancy terminated (other than for good cause), (ii) nor may any rent be increased except as otherwise permitted under Section 42 of the Code.

Section 8.15 Statement of Obligation.

Beneficiary may collect a reasonable fee for furnishing the statement of obligation as provided by Section 2943 of the California Civil Code, as it may be amended from time to time.

[Remainder of page intentionally blank.]

[Signatures on following page.]

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as to the day and year first above written.

TRUSTOR:

By:
Print Name:
Title:

RIDER TO DEED OF TRUST

This Rider To Deed of Trust (the "Rider") is attached to and made a part of the Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing (the "Deed of Trust") entered into by _____ (the "Trustor") for the benefit of **the City of Roseville** (the "Beneficiary"), which secures a loan (the "Loan") in the amount of (\$_____) made to Trustor to help finance the development of that certain property as further described in the Deed of Trust (the "Property"). The Loan is evidenced by a Disposition and Development Agreement executed by Trustor and Beneficiary (the "DDA") and by a Promissory Note executed by Trustor in favor of the Beneficiary (the "Note"). The Trustor, through its limited partner, is providing equity for the Property and is sometimes referred to herein as the "Partnership."

The parties herein agree that the following covenants, terms and conditions shall be part of and shall modify or supplement the Deed of Trust, the Note, and the DDA between the parties and any and all other documents evidencing, securing or governing the Loan referenced therein (the "Loan Documents"), and that in the event of any inconsistency or conflict between the covenants, terms and conditions of the Loan Documents and this Rider, the following covenants, terms and conditions shall control and prevail:

1. If a non-monetary event of default occurs under the terms of any of the Loan Documents, prior to exercising any remedies thereunder, Beneficiary shall give Trustor and each of its general and limited partners simultaneous written notice of such default. If the default is reasonably capable of being cured within thirty (30) calendar days, the Trustor and its limited partner shall have such period to effect a cure prior to exercise of remedies by Beneficiary under the Loan Documents. If the default is such that it is not reasonably capable of being cured within thirty (30) calendar days, and if the Trustor (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then the Trustor shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Beneficiary.
2. Beneficiary hereby agrees that any cure of any default made or tendered by one or more of the Partnership's limited partners shall be deemed to be a cure by the Partnership and shall be accepted or rejected on the same basis as if made or tendered by the Partnership. Copies of all notices which are sent to the Partnership under the terms of the Loan Documents shall also be sent to:

The Partnership's limited partners may change their address for receipt of copies of notices by giving notice in writing stating its new address to the Beneficiary.

3. Transfers permitted under Section 16.1 of the DDA shall not constitute a violation of the Loan Documents.
4. The Trustor and the Beneficiary hereby agree that the lien of this Deed of Trust is subordinate to and inferior in lien priority to that certain deed of trust, as amended, in favor of _____.

5. This Rider may be executed in counterparts.

In Witness Whereof, the undersigned have caused this Rider to be executed.

TRUSTOR:

By:
Print Name:
Title:

BENEFICIARY:

CITY OF ROSEVILLE, a municipal corporation

By: _____
Dominick Casey
City Manager

ATTEST:

Sonia Orozco
City Clerk

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of San Francisco)

On _____ before me, _____, a Notary Public in and for said State, personally appeared, _____, proved to me the basis of satisfactory evidence to be the person (s) whose name (s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her their authorized capacity (ies), and that by his/her/their signature (s) on the instrument the person (s), or the entity upon behalf of which the person (s) acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

Exhibit A

Legal Description of the Property

The land described herein is situated in the State of California, County of Placer, City of Roseville, and is described as follows:

APN:

ATTACHMENT NO. 10
AFFORDABLE HOUSING REGULATORY AGREEMENT

NO FEE DOCUMENT
PER GOV'T CODE § 27383
RECORDING REQUESTED BY
AND WHEN RECORDED, MAIL TO:

City of Roseville
CITY Clerk
311 Vernon Street
Roseville, CA 95678

AFFORDABLE HOUSING REGULATORY AGREEMENT

(Project: Meta Housing – _____, Roseville)

This Affordable Housing Regulatory Agreement ("Regulatory Agreement") is made this ____ day of _____, 2019 ("Effective Date"), by and between the City of Roseville, a municipal corporation ("CITY"), and ROSEVILLE APARTMENTS, L.P. ("DEVELOPER").

RECITALS

A. WHEREAS, the City, as Housing Successor to the former Redevelopment Agency of the City of Roseville, currently owns that certain real property generally located at 304 Washington Boulevard in Roseville, California as more particularly described in Exhibit A, attached hereto and incorporated herein by this reference.

B. WHEREAS, 304 Washington Boulevard was purchased by the former Roseville Redevelopment Agency with housing funds for the development of affordable housing.

C. WHEREAS, DEVELOPER is in the process of securing possession or has secured possession of real property located at 130-134 Main Street in Roseville, California as more particularly described in Exhibit B, attached hereto and incorporated herein by this reference.

D. WHEREAS, CITY and DEVELOPER have entered into that certain Disposition and Development Agreement dated _____, 2019 whereby CITY agreed to sell 304 Washington Boulevard to DEVELOPER for development of an approximately ____ unit affordable housing project that includes commercial space and the associated parking spaces (the "Project").

E. WHEREAS, the Project will be located on real property created by the merger of 130-134 Main Street and 304 Washington Boulevard (the "Property") as more particularly described in Exhibit C, attached hereto and incorporated herein by this reference.

F. WHEREAS, DEVELOPER specifically proposes to develop a twenty-one (21) unit multi-family apartment project on the Property, twenty (20) of which shall be rented at rents

that are affordable to Low (60% of Area Median Income (AMI)), and Extremely Low (30% AMI) income households (collectively, the "Regulated Units"), with up to one manager's unit.

G. WHEREAS, the Project is intended to serve as a community resource by providing decent, safe, and sanitary housing for households which would otherwise be unable to afford such housing.

H. WHEREAS, the CITY has agreed to provide DEVELOPER with financial assistance in the form of three loans in the combined principal amount of _____ (\$X,XXX,XX) to assist DEVELOPER in the construction and permanent financing of the Project (collectively, such financing referred to herein, as the "Loan".

I. WHEREAS, in making this Loan, the CITY is acting in its capacity as Housing Successor to the former Redevelopment Agency of the City of Roseville.

K. DEVELOPER is simultaneously: (1) executing four Promissory Notes and three Deeds of Trust evidencing and regulating certain aspects the Loan; (2) recording the Deeds of Trust to secure the Loan; and (3) as further consideration for the Loan, and to further the public interests of the CITY in seeing the Project maintained as affordable housing, DEVELOPER is executing and recording this Regulatory Agreement. The DDA, the Promissory Notes, the Deeds of Trust, and this Regulatory Agreement are collectively referred to herein as the "Loan Documents."

L. This Regulatory Agreement is being executed and recorded pursuant to the requirements of California Health and Safety Code Section 33334.3 which further requires the recordation of the "Notice of Affordability Restrictions on Transfer of Property," attached hereto as **Exhibit D**. The purpose of this Regulatory Agreement is to regulate and restrict the occupancy, rents, operation, ownership, and management of the Project for the benefit of Project occupants and the people of the City of Roseville. The covenants in this Regulatory Agreement are intended to run with the land and be binding on DEVELOPER and DEVELOPER's successors in interest for the full term of this Regulatory Agreement. This Regulatory Agreement, in conjunction with any other regulatory agreements between the DEVELOPER and other providers of financing, will ensure the Project's continuing affordability.

M. The Loan is being made to DEVELOPER at an interest rate below the market rate in order to help achieve financial stability for the Project and to increase the supply of affordable rental housing in the CITY. In consideration for the Loan, DEVELOPER has agreed to observe all the terms and conditions set forth below.

NOW, THEREFORE, DEVELOPER and the CITY hereby agree as follows:

DEFINITIONS

The following terms have the meanings set forth herein wherever used in this Regulatory Agreement or attached exhibits. Capitalized terms not defined in this Regulatory Agreement shall have the same meaning as defined in the DDA.

1. **"CITY"** means the City of Roseville, a municipal corporation.

2. **“AREA MEDIAN INCOME”** (referred to herein as “AMI”) means the median income for the Metropolitan Statistical Area which includes the City of Roseville (“MSA”), with adjustments for household size, as determined from time to time by the U.S. Department of Housing and Urban Development (“HUD”) pursuant to Section 8(f)(3) of the United States Housing Act of 1937 as amended, or such other method of median income calculation applicable to the City of Roseville that HUD may hereafter adopt in connection with said Act. If HUD should cease making such determination, the CITY may designate another method of calculation of area median income used by any federal or state agency and applicable to the City of Roseville.

3. **“DDA”** means the Third Amended and Restated Disposition and Development Agreement executed contemporaneously with this Regulatory Agreement by DEVELOPER and the CITY, which governs the Loan, as well any amendments to, modifications of, or restatements of said DDA.

4. **“DEEDS OF TRUST”** means the three Deeds of Trust executed contemporaneously with this Regulatory Agreement and recorded against the Property as security for the Loan and other obligations by DEVELOPER, as trustor and the CITY as beneficiary, as well as any amendments to, modifications of, and restatements of said deeds of trust.

5. **“DEVELOPER”** means Roseville Apartments, L.P., together with its permitted successors and assigns.

6. **“LOAN”** means the loan of funds provided by the CITY to DEVELOPER for the Project pursuant to the DDA and includes both the City Land Loan, and the CDBG Loan.

7. **“LOAN DOCUMENTS”** means, collectively, the DDA, the Promissory Notes, the Deeds of Trust and this Regulatory Agreement for the Project, as they may be amended, modified, or restated from time to time, along with all exhibits and attachments to these documents.

8. **“NOTES”** mean the promissory notes executed contemporaneously with this Regulatory Agreement by DEVELOPER in favor of the CITY evidencing the Loans, which are secured by the Deeds of Trust, as well as any amendments to, modifications of, or restatements of said promissory note(s). The Notes are on file with the City of Roseville.

9. **“PROJECT”** means the development, construction and operation of a no fewer than 21 unit residential, multi-family rental apartment project on the Property to be rented at rents that are affordable to Low, Very Low and Extremely Low income households, up to one (1) unregulated manager's unit, approximately 3,000 square feet of commercial space, and any additional improvements, landscaping, roads, and parking spaces existing thereon, as the same may from time to time exist.

10. **“PROPERTY”** means the real property located at _____, Roseville, California, 95678 identified and described in Exhibit C, attached hereto and incorporated into this Regulatory Agreement by this reference, and any buildings or improvements now or hereafter situated on such real property.

11. **“QUALIFYING HOUSEHOLD”** means a household in which household income does not exceed the percentage of Area Median Income prescribed for the applicable housing unit by the terms of this Regulatory Agreement.

12. **“QUALIFYING RENT”** means the maximum monthly rent allowed under Exhibit C “adjusted for family size appropriate to the unit” (as such term is defined by California Health and Safety Code Sections 50052.5 and 50053) including a reasonable allowance for tenant-paid utilities (also known as Utility Allowance). During the period a regulatory agreement governing the allocation and award of any federal tax credits is in effect, Qualifying Rent may be determined in accordance with such regulatory agreement and 26 U.S.C., Section 42, for initial and ongoing occupancy of tenants.

13. **“REGULATED UNITS”** means twenty (20) rental dwelling units of the twenty-one (21) rental dwelling units on the Property constructed for the Project that shall be rented at rents that are affordable Low and Extremely Low income households and having the following composition: six (6) one (1) bedroom units, nine (9) two (2) bedroom units, and six (6) three (3) bedroom units.

DEVELOPER’S OBLIGATIONS

14. **COMPLIANCE WITH LOAN DOCUMENTS.** DEVELOPER’s actions with respect to the Property and the use of Loan funds shall at all times be in full conformity with the requirements of the Loan Documents.

15. **TERM OF AGREEMENT.** This Regulatory Agreement shall commence upon the Effective Date and shall remain in full force for the longest feasible time but at least a period of fifty-five (55) years from the date of recordation of the Certificate of Completion. The obligations in this Regulatory Agreement shall remain effective and fully binding on DEVELOPER in perpetuity regardless of any expiration of the term of any loan, any payment, or prepayment of any loan, any assignment of a note, any reconveyance of a deed of trust, or any sale, assignment, transfer, or conveyance of the Property (other than certain transfers by foreclosure, deed in lieu of foreclosure, exercise of the power of sale or other similar transfer), unless terminated earlier by the CITY in a recorded writing.

16. **LEGAL INTEREST IN PROJECT.** DEVELOPER represents that it has legal interest in the Property and that all other persons holding legal or equitable interests in the Property have signed an “Acknowledgement and Consent Certificate”, in a form approved by the City Attorney of the CITY, acknowledging and consenting to the terms of this Regulatory Agreement. All persons holding any legal or equitable interest in the Property shall be bound by this Regulatory Agreement.

PROJECT OCCUPANCY AND RENTS

17. **OCCUPANCY OF PROJECT.** DEVELOPER shall limit, for the full term of this Regulatory Agreement identified in paragraph 15, above, the rental of Regulated Units to Qualifying Households according to the schedule contained in Exhibit E herein, which is hereby incorporated by reference into this Regulatory Agreement. The income levels and other qualifications of applicants shall be certified prior to initial occupancy in conformance with the Final Management Plan identified in paragraph 25, below, and the City of Roseville’s rules

governing income certification, as these rules may be amended from time to time by California law or as required in order to comply with California law. Specifically, DEVELOPER covenants and agrees that for the full term of this Regulatory Agreement it shall reserve for occupancy: (i) six (6) one-bedroom, one (1) two-bedroom, and one (1) three-bedroom Regulated Units for households whose income does not exceed thirty percent (30%) of AML; and (iv) seven (7) two-bedroom, and five (5) three-bedroom Regulated Units for households whose income does not exceed sixty percent (60%) of AML. The remaining one (1) unregulated unit shall be a two bedroom unit reserved for use by on-site Project management staff.

Preference shall be given to prospective tenants who are elderly, disabled, veterans (persons who served in the active military, naval, or air service and who were discharged or released from such service under conditions other than dishonorable), and persons who are residents and/or who are employed within the City of Roseville at the time of rental application.

The Project shall be owned, managed and operated as a single, multi-family residential rental project, which may be comprised of several buildings and structures, each consisting of more than one residential dwelling unit, together with facilities functionally related and subordinate thereto, in accordance with the applicable provisions of the Internal Revenue Code and applicable California law, as the same may be amended from time to time. All of the residential dwelling units in the Project will be similarly constructed and shall contain separate and complete facilities for living, sleeping, eating, cooking and sanitation for a single person or family, including sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range, refrigerator and sink. None of the residential dwelling units shall be utilized, at any time, on a transient basis. Neither the Project, nor any portion thereof, shall ever be used as a hotel, motel, hostel, vacation rental, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer park, or court. DEVELOPER shall further ensure that reasonable support services for the residents of this Project are provided, such as, but not limited to, life skills training, social and recreational programs, educational, health and nutritional programs, and computer training.

18. **PROJECT RENTS.** Rents for Regulated Units shall be limited to Qualifying Rents as set forth in Exhibit E as the same may be revised from time to time in accordance with this Regulatory Agreement and applicable federal or state laws and regulations. Rent shall be no greater than considered "affordable rent" for the applicable household pursuant to Sections 50052.5 and 50053 of the California Health and Safety Code, as amended, or any successor statute thereto, including the use of a CITY-approved utility allowance. Nothing in this Regulatory Agreement shall prevent DEVELOPER from charging lower rents.

19. **SECURITY DEPOSITS.** Any security deposits collected by DEVELOPER or DEVELOPER's agent shall be kept separate and apart from all other funds in a trust account with a depository insured by the Federal Deposit Insurance Corporation or other comparable federal deposit insurance program and shall be held and disbursed in accordance with California law. The balance in the trust account shall at all times equal or exceed the aggregate of all outstanding obligations, plus accrued interest thereon.

20. **RENTAL INCREASES FOR EXISTING TENANTS ON THE PROPERTY.** Irrespective of when income limits are published under applicable tax credit law, rents for Regulated Units may be adjusted no more frequently than: (a) after the initial twelve (12) months following the date of initial occupancy or (b) every twelve (12) months following the last permissible date of recorded rental adjustment. Additionally, in no event shall the amount of

annual rent increase exceed the amount of annual rent increase allowed by Tax Credit Law. Rents for Regulated Units may be adjusted annually to coincide with the increases in the Annual Adjustment Factors ("AAFs") as published by the United States Department of Housing and Urban Development ("HUD") for the West Region.

In the event that HUD terminates publication of the AAFs, rents shall be adjusted annually to coincide with the State Department of Housing and Community Development ("HCD") State Income Limits, using the limits established for Placer County, adjusted for household size, unit type and affordability. If DEVELOPER does not agree with the adjustment factors provided herein, DEVELOPER may, within fifteen (15) calendar days of notification by the CITY's Economic Development Director or successor ("the EDD") of that year's adjustment, present to the EDD information on which it wishes to base its annual rent adjustment. The EDD will review this information and decide on which adjustment factor DEVELOPER shall base its annual rent increase. The decision of the EDD shall be final.

21. **CONDOMINIUM CONVERSION PROHIBITED.** DEVELOPER shall not convert Project units, including Regulated Units and/or any unregulated units, to condominium or cooperative ownership or sell condominium or cooperative conversion rights to the Project units, during the term of this Regulatory Agreement.

22. **NONDISCRIMINATION.**

A. DEVELOPER herein covenants by and for itself, its subcontractors, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, nor denial of the benefits of this Regulatory Agreement to, any person or group of persons, on the basis of race, color, ancestry, national origin or ethnic group identification, religion or religious creed, sex, gender or self-identified gender, gender expression, sexual orientation, marital status, age, mental disability, physical disability or medical condition (including cancer, HIV and AIDS), genetic information, military or veteran status, familial status, source of income, or political affiliation or belief, nor any unlawful discrimination against any employee or applicant for employment because of race, color, ancestry, national origin or ethnic group identification, religion or religious creed, sex, gender or self-identified gender, gender expression, sexual orientation, marital status, age (over 40), mental disability, physical disability or medical condition (including cancer, HIV and AIDS), use of family care leave, genetic information, military or veteran status, familial status, source of income, or political affiliation or belief. DEVELOPER shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination or harassment. In addition to the foregoing general obligations, DEVELOPER shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12900, et seq.), the regulations promulgated thereunder (Title 2, California Code of Regulations, Section 10000, et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Sections 11135-11139.5) and any state or local regulations adopted to implement any of the foregoing, as such statutes and regulations may be amended from time to time. To the extent this Regulatory Agreement subcontracts to DEVELOPER services or works required of the CITY by the State of California pursuant to agreement between the CITY and the State, the applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a) through (f), set forth in Subchapter 5 of Division 4.1 of Title 2 of the California Code of Regulations are expressly incorporated into this Regulatory Agreement by reference and made a part hereof as if set forth in full, and DEVELOPER and any of its subcontractors shall give written notice of their obligations

thereunder to labor organizations with which they have collective bargaining or other agreements.

B. The provisions of paragraph (A) shall further apply to the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the Project, and DEVELOPER and any person claiming under or through the DEVELOPER, shall not establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the Project.

C. DEVELOPER shall include the provisions contained in this section in all contracts and subcontracts related to the Project.

D. The requirements in this section shall survive the repayment of the Loan, and the reconveyance of the Deeds of Trust.

23. **MANAGEMENT RESPONSIBILITIES.** DEVELOPER is specifically responsible, subject to its obligations herein, for all management functions with respect to the Property, including, without limitation, the selection of tenants, certification and recertification of household size and income, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. The CITY shall have no responsibility over management of the Property. A resident manager or an alternative designated contact shall be required to reside on-site.

24. **INTENTIONALLY OMITTED.**

25. **DRAFT AND FINAL MANAGEMENT PLANS.**

A. **DRAFT MANAGEMENT PLAN.** DEVELOPER shall prepare and submit to the CITY a Draft Management Plan for the CITY's review and approval. The Draft Management Plan shall be submitted to the CITY at least one hundred eighty (180) calendar days prior to the anticipated date for completion of construction of the Project. The Draft Management Plan shall contain, but is not limited to, specific statement as to (1) the identity, experience and duties of all employees of the Management Agency who intend to manage the Project; (2) marketing policies and strategies; (3) tenancy occupancy rules and regulations; (4) rental procedures and tenant income limitation; (5) eviction procedures; (6) operating policies and guidelines; (7) reserve account policies; (8) maintenance and capital improvement policies; (9) shall provide as an exhibit thereto a sample form of lease agreement; and (10) any provisions required by the DDA. Upon transfer of OWNER/ DEVELOPER's interest in the Project, the party to whom the Project is transferred shall, as a condition of such transfer, provide the CITY with a copy of such party's Management Plan for the Project, which plan shall provide statements as called for herein.

B. **CITY REVIEW OF DRAFT MANAGEMENT PLAN.** Upon submittal of the Draft Management Plan by DEVELOPER to the CITY, the CITY shall review the Draft Management Plan and provide written comments to DEVELOPER within ninety (90) calendar days or as soon thereafter as is practicable.

C. **FINAL MANAGEMENT PLAN.** Prior to issuance of any Certificate of Occupancy for the Project, DEVELOPER shall submit a Final Management Plan to the CITY for

its review and final approval no later than thirty (30) calendar days prior to the anticipated date for completion of construction of the Project.

Notwithstanding the foregoing, the CITY shall have the right to review and approve any proposed amendments to DEVELOPER's contract with its management firm, or any new management contracts, during the term of this Regulatory Agreement; provided, however, that the CITY's approval shall not be required for a renewal of the initial management contract.

26. **MANAGEMENT AGENCY.** The Project shall at all times be managed by an experienced Management Agency reasonably acceptable to the CITY, with demonstrated ability to operate residential facilities like the Project in a manner that will provide decent, safe and sanitary housing. The City shall have the right to require a change in the Management Agency or the on-site manager for reasonable cause at any time during the term of this Regulatory Agreement, subject to the prior written consent of the Senior Lenders and the tax credit investor. During the monitoring as described in paragraph 32, the CITY will assess the Management Agency's ability to operate the Project in a decent, safe and sanitary manner. Calls for police and fire services at a significantly greater number or with a significantly greater frequency of serious calls and frequent fair housing complaints by tenants or applicants may be among criteria considered by the CITY in determining whether any management change shall be required.

DEVELOPER shall submit for the CITY's approval the identity of any proposed Management Agency. DEVELOPER shall also submit such additional information about the background, experience, and financial condition of any proposed Management Agency as is reasonably necessary for the CITY to determine whether the proposed Management Agency meets the standards for a qualified Management Agency set forth above.

If the proposed Management Agency meets the standards for a qualified Management Agency set forth above, the CITY shall approve the proposed Management Agency by notifying OWNER/DEVELOPER in writing. Unless the proposed Management Agency is disapproved by the CITY within thirty (30) calendar days of said submission of identity and qualifications of proposed Management Agency, which disapproval shall state reasonable specificity the basis for disapproval, it shall be deemed approved. The CITY hereby approves of the use of _____, a _____, engaged in the provision of multi-family residential and commercial property management services, as the designated initial Management Agency for the Project.

27. **DISMISSAL OF MANAGEMENT AGENCY.** Within fifteen (15) calendar days from DEVELOPER's receipt of any recommendation by CITY staff to dismiss the Management Agency, DEVELOPER shall either dismiss the Management Agency or request a meeting with CITY staff representatives to discuss further. If an agreement cannot be reached with CITY staff representatives, DEVELOPER may request a public meeting to discuss the CITY recommendation. If, after conducting a requested public meeting, the CITY Council supports said recommendation of CITY staff, DEVELOPER shall promptly dismiss the Management Agency and shall appoint as the new Management Agency a person or entity which meets the standards for Management Agency and is approved by the CITY as set forth in paragraph 26.

28. **MAINTENANCE AND SECURITY.** DEVELOPER shall at its own cost and expense maintain the Property in good condition, in good repair, and in decent, safe, sanitary,

habitable, and tenantable living condition for the benefit of Project occupants. DEVELOPER shall not commit or permit any waste on or to the Property, and shall prevent and/or rectify any physical deterioration of the Property. DEVELOPER shall provide adequate security equipment for the safety of Project occupants and to minimize the need for public safety calls. DEVELOPER shall maintain the Property in conformance with all applicable state, federal, and local laws, ordinances, codes, and regulations and the Management Plan; but DEVELOPER's maintenance obligations shall not be limited only to the standards contained in these laws or the Management Plan.

In the event the DEVELOPER fails to maintain the Property in accordance with the foregoing standards, and after at least seven (7) calendar days' prior written notice to DEVELOPER and the Senior Lenders, the CITY or its agent may, but shall be under no obligation to, enter upon the Property, make such repairs or replacements as are deemed necessary in the CITY's reasonable discretion (with the prior written consent of the Senior Lenders), and provide for payment thereof. Any amount advanced by the CITY to make such repairs, together with interest thereon from the date of such advance at the same rate of interest as specified in the Notes for the Project (unless payment of such an interest rate would be contrary to applicable law, in which case interest shall accrue at the highest rate then allowed by applicable law), shall become an additional obligation of DEVELOPER to the CITY, and shall be secured by the Deeds of Trust.

29. **UNIT VACANCIES.** DEVELOPER shall use its best efforts to fill vacancies in Regulated Units as quickly as possible.

30. **INSPECTIONS AND RECORDS.** DEVELOPER shall maintain complete, accurate and current records which clearly document DEVELOPER's performance of its obligations to operate the Property and the Project under the terms of this Regulatory Agreement. DEVELOPER shall submit any records reasonably requested by the CITY in connection with the Project to the CITY within ten (10) business days of the CITY's request. DEVELOPER shall also permit the CITY or its duly authorized representatives to enter and inspect the Property and the Project for compliance with obligations under this Regulatory Agreement upon seventy-two (72) hours advance notice of such visit by the CITY to DEVELOPER or DEVELOPER's Management Agency and to tenants of any inspected Project units, subject to the provisions of the leases regarding inspection and entry rights, which provisions must otherwise be consistent with state law.

All tenant lists, applications and waiting lists relating to the Regulated Units shall at all times be kept separate and identifiable from any other business of the DEVELOPER and shall be maintained as required by the CITY, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the CITY. DEVELOPER shall retain copies of all materials obtained or produced with respect to occupancy of the Regulated Units for a period of at least five (5) years.

The CITY shall also have the right to perform on-site inspections of the Project, including the Regulated Units, as is reasonably required to ensure compliance with the Loan Documents, but in any case at least once per year. DEVELOPER agrees to cooperate in such inspection(s). If the CITY desires to inspect the interior of the Regulated Units, the CITY shall give DEVELOPER sufficient notice to allow DEVELOPER to give seventy-two (72) hours' notice to tenants.

31. **ANNUAL REPORTS.** DEVELOPER shall provide any information reasonably requested by the CITY in connection with the Project. In particular, DEVELOPER shall provide the CITY with annual reports required by the Regulatory Agreement, including but not limited to reports regarding the Project's rent and occupancy levels, as well as the annual operating budget. Without limitation, DEVELOPER shall provide the CITY no later than the ninetieth (90th) day after the close of each calendar year following the date of this Regulatory Agreement, hardcopies and PDF copies of the following documents:

A. Insurance certificates detailing all coverage required under the DDA and the Deeds of Trust.

B. Evidence of payment of property taxes or property tax exemption for the Project, as applicable.

C. Audited financial statements for the Project and DEVELOPER.

D. An occupancy report including: (i) the verified income of each tenant or household; (ii) the number and demographic information of tenants in each household; (iii) the current rents charged each tenant or household and whether these rents include utilities; (iv) the date tenancy commenced for each Unit; and (v) any additional information required by California Health and Safety Code Section 33418.

E. Certifications of eligibility for all tenants of Regulated Units at the time of initial occupancy and upon the yearly anniversary of their continuing tenancies. Such certification shall include verified income statements on a form provided by the CITY. DEVELOPER shall retain in the tenant's file all verifications of tenant's income (tax returns, W-2 forms, paycheck stubs, etc.).

Within fifteen (15) calendar days after receipt of a written request, DEVELOPER shall provide any other information or completed forms requested by the CITY to ensure compliance with the Loan Documents or this Regulatory Agreement.

If similar reports on some or all of the Regulated Units are required for regulatory compliance with other financing programs, those reports may be deemed satisfactory for the purpose of this section by the CITY, with respect to the portion of the requirements of this section covered by such reports, provided that copies are provided on an annual basis to the CITY with an owner certification addressed to the CITY certifying that the DEVELOPER has complied with this Regulatory Agreement.

32. **MONITORING/NON-COMPLIANCE/CURE.** DEVELOPER's compliance with the provisions of this Regulatory Agreement shall be reviewed at least annually, and at such other times as the CITY may require, upon thirty (30) calendar days prior written notice from the CITY. During any such review, DEVELOPER shall bear the burden of proof to demonstrate good faith compliance with the terms of this Regulatory Agreement. If, as a result of such review, the CITY finds and determines that DEVELOPER has not complied in good faith with the terms and conditions of this Regulatory Agreement, the CITY shall give written notice to DEVELOPER of its findings and of the exact nature of DEVELOPER's non-compliance. DEVELOPER shall be given a period of sixty (60) calendar days after delivery of any such notice in which to cure, to the reasonable satisfaction of the CITY, any non-compliance; provided that, if the non-compliance cannot be cured within sixty (60) calendar days, DEVELOPER shall not be in

breach so long as DEVELOPER is diligently undertaking to cure such non-compliance. In the event the CITY fails to give DEVELOPER notice of any non-compliance at or before the annual review, DEVELOPER shall not be held responsible for any failure to comply with the terms and conditions of this Regulatory Agreement during the year covered by the annual review.

33. **CITY REMEDIES FOR BREACH.** If DEVELOPER is unable or otherwise fails to cure any non-compliance within sixty (60) calendar days (or longer as provided herein) after the CITY delivers notice of non-compliance pursuant to paragraph 32, the CITY may, in addition to any other remedy provided by law or equity, modify or terminate this Regulatory Agreement, revoke the Project approval, or take any other action available to it under this Regulatory Agreement.

In particular, and without limitation by reason of enumeration, DEVELOPER acknowledges and agrees that failure to cure any non-compliance under this Regulatory Agreement, whether by DEVELOPER or any successor, shall, at the option of the CITY, constitute a breach and default under this Regulatory Agreement as to all other property within the Project. In addition, and without limitation by reason of enumeration, OWNER/DEVELOPER acknowledges and agrees that the CITY shall have the right to withhold issuance of all building permits within the Project until such breach is cured.

Any partners of DEVELOPER shall have the right to cure any default. The CITY agrees that any cure of a default by any partners of DEVELOPER shall be deemed to be a cure by DEVELOPER, and shall be accepted or rejected on the same basis as if made or tendered by DEVELOPER.

In the event of any breach/default or violation of any agreement, obligation, or warranty under this Regulatory Agreement, the CITY shall give written notice to DEVELOPER, with copies to the Senior Lenders, specifying: (a) the nature of the breach or violation; (b) the action required to cure the breach or violation; and (c) a date, which shall not be less than thirty (30) calendar days from the date of the notice, by which such action to cure must be taken. If DEVELOPER fails to cure the breach or violation within the timeframe specified in the notice, the CITY additionally has the right, at its sole election, to:

A. Declare a default under the Notes, accelerate the indebtedness evidenced by the Notes, and with respect to the Loan, proceed with foreclosure under the Deeds of Trust;

B. Bring an action for equitable relief seeking the specific performance by DEVELOPER of the terms and conditions of this Regulatory Agreement, and/or enjoining, abating, or preventing any violation of said terms and conditions, and/or seeking declaratory relief;

C. Enter upon, take possession of, and manage the Property and the Project, either in person, by agent, or by a receiver appointed by a court, and collect any rents, income, deposits, or reserves and apply them to operate the Property and the Project, and continue in possession until such time as the CITY in its sole judgment determines that DEVELOPER is in a position to operate the Property and the Project in compliance with this Regulatory Agreement;

D. After notice provided for herein, make such repairs or replacements to the Property as are necessary and provide for payment thereof;

E. Declare an event of default under the Loan Documents and pursue the remedies described therein; and/or

F. Pursue any other remedy allowed at law or in equity.

The CITY's rights hereunder shall be in addition to, and not in lieu of, every other right or remedy provided for herein or now or hereafter existing at law or in equity by statute or otherwise, including, but not limited to injunctive relief, specific performance and damages. The exercise or beginning of exercise by the CITY of any one or more rights or remedies, provided herein or now or hereafter existing at law or in equity by statute or otherwise, shall not preclude the simultaneous or later exercise by the CITY of any or all other rights or remedies provided for in this Regulatory Agreement or now or hereafter existing at law or in equity or by statute or otherwise. All such rights and remedies shall be considered cumulative and nonexclusive.

34. **FEES, TAXES, AND OTHER LEVIES.** DEVELOPER shall be responsible for payment of all fees, assessments, taxes, charges, and levies imposed by any public authority or utility company with respect to the Property and the Project, and shall pay such charges prior to delinquency in order to prevent any penalty from accruing or any lien or charge from attaching to the Property or the Project. However, DEVELOPER shall not be required to pay any such charge so long as (a) the legality thereof is being contested in good faith and by appropriate proceedings; and (b) DEVELOPER maintains reserves adequate to pay any contested liabilities. In the event DEVELOPER exercises its right to contest any tax, assessment, or charge against it, DEVELOPER, on final determination of the proceeding or contest, shall immediately pay or discharge any decision or judgment rendered against it, together with all costs, charges and interest.

35. **INSURANCE COVERAGE.** DEVELOPER shall cause to have in full force and effect during the term of this Regulatory Agreement continuous insurance coverage as required by the DDA.

36. **PROPERTY DAMAGE OR DESTRUCTION.** Subject to the requirements of Senior Lenders, and if economically feasible in the CITY's reasonable judgment after consultation with the DEVELOPER, if any improvement now or in the future on the Property is damaged or destroyed, then the DEVELOPER shall, at its cost and expense, diligently undertake to repair or restore such improvement consistent with the plans and specifications for the Development. Such work or repair shall be commenced no later than the later of one hundred twenty (120) calendar days, or such longer period approved by the CITY in writing, after the damage or loss occurs or thirty (30) calendar days following receipt of the insurance proceeds, and shall be complete within one year thereafter. Any insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration and, if such insurance proceeds shall be insufficient for such purpose, then the DEVELOPER shall make up the deficiency. If the DEVELOPER does not make repairs, then any insurance proceeds collected for such damage or destruction shall be promptly delivered to the CITY as a special repayment of the Loan, subject to the rights of the Senior Lenders, if any.

GENERAL PROVISIONS

37. **SUBORDINATION.** Except as expressly set forth herein or in the DDA, this Regulatory Agreement shall not be subordinated in priority to any other interest in the Property that was not recorded on or prior to the date of recordation of this Regulatory Agreement, unless the CITY expressly consents, in writing, to the subordination or junior priority of this Regulatory Agreement. Such consent, if any, shall be within the CITY's sole discretion, and may only be permitted, if at all, for purposes that conform with the circumstances authorized by California Health and Safety Code Section 33334.14(a), and to the extent the proposed subordination does not jeopardize the CITY's security interest in the property and is otherwise consistent and compliant with all legal standards, including eligibility requirements and other conditions imposed by funding sources for the Project and any Loan.

38. **TRANSFER AND ENCUMBRANCE OF PROPERTY.** During the term of this Regulatory Agreement, DEVELOPER shall not, except as permitted by the DDA, make or permit any sale, agreement to sell, assignment, conveyance, lease (other than the rental of Project units to eligible residential tenant occupants), or transfer of the Property or any part thereof, including the sale of any general or limited partnership interests, the removal of any general partner, or any substantial change in operational or management control over the Property (collectively referred to as "Transfers"), without the prior written consent of the CITY. The limitations on DEVELOPER's right of assignment or other transfer contained in this paragraph 38 shall not apply to any foreclosure, deed in lieu of foreclosure, or other remedial action lawfully taken by any Senior Lender holding a security interest in the Property with priority over the CITY's interests; nor shall they apply to: (i) the transfer of limited partner interests in DEVELOPER, (ii) the removal of a general partner or a limited partner pursuant to the terms and conditions of DEVELOPER's organizational document; and/or (iii) transfers to a tax-exempt entity under the direct control of or under common control with DEVELOPER.

The CITY shall give its consent to a Transfer provided that it determines all of the following conditions are met: (a) DEVELOPER is in compliance with this Regulatory Agreement and the Loan Documents, or the Transfer will cure existing violations of this Regulatory Agreement or the Loan Documents; (b) the transferee agrees to assume all obligations of DEVELOPER imposed by this Regulatory Agreement and the Loan Documents; (c) the transferee demonstrates to the CITY's satisfaction that it is capable of owning and/or operating the Property and the Project in full compliance with this Regulatory Agreement and the Loan Documents; (d) the terms of the Transfer shall not jeopardize the CITY's security interest in the Property and is otherwise in full compliance with all legal standards, including eligibility requirements and other conditions imposed by funding sources for the Project and any Loan; and (e) the Transfer has been approved by the CITY's governing body, if such approval is required.

During the term of this Regulatory Agreement, DEVELOPER shall not, except as may be contemplated by the DDA, engage in any financing or other transaction creating any mortgage or other encumbrance or lien upon the Property and/or the Project (except for any financing provided by the CITY), without the prior written consent of the CITY, which consent may be withheld in the CITY's sole discretion. The CITY may give its consent to such financing if and only to the extent necessary to maintain or improve the affordability or condition of the Property and/or the Project.

39. **NONLIABILITY OF OFFICIALS, EMPLOYEES, AND AGENTS.** No member, official, officer, director, employee, agent, or independent contractor of the CITY shall be personally liable to DEVELOPER or third party beneficiaries for any obligation created under the terms of this Regulatory Agreement.

40. **INDEMNITY AND WAIVER.** Notwithstanding the insurance coverage required herein and to the fullest extent allowed by law, DEVELOPER shall defend, indemnify and save and hold the CITY, its members, officials, officers, directors, employees, agents, and independent contractors (collectively "Indemnitees"), harmless against any losses, damages, liabilities, claims, demands, judgments, actions, court costs, and legal or other expenses (including attorneys' fees) which Indemnitees may incur as a result of (1) DEVELOPER's failure to perform any obligations as and when required by this Regulatory Agreement; (2) any failure of DEVELOPER's representations or warranties to be true and complete in any material respect; or (3) any act or omission by DEVELOPER or any contractor, subcontractor, management agent, or supplier with respect to the Project or the Property, except to the extent that such losses are caused solely by the negligence or willful misconduct of Indemnitees. The duty of the DEVELOPER to indemnify includes the duty to defend Indemnitees in any court action, administrative action, or other proceeding brought by any third party arising from the Project or the Property. DEVELOPER's duty to defend and indemnify Indemnitees shall survive the term of this Regulatory Agreement, the reconveyance of the Deeds of Trust, and any release of part or all of the Property from the burdens of this Regulatory Agreement. The parties intend that this provision shall be broadly construed.

DEVELOPER hereby waives any claims, suits, or actions against the CITY on account of or arising from the Costa-Hawkins Rental Housing Act, California Civil Code Sections 1954.50 *et seq.* ("CHRHA"). Furthermore, the parties hereby acknowledge and agree that, without limitation, the Loan and any Project entitlements, permits, or approvals have conferred upon the DEVELOPER and/or the Project either a direct financial contribution or other form of assistance pursuant to Section 1954.52(b) of the CHRHA.

41. **GOVERNING LAW AND VENUE.** This Regulatory Agreement shall be interpreted under and be governed by the laws of the State of California, except for those provisions relating to choice of law and those provisions preempted by federal law. Any action arising out of this Regulatory Agreement shall be brought in Placer County, California, regardless of where else venue may lie.

42. **CONFLICTS.** In the event of any conflict among the Loan Documents, the most restrictive requirements shall apply. In addition, the Project may be subject to the terms of other governmental subsidy programs. This Regulatory Agreement and the agreements entered into by DEVELOPER pursuant to these subsidy programs independently regulate the Regulated Units in the Project. If any provision of another regulatory agreement is found in conflict or in contradiction with the terms of this Regulatory Agreement in relation to the Regulated Units, the most restrictive requirement, providing the greatest affordability to the most tenants for the longest term, shall apply to those Regulated Units, except as otherwise specified.

43. **ATTORNEYS' FEES AND COSTS.** In the event that a legal or administrative action is brought to interpret or enforce the terms of this Regulatory Agreement, the prevailing party in such action shall be entitled to recover its reasonable litigation expenses, including but not limited to, court costs, expert witness fees, discovery expenses, and attorneys' fees.

44. **TIME.** Time is of the essence in this Regulatory Agreement.

45. **CONSENTS AND APPROVALS.** Except as otherwise expressly provided in this Regulatory Agreement, any consent or approval required under the Regulatory Agreement shall not be unreasonably withheld or delayed.

46. **NOTICES, DEMANDS, AND COMMUNICATIONS.** Formal notices, demands, and communications between DEVELOPER and the CITY shall be given by registered or certified mail, return receipt requested, postage prepaid or delivered personally, to DEVELOPER and the CITY as follows, or at such other address as a party may designate by written notice to the other party:

CITY OF ROSEVILLE

DEVELOPER

Economic Development Director
City of Roseville
311 Vernon Street
Roseville, CA 95678

with a copy to:

47. **BINDING UPON SUCCESSORS.** All provisions of this Regulatory Agreement shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest, transferees, and assigns of DEVELOPER and the CITY, and shall run with the land for the full term of this Regulatory Agreement, regardless of any assignment, payment, prepayment, expiration, extinguishment of the Loan or Notes, any reconveyance of the Deeds of Trust, or any conveyance or transfer of the Property. Any successor in interest to DEVELOPER and any purchaser or transferee of the Property shall be subject to all of the duties and obligations imposed on DEVELOPER under this Regulatory Agreement for the full term of this Regulatory Agreement. The term "DEVELOPER" as used in this Regulatory Agreement shall include all such assigns, successors-in-interest, and transferees.

48. **RELATIONSHIP OF PARTIES.** The relationship of DEVELOPER and the CITY for this Project during the term of this Regulatory Agreement shall not be construed as a joint venture, equity venture, or partnership. The CITY neither undertakes nor assumes any responsibility or duty to DEVELOPER or to any third party with respect to the operation of the Property or the actions of DEVELOPER. Except as the CITY may specify in writing, DEVELOPER shall have no authority to act as an agent of the CITY or to bind the CITY to any obligation.

49. **WAIVER.** Any waiver by the CITY of any obligation in this Regulatory Agreement must be in writing. No waiver shall be implied from any delay or failure by the CITY to take action on any breach or default of DEVELOPER or to pursue any remedy allowed under

this Regulatory Agreement or applicable law. Any extension of time granted to DEVELOPER to perform any obligation under this Regulatory Agreement shall not operate as a waiver or release from any of its obligations under this Regulatory Agreement. Consent by the CITY to any act or omission by DEVELOPER shall not be construed as the consent to any other or subsequent act or omission or to waive the requirement for the CITY's written consent to future waivers.

50. **OTHER AGREEMENTS.** DEVELOPER represents that it has not entered into any agreements that would restrict or compromise its ability to comply with the terms of this Regulatory Agreement. DEVELOPER shall not enter into any agreements that are inconsistent with the terms of this Regulatory Agreement without an express written waiver by the CITY.

51. **AMENDMENTS AND MODIFICATIONS.** Any amendments or modifications to this Regulatory Agreement must be in writing, and shall be effective only if executed by both DEVELOPER and the CITY, following receipt of all required approvals, and only with the consent of the Senior Lenders.

52. **SEVERABILITY.** Every provision of this Regulatory Agreement is intended to be severable. If any provision of this Regulatory Agreement is held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired.

SPECIAL PROVISIONS

53. **ADMINISTRATIVE FEE.** In the event of DEVELOPER's breach or violation of any agreement, obligation or warranty under the Regulatory Agreement that is uncured within the cure periods provided herein, or in the event the Property is transferred in violation of paragraph 38 of this Regulatory Agreement, DEVELOPER shall pay annually, not later than April 15 of each year, a \$10,000 fee ("Administrative Fee"). The CITY shall provide the DEVELOPER with notice and the right to cure, as set forth in above paragraph 32, any event which the CITY believes give rise to an obligation to pay the Administrative Fee. Such fee shall remain in effect during any period of breach or violation. The payment of such Administrative Fee shall be in addition to, and not to the exclusion of, the CITY's other remedies contemplated in paragraph 33 of this Regulatory Agreement; provided however that this provision shall be subject to the nonrecourse provisions set forth in the Notes.

54. **REFINANCING/RESYNDICATION REVIEW FEE.** In the event that the Property and/or the Project is a tax credit project and is refinanced or resyndicated during the term of this Regulatory Agreement, DEVELOPER shall provide the CITY a prepayment in amount to be determined by the CITY, upon request by DEVELOPER, for CITY's staff actual and documented costs in reviewing any refinancing or resyndication documentation submitted to the CITY for the CITY's review and approval. Such prepayment shall be submitted by DEVELOPER prior to the CITY commencing any review and shall not exceed five thousand dollars (\$5,000.00). DEVELOPER shall not be entitled to receive a refund of any such fee in the event that DEVELOPER fails to complete such refinancing or resyndication.

55. **TENANT MONITORING FEE.** Commencing one (1) year after the date of the final Certificate of Occupancy for the Project and annually thereafter, DEVELOPER shall pay to the CITY, not later than March 31 of each year, a tenant monitoring fee equal to FORTY

DOLLARS (\$40) for each occupied, rent restricted, apartment unit within the Project. A penalty of ten percent (10%) per month shall be assessed against any fee not paid when due.

56. **PARTICIPATION IN HOUSING CHOICE VOUCHER PROGRAM.** DEVELOPER agrees to accept tenants who qualify under the Housing Choice Voucher ("HCV") program administered by the Roseville Housing Authority (the "Authority") or its successor.

57. **CHECKLIST FOR REGULATED UNITS.** DEVELOPER agrees that each prospective tenant, prior to rental of a Regulated Unit, shall be required to complete forms required by Exhibit F, or DEVELOPER's equivalent as approved in writing by the CITY.

[Signatures Next Page]

IN WITNESS WHEREOF, the City of Roseville, a municipal corporation, has authorized the execution of this Regulatory Agreement in duplicate by its City Manager and attested to by its City Clerk under the authority of Resolution No. _____, adopted by the Council of the City of Roseville on the ____ day of _____, 20____, and DEVELOPER has caused this Regulatory Agreement to be executed.

CITY OF ROSEVILLE, a
municipal corporation:

ROSEVILLE APARTMENTS, L.P.

BY: _____
DOMINICK CASEY
City Manager

BY: _____
NAME
Title

ATTEST:

and

BY: _____
SONIA OROZCO
City Clerk

BY: _____
NAME
Title

APPROVED AS TO FORM:

BY: _____
ROBERT R. SCHMITT
City Attorney

APPROVED AS TO SUBSTANCE:

BY: _____
LAURA MATTEOLI
Economic Development Director

EXHIBIT A

LEGAL DESCRIPTION OF 304 WASHINGTON BLVD

The land described herein is situated in the State of California, County of Placer, City of Roseville, and is described as follows:

EXHIBIT B

LEGAL DESCRIPTION OF 130-134 MAIN STREET

The land described herein is situated in the State of California, County of Placer, City of Roseville, and is described as follows:

EXHIBIT C
LEGAL DESCRIPTION OF PROPERTY

The land described herein is situated in the State of California, County of Placer, City of Roseville, and is described as follows:

EXHIBIT D
NOTICE OF AFFORDABILITY RESTRICTIONS ON TRANSFER OF PROPERTY

RECORDING REQUESTED BY
AND WHEN RECORDED, MAIL TO:

City of Roseville
CITY Clerk
311 Vernon Street
Roseville, CA 95678

**NOTICE OF AFFORDABILITY RESTRICTIONS
ON TRANSFER OF PROPERTY**

PLEASE TAKE NOTICE that the real property that is the subject of this Notice of Affordability Restrictions on Transfer of Property (hereinafter "Notice"), which property is identified and described in **Exhibit A**, attached hereto and incorporated herein by reference (hereinafter "Property"), is subject to the following affordability covenants and restrictions that run with the land and are binding on Meta Housing Corporation, a California corporation, and/or its permitted successors and assigns:

- (a) The Property shall be developed, constructed, owned, operated and managed as a residential, multi-family rental housing apartment project to be rented at rents that are affordable to Low, Very Low and Extremely Low income households. Occupancy of _____ (X) of the _____ (X) total units shall be reserved, for the full term set forth in subdivision (b) below, as follows:
- (i) _____ (X) one-bedroom, _____ (X) two-bedroom, and _____ (X) three-bedroom regulated units for households whose income does not exceed thirty percent (30%) of Area Median Income (as defined in the Regulatory Agreement between the City of Roseville, a municipal corporation and Meta Housing Corporation, a California corporation, executed on _____, 2019 and recorded concurrently with this Notice (hereinafter "Regulatory Agreement");
 - (ii) _____ (X) one-bedroom, _____ (X) two-bedroom, and _____ (X) three-bedroom regulated units for households whose income does not exceed forty percent (40%) of Area Median Income as defined in the Regulatory Agreement;
 - (iii) _____ (X) one-bedroom, _____ (X) two-bedroom, and _____ (X) three-bedroom regulated units for households whose income does not exceed fifty percent (50%) of Area Median Income; and
 - (iv) _____ (X) one-bedroom, _____ (X) two-bedroom, and _____ (X) three-bedroom regulated units for households whose income does not exceed sixty percent (60%) of Area Median Income.

Rents shall be established according to the schedule contained in the Regulatory Agreement.

- (b) The covenants and restrictions referenced above commence upon the execution of the Regulatory Agreement and shall remain in full force and effect for in perpetuity. The obligations referenced in this Notice and set forth in greater

detail in the Regulatory Agreement shall remain effective and fully binding in perpetuity regardless of any expiration of the term of any loan, any payment, or prepayment of any loan, any assignment of a note, any reconveyance of a deed of trust, or any sale, assignment, transfer, or conveyance of the Property (other than certain transfers by foreclosure, deed in lieu of foreclosure, exercise of the power of sale or other similar transfer), unless terminated earlier by the City of Roseville in a recorded writing.

- (c) The street address for the Property is _____, Roseville, California, 95678, as further identified and described in **Exhibit A**.
- (d) The assessor's parcel number for the property is: APN: _____ as further identified and described in **Exhibit A**.

Any questions about the contents of this Notice may be directed to the Office of the City Attorney for the City of Roseville, 311 Vernon Street, Roseville, California 95678; Telephone (916) 774-5325.

CITY OF ROSEVILLE,
a municipal corporation

Dated: _____

By: _____
Robert R. Schmitt
City Attorney
City of Roseville

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

The land described herein is situated in the State of California, County of Placer, City of Roseville, and is described as follows:

EXHIBIT E
UNIT CONFIGURATION AND INITIAL RENT RESTRICTIONS

Maximum Household Income 30% AMI

Bedroom size	Number of Units	Gross Rent	Less TCAC approved CUAC*	Allowable Contract Rent
1		\$	\$	\$
2		\$	\$	\$
3		\$	\$	\$

Maximum Household Income 40% AMI

Bedroom size	Number of Units	Gross Rent	Less TCAC approved CUAC*	Allowable Contract Rent
1		\$	\$	\$
2		\$	\$	\$
3		\$	\$	\$

Maximum Household Income 50% AMI

Bedroom size	Number of Units	Gross Rent	Less TCAC approved CUAC*	Allowable Contract Rent
1		\$	\$	\$
2		\$	\$	\$
3		\$	\$	\$

Maximum Household Income 60% AMI

Bedroom size	Number of Units	Gross Rent	Less TCAC approved CUAC*	Allowable Contract Rent
1		\$	\$	\$
2		\$	\$	\$
3		\$	\$	\$

* California Utility Allowance Calculator (CUAC) is California's energy consumption model for calculating utility allowance estimates. These estimates are approved by California's Tax Credit Allocation Committee (TCAC) and are limited to new construction projects in the design phase.

EXHIBIT F

CHECKLIST FOR AFFORDABLE RENTAL UNITS

The following documentation must be present in the Tenant's file (in a form approved by the Housing Manager) for an "affordable renter."

- ☐ Certification of Affordable Rental Unit Eligibility
- ☐ Calculation of Tenant Eligibility Form
- ☐ Record of Rental Increases
- ☐ Written, third party verification of all income sources, including:
 - ☐ Employment
 - ☐ Self-employment (tax return and profit & loss statement for current year)
 - ☐ Unemployment
 - ☐ AFDC (Welfare) Benefits
 - ☐ Child Support
 - ☐ Alimony
 - ☐ Social Security Benefits
 - ☐ Supplemental Security Income (SSK)
 - ☐ VA or Military Benefits
 - ☐ Pensions and/or Annuities
 - ☐ Retirement Funds
 - ☐ Savings Accounts (Interest Income)
 - ☐ Checking Accounts
 - ☐ Government Grants
 - ☐ Trust Funds
 - ☐ Stocks & Bonds (Cash Value)
 - ☐ Life Insurance (Cash Value)

Name _____

Complex

Title _____

Date

CERTIFICATION OF AFFORDABLE RENTAL UNIT ELIGIBILITY

Re: _____ Apt. # _____
Apartment Complex

I/we have read and answered truthfully, fully frankly and personally each of the following questions for all persons who are to occupy the unit being applied for in the above apartment project. Listed below are the names of all persons who intend to reside in the unit:

[illegible]

CERTIFICATION OF AFFORDABLE RENTAL UNIT ELIGIBILITY (CONT.)
INCOME COMPUTATION

- 6) The total anticipated income calculated in accordance with this paragraph 6, of all persons (except children under the age of 18 years) listed above for the 12-month period beginning the date that I/we plan to move into a unit is \$_____.

Included in the total anticipated income listed above are:

- a. All wages and salaries, overtime pay, commissions, fees and other compensation for personal services, before payroll deductions.

Excluded from such anticipated income are:

- a. Casual, sporadic or irregular gifts;
- b. Amounts which are specifically for or in reimbursement of medical expenses;
- c. Lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlements for personal or property losses;
- d. Amounts of educational scholarships paid directly to the student or the educational institution and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books, and equipment. Any amounts of such scholarships or payments to veterans not used for the above purposes are to be included in income;
- e. Hazardous duty pay to a family member in the Armed Forces who is away from home and exposed to hostile fire;
- f. Relocation payments under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;
- g. Foster child care payments;
- h. The value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1977.

- 7) This certificate is made with the knowledge that it will be relied upon by the Owner to determine maximum income for eligibility to occupy the unit; and I/we declare that all information set forth herein is true, correct and complete and based upon information I/we deem reliable and that the statement of total anticipated income contained in paragraph 6 is reasonable and based upon such investigation as the undersigned deemed necessary.
- 8) I/We will assist the Owner in obtaining any information or documents required to verify the statement made herein, including either an income verification from my/our present employer(s) or copies of federal tax returns for the immediately preceding calendar year.

- 9) I/We acknowledge that I/we have been advised that the making of any misrepresentation or misstatement in this declaration will constitute a material breach of my/our agreement with the Owner to lease the unit and will entitle the Owner to prevent or terminate my/our occupancy of the unit by institution of an action for eviction or other appropriate proceedings.

I/We declare under penalty of perjury that the foregoing is true and correct.

Executed this _____ day of _____ in the City of
_____ California.

Applicant

Applicant

Applicant

Applicant

Applicant

[All persons listed in number 2 above, except children under the age of 18 must sign this form]

CALCULATION OF TENANT ELIGIBILITY FORM

(FORM COMPLETION BY APARTMENT OWNER OR AGENT)

NAME: _____ UNIT # _____

<u>SOURCE</u>	<u>MONTHLY</u>	<u>ANNUAL</u>
Social Security	\$ _____	\$ _____
Social Security	\$ _____	\$ _____
Civil Service	\$ _____	\$ _____
Pension _____	\$ _____	\$ _____
Interest _____	\$ _____	\$ _____
Wages _____	\$ _____	\$ _____
Tips _____	\$ _____	\$ _____
Wages _____	\$ _____	\$ _____
Tips _____	\$ _____	\$ _____
Child Support	\$ _____	\$ _____
Welfare	\$ _____	\$ _____
Stocks/Bonds	\$ _____	\$ _____
Other _____	\$ _____	\$ _____
Other _____	\$ _____	\$ _____
TOTAL INCOME	\$ _____	\$ _____
	Monthly base rent	\$ _____
	Move-in date	_____

BY

TITLE _____

DATE _____

(FORM COMPLETION BY APARTMENT OWNER OR AGENT)

NAME _____

APT. NO. _____

MOVE-IN DATE _____

INITIAL BASE RENT \$ _____

ANNUAL INCOME \$ _____

[illegible]

**AFFORDABLE TENANT
RECORD OF RENTAL INCREASES (For Tax Credit Projects Only)**

(FOR COMPLETION BY APARTMENT DEVELOPER OR AGENT)

NAME: _____ APT. # _____

MOVE-IN DATE: _____

ANNUAL INCOME: _____

INITIAL BASE RENT: _____

DATE OF INCREASE

CURRENT RENT

NEW RENT[illegible]

ACKNOWLEDGMENTS

State of California

County of _____

On _____ before me, _____,
(here insert name and title of the officer)
personally appeared _____, who proved to me on the basis of
satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or
the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

ACKNOWLEDGMENTS

State of California

County of _____

On _____ before me, _____,
(here insert name and title of the officer)
personally appeared _____, who proved to me on the basis of
satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or
the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT A
DESCRIPTION OF SITE

ATTACHMENT NO. 11

GRANT DEED

RECORDING REQUESTED BY:

WHEN RECORDED MAIL
TAX STATEMENTS TO:

(Space above this line is for recorder's use)

GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S)

DOCUMENTARY TRANSFER TAX is \$ _____

☐ computed on full value of property conveyed, or

☐ computed on full value less value of liens or encumbrances remaining at time of sale

☐ Unincorporated area ☒ City of Roseville

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
_____ ("Grantor"), hereby GRANTS AND CONVEYS to
_____ ("Grantee"), following described real property located in the City of
Roseville, California, and more particularly described in Exhibit A, attached to and incorporated
into this Grant Deed by this reference.

IN WITNESS WHEREOF, Grantor has caused this Grant Deed to be executed as of the
____ day of _____, 201____

"Grantor"

CITY OF ROSEVILLE,
a municipal corporation:

BY: _____
DOMINICK CASEY
City Manager

EXHIBIT A TO GRANT DEED

Legal Description