City of Sacramento
Annual Continuing Disclosure Report
Fiscal Year 2015/16

Issue  City of Sacramento
North Natomas Drainage Community Facilities District No. 97-01
Special Tax Revenue Bonds, Series 2015

Par  $ 24,325,000

Issued  June 2, 2015

CUSIP Numbers  786071JT8
786071JU5
786071JV3
786071JW1
786071JX9
786071JY7
786071JZ4
786071KA7
786071KB5
786071KC3
786071KD1
786071KE9
786071KF6
786071KG4
786071KH2

Content of Annual Report.

The City's Annual Report shall contain or incorporate by reference the following:

(a)  The Issuer’s comprehensive audited financial report for the prior fiscal year.

The City’s Comprehensive Annual Financial Report (CAFR) for the prior fiscal year is uploaded as a
separate document to EMMA. The CAFR will also be available on the city’s website at:
www.cityofsacramento.org/Finance/Accounting/Reporting

(b)  Financial and Operating Data. To the extent not included in the Issuer’s audited financial statements,
the Annual Report must contain or incorporate by reference the following information:

1)  The balances as of the close of the prior fiscal year in each of the following funds established
under the Indenture:
A. the Bond Redemption Fund (with a statement of the debt service requirement to be discharged by the fund before the receipt of expected additional Special Tax Revenue); and

Redemption Fund: $1,424,347.06
September 1, 2016 Debt Service $1,233,812.50

B. the Bond Reserve Fund.

Reserve Fund: $2,306,038.88

2) The assessed valuation of the Taxable Parcels, which may be in a form similar to Table 2 in the Official Statement.

Assessed Value Fiscal Year 2016-17 $5,734,728,459

3) Any changes to the Rate and Method of Apportionment that are approved or submitted to the qualified electors for approval before the filing of the Annual Report.

Not applicable in the current year.

4) A table setting forth the annual Special Tax delinquency rate as of June 30 for each fiscal year on which a delinquency exists, listing for each fiscal year the total Special Tax levy, the amount delinquent, and the percent delinquent. The table may be in a form similar to Table 7 in the Official Statement.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Amount Levied</th>
<th>Parcels Levied</th>
<th>Parcels Delinquent</th>
<th>Amount Delinquent</th>
<th>Percent Delinquent</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015-16</td>
<td>$2,118,504.90</td>
<td>18,820</td>
<td>188</td>
<td>$12,719.76</td>
<td>0.60%</td>
</tr>
</tbody>
</table>

5) The status of any foreclosure actions the Issuer is prosecuting with respect to the delinquent Special Taxes.

42 Parcels were removed from the tax roll and foreclosure actions were initiated. The total value of these delinquencies totaled $2,783.76. All delinquencies removed from the tax roll have since been paid in full.

6) A Statement of any discontinuance of the County’s Teeter Plan with respect to any Taxable Parcel.

Not applicable in the current year.

Additional Information.

Federal Emergency Management Agency
On December 8, 2008, the City decided to cease issuing building permits for new construction within the larger Natomas Basin until the levees protecting the basin meet the criteria for the A99 flood zone—which in general terms means that 50% of the levee work needed to reach 100-year flood protection has been completed and that Congress has authorized the Natomas levee project. No further development will occur in the Natomas Basin until it is remapped into an A99 flood zone.

In recent years, the Sacramento Area Flood Control Agency, in collaboration with the U.S. Army Corps of Engineers and the California Department of Water Resources, has worked on the Natomas Levee Improvement Program to meet the 50% criterion for completion of the levee work. Set out below is the updated status of the City’s efforts with the Federal Emergency Management Agency (FEMA) to re-zone the flood-basin map to A99 and to resume new construction (in phases) in Natomas:

- In May 2013, the U.S. Senate passed the Water Resources Reform and Development Act of 2013 (WRRDA)
- In October 2013, the U.S. House of Representatives passed WRRDA
- In November 2013, a Senate-House conference committee was formed to reconcile the two versions of WRRDA
- On June 14, 2014, the President signed WRRDA into law, thereby authorizing the Natomas Levee Improvement Project
- On June 10, 2014, the City and the County of Sacramento (the County) jointly submitted a letter to FEMA requesting remap
- On June 24, 2014, FEMA responded to the City-County request
- On July 21, 2014, the City and the County submitted final information to FEMA
- In late July 2014, FEMA sent an A99 letter of approval to the City and the County
- On August 12, 2014, FEMA issued Preliminary Maps
- On August 13, 2014, officials from the City, the County, and FEMA met
- On September 30, 2014, the 90-day appeal period began
- On December 28, 2014, the 90-day appeal period ended
- On March 30, 2015, FEMA issued a Letter of Final Determination
- On June 16, 2015 new maps become effective

Although the City intends to update the development status in North Natomas as milestones occur, the City does not guarantee that it will do so or that the information provided through the web-page link below is the most current available:

[www.cityofsacramento.org/Community-Development/Planning/Natomas](http://www.cityofsacramento.org/Community-Development/Planning/Natomas)

**Voluntary Disclosures:**

**Debt Service Schedule**
See Exhibit A – North Natomas CFD 97-01, Series 2015 Debt Service Schedule

**CDIAC Annual Filing**
See Exhibit B – CFD 97-01, Series 2015 - FY16 Annual CDIAC Mello-Roos Filing

**Overlapping Debt Burden**

See Exhibit C - North Natomas CFD 97-01 Overlapping Debt*

*as prepared by California Municipal Statistics, Inc. as of February 1, 2017

The City’s annual filing with CDIAC for this issue is also available online at:

[www.cityofsacramento.org/CityTreasurer/DebtManagement/ContinuingDisclosure](http://www.cityofsacramento.org/CityTreasurer/DebtManagement/ContinuingDisclosure)
<table>
<thead>
<tr>
<th>DATE</th>
<th>RATE</th>
<th>PRINCIPAL</th>
<th>INTEREST</th>
<th>TOTAL DEBT SERVICE</th>
<th>BOND YEAR DEBT SERVICE</th>
<th>FISCAL YEAR DEBT SERVICE</th>
<th>PRINCIPAL REMAINING</th>
<th>INTEREST REMAINING</th>
</tr>
</thead>
<tbody>
<tr>
<td>01-Mar-16</td>
<td>2.000%</td>
<td>680,000</td>
<td>827,642.01</td>
<td>827,642.01</td>
<td>2,061,454.51</td>
<td>24,325,000.00</td>
<td>11,974,912.50</td>
<td>11,974,912.50</td>
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<tr>
<td>01-Sep-16</td>
<td>2.000%</td>
<td>980,000</td>
<td>733,812.50</td>
<td>1,233,812.50</td>
<td>2,074,025.00</td>
<td>23,645,000.00</td>
<td>10,874,087.50</td>
<td>10,874,087.50</td>
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<tr>
<td>01-Mar-17</td>
<td>2.500%</td>
<td>1,015,000</td>
<td>524,525.00</td>
<td>524,525.00</td>
<td>2,089,425.00</td>
<td>21,650,000.00</td>
<td>9,252,650.00</td>
<td>9,252,650.00</td>
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<tr>
<td>01-Sep-17</td>
<td>4.000%</td>
<td>1,055,000</td>
<td>537,212.50</td>
<td>1,552,012.50</td>
<td>2,104,025.00</td>
<td>20,595,000.00</td>
<td>8,020,600.00</td>
<td>8,020,600.00</td>
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<tr>
<td>01-Mar-18</td>
<td>4.000%</td>
<td>1,115,000</td>
<td>503,425.00</td>
<td>503,425.00</td>
<td>2,082,950.00</td>
<td>19,480,000.00</td>
<td>7,196,750.00</td>
<td>7,196,750.00</td>
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<td>01-Sep-18</td>
<td>4.000%</td>
<td>1,175,000</td>
<td>481,125.00</td>
<td>481,125.00</td>
<td>2,113,750.00</td>
<td>18,305,000.00</td>
<td>6,715,625.00</td>
<td>6,715,625.00</td>
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<tr>
<td>01-Mar-19</td>
<td>4.000%</td>
<td>1,235,000</td>
<td>457,625.00</td>
<td>457,625.00</td>
<td>2,168,875.00</td>
<td>17,070,000.00</td>
<td>5,776,875.00</td>
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<td>01-Sep-19</td>
<td>4.000%</td>
<td>1,315,000</td>
<td>426,750.00</td>
<td>426,750.00</td>
<td>2,191,750.00</td>
<td>15,755,000.00</td>
<td>4,465,750.00</td>
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<td>01-Mar-20</td>
<td>4.000%</td>
<td>1,395,000</td>
<td>393,875.00</td>
<td>393,875.00</td>
<td>2,215,625.00</td>
<td>14,360,000.00</td>
<td>3,319,000.00</td>
<td>3,319,000.00</td>
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<td>01-Sep-20</td>
<td>4.000%</td>
<td>1,480,000</td>
<td>359,000.00</td>
<td>359,000.00</td>
<td>2,240,875.00</td>
<td>12,880,000.00</td>
<td>2,960,000.00</td>
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<td>01-Mar-21</td>
<td>4.000%</td>
<td>1,480,000</td>
<td>322,000.00</td>
<td>322,000.00</td>
<td>2,272,875.00</td>
<td>11,310,000.00</td>
<td>2,638,000.00</td>
<td>2,638,000.00</td>
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<td>01-Sep-21</td>
<td>4.000%</td>
<td>1,570,000</td>
<td>282,750.00</td>
<td>282,750.00</td>
<td>2,305,625.00</td>
<td>9,860,000.00</td>
<td>2,316,000.00</td>
<td>2,316,000.00</td>
</tr>
<tr>
<td>01-Mar-22</td>
<td>4.000%</td>
<td>1,650,000</td>
<td>241,500.00</td>
<td>241,500.00</td>
<td>2,337,125.00</td>
<td>8,360,000.00</td>
<td>2,316,000.00</td>
<td>2,316,000.00</td>
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<tr>
<td>01-Sep-22</td>
<td>4.000%</td>
<td>1,735,000</td>
<td>198,125.00</td>
<td>198,125.00</td>
<td>2,369,250.00</td>
<td>6,860,000.00</td>
<td>2,316,000.00</td>
<td>2,316,000.00</td>
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<tr>
<td>01-Mar-23</td>
<td>4.000%</td>
<td>1,810,000</td>
<td>152,875.00</td>
<td>152,875.00</td>
<td>2,401,125.00</td>
<td>5,360,000.00</td>
<td>2,316,000.00</td>
<td>2,316,000.00</td>
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<tr>
<td>01-Sep-23</td>
<td>4.000%</td>
<td>1,885,000</td>
<td>105,750.00</td>
<td>105,750.00</td>
<td>2,433,875.00</td>
<td>3,860,000.00</td>
<td>2,316,000.00</td>
<td>2,316,000.00</td>
</tr>
<tr>
<td>01-Mar-24</td>
<td>4.000%</td>
<td>1,960,000</td>
<td>322,000.00</td>
<td>322,000.00</td>
<td>2,466,025.00</td>
<td>2,316,000.00</td>
<td>2,316,000.00</td>
<td>2,316,000.00</td>
</tr>
<tr>
<td>01-Sep-24</td>
<td>4.000%</td>
<td>2,040,000</td>
<td>241,500.00</td>
<td>241,500.00</td>
<td>2,498,525.00</td>
<td>1,810,000.00</td>
<td>2,316,000.00</td>
<td>2,316,000.00</td>
</tr>
<tr>
<td>01-Mar-25</td>
<td>4.000%</td>
<td>2,125,000</td>
<td>198,125.00</td>
<td>198,125.00</td>
<td>2,530,625.00</td>
<td>1,305,000.00</td>
<td>2,316,000.00</td>
<td>2,316,000.00</td>
</tr>
<tr>
<td>01-Sep-25</td>
<td>4.000%</td>
<td>2,210,000</td>
<td>152,875.00</td>
<td>152,875.00</td>
<td>2,563,875.00</td>
<td>705,000.00</td>
<td>2,316,000.00</td>
<td>2,316,000.00</td>
</tr>
<tr>
<td>01-Mar-26</td>
<td>4.000%</td>
<td>2,300,000</td>
<td>105,750.00</td>
<td>105,750.00</td>
<td>2,606,625.00</td>
<td>205,000.00</td>
<td>2,316,000.00</td>
<td>2,316,000.00</td>
</tr>
<tr>
<td>01-Sep-26</td>
<td>4.000%</td>
<td>2,385,000</td>
<td>82,500.00</td>
<td>82,500.00</td>
<td>2,691,125.00</td>
<td>0.00</td>
<td>2,316,000.00</td>
<td>2,316,000.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOTAL DEBT SERVICE</th>
<th>BOND YEAR DEBT SERVICE</th>
<th>FISCAL YEAR DEBT SERVICE</th>
<th>PRINCIPAL REMAINING</th>
<th>INTEREST REMAINING</th>
</tr>
</thead>
<tbody>
<tr>
<td>24,325,000</td>
<td>12,802,554.51</td>
<td>37,127,554.51</td>
<td>37,127,554.51</td>
<td>37,127,554.51</td>
</tr>
</tbody>
</table>
STATE OF CALIFORNIA
MELLO-ROOS COMMUNITY FACILITIES DISTRICT (CFD)
YEARY FISCAL STATUS REPORT
California Debt and Investment Advisory Commission
915 Capitol Mall, Room 400, Sacramento, CA 95814
P.O. Box 942809, Sacramento, CA 94209-0001
(916) 653-3269 Fax (916) 654-7440

I. GENERAL INFORMATION
A. Issuer
Sacramento North Natomas CFD No 97-01
B. Project Name
North Natomas Drainage
C. Name/ Title/ Series of Bond Issue
2015 Special Tax Ref Bonds
D. Date of Bond Issue
5/7/2015
E. Original Principal Amount of Bonds
$24,325,000.00
F. Reserve Fund Minimum Balance Required
Yes  Amount $2,218,000.00

II. FUND BALANCE FISCAL STATUS
Balances Reported as of: 6/30/2016
A. Principal Amount of Bonds Outstanding $24,325,000.00
B. Bond Reserve Fund $2,306,038.88
C. Capitalized Interest Fund $0.00
D. Construction Fund(s) $540,368.12

III. ASSESSED VALUE OF ALL PARCELS IN CFD SUBJECT TO SPECIAL TAX
A. Assessed or Appraised Value Reported as of: 7/1/2016
   From Equalized Tax Roll
   From Appraisal of Property
(Use only in first year or before annual tax roll billing commences)
B. Total Assessed Value of All Parcels $5,734,728,459.00

IV. TAX COLLECTION INFORMATION
A. Total Amount of Special Taxes Due Annually $2,118,504.90
B. Total Amount of Unpaid Special Taxes Annually $12,719.76
C. Taxes are Paid Under the County’s Teeter Plan? Y

V. DELINQUENT REPORTING INFORMATION
Delinquent Parcel Information Reported as of Equalized Tax Roll of: 6/30/2016
A. Total Number of Delinquent Parcels: 190
B. Total Amount of Taxes Due on Delinquent Parcels: $12,719.76
(Do not include penalties, penalty interest, etc.)

VI. FORECLOSURE INFORMATION FOR FISCAL YEAR
(Aggregate totals, if foreclosure commenced on same date) (Attach additional sheets if necessary.)

<table>
<thead>
<tr>
<th>Date Foreclosure Commenced</th>
<th>Total Number of Foreclosure Parcels</th>
<th>Total Amount of Tax Due on Foreclosure Parcels</th>
</tr>
</thead>
<tbody>
<tr>
<td>8/11/2016</td>
<td>29</td>
<td>$1,922.12</td>
</tr>
</tbody>
</table>
VII. ISSUE RETIRED
This issue is retired and no longer subject to the Yearly Fiscal Status report filing requirements.
(Indicate reason for retirement)

Matured ☐ Redeemed Entirely ☐ Other ☐

If Matured, indicate final maturity date:

If Redeemed Entirely, state refunding bond title & CDIAC #:
and redemption date:

If Other:
and date:

VIII. NAME OF PARTY COMPLETING THIS FORM
Name: David Schroeder
Title: Senior Consultant
Firm/ Agency: NBS
Address: 32605 Temecula Parkway, Suite 100
City/ State/ Zip: Temecula, CA 92592
Phone Number: (800) 676-7516
E-Mail: dschroeder@nbs.gov

IX. ADDITIONAL COMMENTS:
II.B. Balance of the Bond Reserve Fund is based on market value basis.
February 21, 2017

Mr. Colin Bettis  
City of Sacramento  
915 I Street  
HCH 3rd Floor #0900  
Sacramento, CA  95814

CITY OF SACRAMENTO – NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 97-1

2016-17 Assessed Valuation:  $5,778,630,706 (Land and Improvements)

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:  

<table>
<thead>
<tr>
<th>Bond Description</th>
<th>% Applicable</th>
<th>Debt 2/1/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Rios Community College District General Obligation Bonds</td>
<td>3.351%</td>
<td>$11,395,924</td>
</tr>
<tr>
<td>Twin Rivers Unified School District (former Elementary Schools General Obligation Bonds)</td>
<td>10.971</td>
<td>7,770,128</td>
</tr>
<tr>
<td>Natomas Unified School District General Obligation Bonds</td>
<td>54.584</td>
<td>119,051,385</td>
</tr>
<tr>
<td>Sacramento Area Flood Control District Consolidated Capital Assessment District Bonds</td>
<td>10.501</td>
<td>29,212,467</td>
</tr>
<tr>
<td>Sacramento Area Flood Control District Operations and Maintenance Assessment District Bonds</td>
<td>5.439</td>
<td>146,306</td>
</tr>
<tr>
<td>Sacramento Area Flood Control District Natomas Basin Local Assessment District Bonds</td>
<td>45.965</td>
<td>15,724,674</td>
</tr>
</tbody>
</table>

City of Sacramento North Natomas CFD No. 97-1 Mello-Roos Act Bonds  

<table>
<thead>
<tr>
<th>Bond Description</th>
<th>% Applicable</th>
<th>Debt 2/1/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Sacramento North Natomas CFD No. 2 Mello-Roos Act Bonds</td>
<td>100.</td>
<td>23,645,000</td>
</tr>
<tr>
<td>City of Sacramento North Natomas CFD No. 4 Mello-Roos Act Bonds</td>
<td>100.</td>
<td>63,305,000</td>
</tr>
<tr>
<td>City of Sacramento Basin 8C CFD No. 99-04</td>
<td>100.</td>
<td>2,735,000</td>
</tr>
<tr>
<td>City of Sacramento North Natomas Westlake CFD No. 2000-01</td>
<td>100.</td>
<td>6,475,000</td>
</tr>
<tr>
<td>City of Sacramento North Natomas Regency Park CFD No. 2001-03</td>
<td>100.</td>
<td>12,255,000</td>
</tr>
</tbody>
</table>

TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:  $312,317,217

(1) Excludes Mello-Roos Act bonds to be sold.
(2) Excludes tax and revenue anticipation notes.

Ratios to 2016-17 Assessed Valuation:

<table>
<thead>
<tr>
<th>Description</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Debt</td>
<td>0.41%</td>
</tr>
<tr>
<td>Total Direct and Overlapping Tax and Assessment Debt</td>
<td>5.40%</td>
</tr>
</tbody>
</table>

KD:($475)