



CITY OF ATASCADERO SUCCESSOR AGENCY AGENDA

HYBRID MEETING INFORMATION:

The Successor Agency meeting will be available via teleconference for those who wish to participate remotely. The Successor Agency meeting will also be held in the City Council Chambers and in-person attendance will be available at that location.

HOW TO OBSERVE THE MEETING REMOTELY:

To participate remotely using the Zoom platform please visit:

https://us02web.zoom.us/webinar/register/WN_ZwJ7a031S3KXauEym9ehaA

HOW TO SUBMIT PUBLIC COMMENT:

Public comment may be provided in-person or remotely. Call **(669) 900-6833** (Meeting ID: 889 2347 9018) to listen and provide public comment via phone or via the [Zoom](#) platform using the link above.

Note that the Zoom participation option is provided to the public as a courtesy in order to facilitate participation. The City does not, however, guarantee that meeting participation will be available via Zoom. If Zoom participation is not enabled, or turned off, the meeting will continue with public attendance in-person only.

Written public comments are accepted at cityclerk@atascadero.org. **Comments should identify the Agenda Item Number in the subject line of the email.** Such comments will be forwarded to the Successor Agency Board and made a part of the administrative record. ***To ensure distribution to the Successor Agency Board before consideration of an item, please submit comments not later than 12:00 p.m. the day of the meeting.*** All correspondence will be distributed to the Successor Agency Board, posted on the City's website, and be made part of the official public record of the meeting. ***Please note, comments will not be read into the record.*** Please be aware that communications sent to the Successor Agency are public records and are subject to disclosure pursuant to the California Public Records Act and Brown Act unless exempt from disclosure under applicable law. Communications will not be edited for redactions and will be printed/posted as submitted.

AMERICAN DISABILITY ACT ACCOMMODATIONS:

Any member of the public who needs accommodations should contact the City Clerk's Office at cityclerk@atascadero.org or by calling 805-470-3400 at least 48 hours prior to the meeting or time when services are needed. The City will use their best efforts to provide reasonable accommodations to afford as much accessibility as possible while also maintaining public safety in accordance with the City procedure for resolving reasonable accommodation requests.

Successor Agency agendas and minutes may be viewed on the City's website:

www.atascadero.org/agendas

Copies of the staff reports or other documentation relating to each item of business referred to on the Agenda are on file in the office of the City Clerk and are available for public inspection on our website, www.atascadero.org. Contracts, Resolutions and Ordinances will be allocated a number once they are approved by the Successor Agency. The Minutes of this meeting will reflect these numbers. All documents submitted by the public during Successor Agency meetings that are made a part of the record or referred to in their statement will be noted in the Minutes and available for review by contacting the City Clerk's office. All documents will be available for public inspection by appointment during City Hall business hours.



***CITY OF ATASCADERO CITY COUNCIL IN
THE CAPACITY OF SUCCESSOR AGENCY
TO THE COMMUNITY REDEVELOPMENT
AGENCY OF ATASCADERO FOR
REDEVELOPMENT AND HOUSING
PURPOSES***

AGENDA

Tuesday, March 12, 2024

**(Immediately following the conclusion
of the City Council Regular Session)**

**City Hall Council Chambers, Fourth Floor
6500 Palma Avenue
Atascadero, California
(Enter from Lewis Avenue)**

REGULAR SESSION – CALL TO ORDER: Immediately following
the conclusion of the City
Council Regular Session

ROLL CALL: Mayor Moreno
Mayor Pro Tem Funk
Council Member Bourbeau
Council Member Dariz
Council Member Newsom

APPROVAL OF AGENDA: Roll Call

A. CONSENT CALENDAR:

1. Successor Agency Draft Minutes – January 23, 2024

- **Recommendation:** Council, in the capacity of the Successor Agency to the Community Redevelopment Agency of Atascadero, approve the Successor Agency Draft Action Minutes of January 23, 2024. [City Clerk]

¹ On January 10, 2012, the Atascadero City Council adopted Resolution No. 2012-002, electing to serve as the successor to the Community Redevelopment Agency of Atascadero for redevelopment purposes, and also elected to retain the housing assets and functions previously performed by the Community Redevelopment Agency of Atascadero.

COMMUNITY FORUM: (This portion of the meeting is reserved for persons wanting to address the Board on any matter not on this agenda and over which the Board has jurisdiction. Speakers are limited to three minutes. Please state your name and address for the record before making your presentation. The Board may take action to direct the staff to place a matter of business on a future agenda. Comments made during Community Forum will not be a subject of discussion. Any members of the public who have questions or need information may contact the City Clerk's Office, between the hours of 8:30 a.m. and 5:00 p.m. at (805) 470-3400, or cityclerk@atascadero.org.)

B. PUBLIC HEARINGS: None.

C. MANAGEMENT REPORTS:

1. Confirming Issuance of Refunding Bonds to Refund Certain Outstanding Obligations of the Former Atascadero Community Redevelopment Agency and Approving the Preliminary Official Statement

- Fiscal Impact: The total estimated debt service savings that will be generated by refunding the Prior Obligations is approximately \$5.49 million. The City's General Fund share of the estimated total debt service savings is approximately \$1,012,000.
- Recommendation: Adopt Draft Resolution confirming the issuance of refunding bonds, approving Preliminary Official Statement, and providing for other matters properly relating thereto. [Administrative Services]

BOARD ANNOUNCEMENTS AND REPORTS: (On their own initiative, the Board Members may make a brief announcement or a brief report on their own activities. Board Members may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda. The Board may take action on items listed on the Agenda.)

D. ADJOURNMENT



**CITY OF ATASCADERO CITY COUNCIL IN
THE CAPACITY OF SUCCESSOR AGENCY
TO THE COMMUNITY REDEVELOPMENT
AGENCY OF ATASCADERO FOR
REDEVELOPMENT AND HOUSING
PURPOSES**

DRAFT MINUTES

**Tuesday, January 23, 2024
(Immediately following the conclusion
of the City Council Regular Session)**

**City Hall Council Chambers, Fourth Floor
6500 Palma Avenue
Atascadero, California
(Enter from Lewis Avenue)**

**REGULAR SESSION – CALL TO ORDER: Immediately following
the conclusion of the City
Council Regular Session**

Mayor Moreno called the meeting to order at 7:25 p.m.

ROLL CALL:

Present: Council Members Bourbeau, Dariz, Newsom, Mayor Pro Tem Funk,
and Mayor Moreno
Absent: None
Others Present: None
Staff Present: City Manager James R. Lewis, Administrative Services Director Jeri
Rangel, Community Development Director Phil Dunsmore, Fire Chief
Casey Bryson, Police Chief Daniel B. Suttles, Public Works Director
Nick DeBar, City Attorney David M. Fleishman, Deputy City
Manager/City Clerk Lara Christensen, and Deputy City Manager – IT
Luke Knight

APPROVAL OF AGENDA:

MOTION BY: Bourbeau
SECOND BY: Funk

1. Approve this agenda.

AYES (5): Bourbeau, Dariz, Funk, Newsom, and Moreno

Passed 5-0

A. CONSENT CALENDAR:

1. Successor Agency Draft Minutes – January 9, 2024

- Recommendation: Council, in the capacity of the Successor Agency to the Community Redevelopment Agency of Atascadero, approve the Successor Agency Draft Action Minutes of January 9, 2024. [City Clerk]

MOTION BY: Bourbeau

SECOND BY: Funk

1. Approve the consent calendar.

AYES (5): Bourbeau, Dariz, Funk, Newsom, and Moreno

Passed 5-0

COMMUNITY FORUM:

The following citizens spoke during Community Forum: None.

Mayor Moreno closed the COMMUNITY FORUM period.

B. PUBLIC HEARINGS: None.

C. MANAGEMENT REPORTS:

1. Issuance of Refunding Bonds to Refund Certain Outstanding Obligations of the Former Atascadero Community Redevelopment Agency

- Fiscal Impact: The total estimated debt service savings that will be generated by refunding the Prior Obligations is approximately \$5.49 million. The City's General Fund share of the estimated total debt service savings is approximately \$1,012,000.
- Recommendation: Successor Agency Board adopt Draft Resolution, approving the issuance of refunding bonds to refund certain outstanding obligations of the former Atascadero Community Redevelopment Agency, approving the execution and delivery of an Indenture of Trust and Bond Purchase Agreement relating thereto, requesting approval by the Countywide Oversight Board for the County of San Luis Obispo of the issuance of the refunding bonds, requesting certain determinations by the Countywide Oversight Board, and providing for other matters properly relating thereto. [Administrative Services]

Administrative Services Director Rangel gave the presentation and answered questions from the Council.

PUBLIC COMMENT:

The following citizens spoke on this item: None.

Mayor Moreno closed the Public Comment period.

MOTION BY: Funk

SECOND BY: Dariz

1. **Adopt Draft Resolution, approving the issuance of refunding bonds to refund certain outstanding obligations of the former Atascadero Community Redevelopment Agency, approving the execution and delivery of an Indenture of Trust and Bond Purchase Agreement relating thereto, requesting approval by the Countywide Oversight Board for the County of San Luis Obispo of the issuance of the refunding bonds, requesting certain determinations by the Countywide Oversight Board, and providing for other matters properly relating thereto. (SA Resolution 2024-002).**

AYES (5): Bourbeau, Dariz, Funk, Newsom, and Moreno

Passed 5-0

BOARD ANNOUNCEMENTS AND REPORTS: None

D. ADJOURNMENT

Mayor Moreno adjourned the meeting at 7:47 p.m.

MINUTES PREPARED BY:

Lara K. Christensen
City Clerk

APPROVED:



Successor Agency to the Community Redevelopment Agency of Atascadero

Staff Report – Administrative Services Department

Confirming Issuance of Refunding Bonds to Refund Certain Outstanding Obligations of the Former Atascadero Community Redevelopment Agency and Approving the Preliminary Official Statement

RECOMMENDATION:

Adopt Draft Resolution confirming the issuance of refunding bonds, approving Preliminary Official Statement, and providing for other matters properly relating thereto.

DISCUSSION:

On January 23, 2024, the City Council, serving as the governing body of the Successor Agency to the Community Redevelopment Agency of Atascadero (the “Successor Agency”), authorized the issuance and sale of 2024 Tax Allocation Refunding Bonds (the “2024 Bonds”) to refund for debt service savings the Successor Agency’s 2004 Tax Allocation Bonds and its obligation under a Reimbursement Agreement, entered into between the former Atascadero Community Redevelopment Agency (the “Former Agency”) and the City of Atascadero in 2010, whereby the Former Agency was obligated to reimburse the City for annual lease payments made on the City’s 2010A Lease Revenue Bonds.

On January 29, 2024, pursuant to Health & Safety Code Section 34177.5(f), the San Luis Obispo Countywide Oversight Board (the “Oversight Board”) approved the issuance by the Successor Agency of the 2024 Bonds, and on February 22, 2024, the State Department of Finance (“DOF”) approved such Oversight Board action.

The last and final approval needed relates to the Preliminary Official Statement. Staff and the Successor Agency’s financing team are presenting the form of the Preliminary Official Statement to the Successor Agency for consideration and approval prior to pricing and closing the 2024 Bonds in April. This is the document that will be presented to potential bond buyers and was prepared by Jones Hall (Bond and Disclosure Counsel) based on information concerning the Successor Agency and the Project Area provided by and in coordination with Urban Futures, Inc. (Municipal Advisor and Fiscal Consultant), Piper Sandler (Underwriter), and Successor Agency staff.

The City Council, as the governing body of the Successor Agency, has an obligation to ensure that the Preliminary Official Statement includes all information that would be

material to a prospective investor's decision whether to purchase the 2024 Bonds. While the Successor Agency's legal counsel, consultants, and the Underwriter have participated in preparing the document, the Successor Agency is ultimately responsible for ensuring that the Preliminary Official Statement is accurate, contains no misleading information and does not omit any information necessary to make Preliminary Official Statement not misleading to investors.

FISCAL IMPACT:

The Draft Resolution confirms the Successor Agency's prior actions authorizing and approving the issuance and sale of the 2024 Bonds in one or more series to comply with federal tax law and approves the form of the Preliminary Official Statement for the 2024 Bonds. Tonight's recommended action to confirm prior actions and approve the Preliminary Official Statement does not have a fiscal impact.

ALTERNATIVES:

If the Draft Resolution is not approved, the Successor Agency will not proceed with issuing the 2024 Bonds.

ATTACHMENT:

1. Draft Resolution
2. Preliminary Official Statement (form of)

DRAFT RESOLUTION__

RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF ATASCADERO, CALIFORNIA CONFIRMING THE ISSUANCE OF REFUNDING BONDS, APPROVING PRELIMINARY OFFICIAL STATEMENT AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

WHEREAS, the former Atascadero Community Redevelopment Agency (the “Former Agency”) was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State (the “Law”);

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, all Section references hereinafter being to such Code), the Former Agency has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173, the City Council of the City of Atascadero has elected to serve as the Successor Agency to the Community Redevelopment Agency of Atascadero (the “Successor Agency”), which has become the successor entity to the Former Agency;

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency issued its Atascadero Community Redevelopment Agency 2004 Tax Allocation Bonds (Atascadero Redevelopment Project) in the initial principal amount of \$12,490,000 (the “2004 Bonds”) for the purpose of providing funds to finance redevelopment activities within and for the benefit of the Atascadero Redevelopment Project;

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency also previously entered into a Reimbursement Agreement, dated as of September 1, 2010 (the “2010 Agreement” and together with the 2004 Bonds, the “Prior Obligations”), which 2010 Agreement provided that the Former Agency would reimburse the City of Atascadero (the “City”) for lease payments made by the City to the Atascadero Public Financing Authority (“Authority”) that were pledged to the repayment of the Atascadero Public Financing Authority Lease Revenue Bonds, 2010 Series A issued in the initial principal amount of \$16,010,000 (the “2010 Bonds”), which were issued by the Authority to finance certain public facilities of substantial benefit to the Atascadero Redevelopment Project;

WHEREAS, Section 34177.5 authorizes the Successor Agency to issue refunding bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the “Refunding Law”) for the purpose of achieving debt service savings within the parameters set forth in Section 34177.5(a)(1) (the “Savings Parameters”);

WHEREAS, to determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency of its Tax Allocation Refunding Bonds, Series 2024 (the “Refunding Bonds”), the Successor Agency caused its municipal advisor, Urban Futures, Inc., as

municipal advisor (the “Municipal Advisor”), to prepare an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the Refunding Bonds to refund the Prior Obligations (the “Debt Service Savings Analysis”);

WHEREAS, pursuant to Section 34179, the Countywide Oversight Board for the County of San Luis Obispo (the “Oversight Board”) has been established;

WHEREAS, pursuant to Resolution No. SA 2024-002, adopted on January 23, 2024 (the “SA Resolution”), the Successor Agency approved the issuance of the Refunding Bonds, an Indenture of Trust, between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee, providing for the issuance of the Refunding Bonds (the “Indenture”), a Bond Purchase Agreement (the “Bond Purchase Agreement”) between the Successor Agency and Piper Sandler & Co., as underwriter (the “Underwriter”), and an Escrow Agreement between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as escrow agent, for the purpose of establishing an escrow to refund the Prior Obligations (the “Escrow Agreement”), and requested that the Oversight Board approve the issuance of the Refunding Bonds by the Successor Agency;

WHEREAS, pursuant to Resolution No. OB 2024-002, adopted on January 29, 2024 (the “OB Resolution”), the Oversight Board approved the issuance of the Refunding Bonds by the Successor Agency, and the OB Resolution, together with additional materials, were submitted to the California Department of Finance for its approval of the OB Resolution and the issuance of the Refunding Bonds;

WHEREAS, the Successor Agency, with the assistance of Jones Hall, A Professional Law Corporation, as disclosure counsel, and Urban Futures, Inc., as fiscal consultant, has prepared a draft of the preliminary Official Statement for the Refunding Bonds (the “Preliminary Official Statement”), which contains, among other things, information regarding the Refunding Bonds, the Former Agency and the Successor Agency, the form of which is on file with the Successor Agency; and

WHEREAS, the Successor Agency, with the aid of its staff, has reviewed the Preliminary Official Statement and wishes at this time to approve its use and distribution as in the public interests of the Successor Agency and applicable taxing entities.

NOW, THEREFORE, BE IT RESOLVED, by the Successor Agency to the Community Redevelopment Agency of Atascadero:

SECTION 1. Confirmation of Approval of Issuance of the Refunding Bonds. The Successor Agency hereby confirms its actions in the SA Resolution authorizing and approving the issuance and sale of the Refunding Bonds, in one or more series to comply with federal tax law, under the Law and the Refunding Law.

SECTION 2. Approval of Official Statement. The Successor Agency hereby approves the Preliminary Official Statement in substantially the form on file with the City Clerk.

Distribution of the Preliminary Official Statement by the Successor Agency and the Underwriter is hereby approved, and, prior to the distribution of the Preliminary Official Statement, each of the Mayor, the City Manager and the Director of Administrative Services of the City, on behalf of the Successor Agency (each, an "Authorized Officer"), each acting alone, are authorized and directed, on behalf of the Successor Agency, to deem the Preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). The execution of the final Official Statement, which shall include such changes and additions thereto deemed advisable by the Authorized Officer executing the same, and such information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, is hereby approved for delivery to the purchasers of the Refunding Bonds, and each Authorized Officer, acting alone, is authorized and directed to execute and deliver the final Official Statement for and on behalf of the Successor Agency, to deliver to the Underwriter a certificate with respect to the information set forth therein and to deliver to the Underwriter a Continuing Disclosure Certificate substantially in the form appended to the final Official Statement.

SECTION 3. Official Actions. The Authorized Officers and any and all other officers of the Successor Agency are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in connection with the issuance, sale and delivery of the Refunding Bonds. Whenever in this Resolution any officer of the Successor Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

SECTION 4. Effective Date. This Resolution shall take effect immediately upon approval.

SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT
AGENCY OF ATASCADERO:

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

Jones Hall Draft of Feb. 28, 2024

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2024

NEW ISSUE—BOOK-ENTRY

**RATING (S&P): “__”
See “RATING” herein.**

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Series A Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Series A Bonds may be subject to the corporate alternative minimum tax. Interest on the Series B Bonds is not intended to be excluded from gross income for federal income tax purposes. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes. See “TAX MATTERS” herein.

\$ _____ *
**Successor Agency to the
Community Redevelopment Agency of Atascadero
Tax Allocation Refunding Bonds, Series 2024A**

\$ _____ *
**Successor Agency to the
Community Redevelopment Agency of Atascadero
Taxable Tax Allocation Refunding Bonds, Series 2024B**

Dated: Delivery Date

Due: October 1, as shown on the inside front cover

Purpose. The Successor Agency to the Community Redevelopment Agency of Atascadero (the “Successor Agency”) is issuing the above-captioned bonds (together, the “Bonds”) to (a) refund the Atascadero Community Redevelopment Agency 2004 Tax Allocation Bonds (Atascadero Redevelopment Project) (the “2004 Bonds”), (b) prepay its obligations under the Reimbursement Agreement, dated as of September 1, 2010 (the “2010 Agreement” and together with the 2004 Bonds, the “Prior Obligations”), which 2010 Agreement provides that the Successor Agency will reimburse the City of Atascadero (the “City”) for lease payments made by the City to the Atascadero Public Financing Authority (the “Authority”) that were pledged to the repayment of the Atascadero Public Financing Authority Lease Revenue Bonds, 2010 Series A, and (c) pay the costs of issuance of the Bonds.

Payments; Book-Entry. The Bonds will be delivered as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), and will be available to ultimate purchasers in the denomination of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. Beneficial Owners will not be entitled to receive delivery of bonds representing their ownership interest in the Bonds. Interest on the Bonds is payable on April 1 and October 1 of each year, commencing October 1, 2024. Payment of the principal of, and interest on, the Bonds will be made by The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), to DTC for subsequent disbursement to DTC participants, so long as DTC or its nominee remains the registered owner of the Bonds. See “THE BONDS.”

Security. The Bonds are payable from and secured by a pledge of Tax Revenues (as defined in this Official Statement) to be derived from the Project Area and moneys in certain funds and accounts established under the Indenture of Trust, dated as of April 1, 2024 (the “Indenture”), by and between the Successor Agency and the Trustee, as further described in this Official Statement. See “SECURITY FOR THE BONDS.”

Bond Insurance and Reserve Insurance. Bond insurance and reserve fund insurance policies have been applied for; the Underwriter will advise prior to pricing if either or both will be provided with respect to the Bonds.

Redemption. The Bonds are subject to redemption prior to maturity. See “THE BONDS – Redemption.”

Limited Obligations. The Bonds are special limited obligations of the Successor Agency, secured by an irrevocable pledge of, and payable as to principal and interest from, the Tax Revenues and certain other funds held by the Trustee under the Indenture, as described in this Official Statement. The Bonds and the interest thereon are not a debt of the City, the County of San Luis Obispo (the “County”), the State of California (the “State”) or any of their political subdivisions except the Successor Agency, and none of the City, the County, the State or any of their political subdivisions except the Successor Agency is liable thereon. The Bonds and the interest thereon are not payable out of any funds or properties other than those set forth in the Indenture. Neither the members of the Successor Agency, the Countywide Oversight Board for the County of San Luis Obispo, nor any persons executing the Bonds are liable personally on the Bonds.

The Bonds are offered, when, as and if issued, subject to the approval of Jones Hall, A Professional Law Corporation, San Francisco, Bond Counsel to the Successor Agency. Jones Hall, A Professional Law Corporation, is also acting as Disclosure Counsel to the Successor Agency. Certain legal matters will be passed on for the Successor Agency by the City Attorney, and for the Underwriter by Stradling Yocca Carlson & Rauth, P.C., as Underwriter Counsel. It is anticipated that the Bonds will be available for delivery through the facilities of DTC on or about _____, 2024.

[Piper Sandler Logo]

The date of this Official Statement is _____, 2024.

* Preliminary; subject to change

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

MATURITY SCHEDULE

\$ _____
**Successor Agency to the Community Redevelopment Agency of Atascadero
 Tax Allocation Refunding Bonds, Series 2024A**

Maturity Date (October 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP [†] (Base _____)
------------------------------	---------------------	------------------	-------	-------	------------------------------------

\$ _____
**Successor Agency to the Community Redevelopment Agency of Atascadero
 Taxable Tax Allocation Refunding Bonds, Series 2024B**

Maturity Date (October 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP [†] (Base _____)
------------------------------	---------------------	------------------	-------	-------	------------------------------------

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association. None of the Successor Agency, the Trustee or the Underwriter take any responsibility for the accuracy of the CUSIP data.

**SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY OF ATASCADERO
(SAN LUIS OBISPO COUNTY, CALIFORNIA)**

CITY COUNCIL/SUCCESSOR AGENCY

Heather Moreno, *Mayor*
Susan Funk, *Mayor Pro Tem*
Charles Bourbeau, *Council Member*
Mark Dariz, *Council Member*
Heather Newsom, *Council Member*

CITY/SUCCESSOR AGENCY STAFF

James R. Lewis, *City Manager*
Jeri Rangel, *Director of Administrative Services*
Gere W Sibbach, CPA (Retired), *City Treasurer*
David Fleishman of Richards, Watson & Gershon, *City Attorney*
Lara Christensen, *City Clerk*

SPECIAL SERVICES

Bond Counsel and Disclosure Counsel
Jones Hall, A Professional Law Corporation
San Francisco, California

Municipal Advisor and Fiscal Consultant
Urban Futures, Inc.
Walnut Creek, California

Trustee and Escrow Agent
The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

Verification Agent
Causey, Demgen & Moore P.C.
Denver, Colorado

[INSERT MAP OF PROJECT AREA (FROM FCR)]

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
INTRODUCTION.....	1	Future Initiatives	29
Authority and Purpose.....	1	THE SUCCESSOR AGENCY.....	29
The City and the Successor Agency.....	1	Successor Agency Powers.....	30
Security for the Bonds.....	2	Status of Compliance with Dissolution Act	30
Reserve Account; Reserve Policy.....	3	Last and Final ROPS.....	30
Statutory Pass-Through Payments are		City Audited Financial Statements.....	30
Subordinate; No Negotiated Pass-		THE PROJECT AREA	31
Throughs.....	3	General.....	31
The Project Area	3	Land Use Types	31
Limited Obligation	4	Assessed Valuation	31
Parity Debt	4	Recent and Potential Future Development in	
Professionals Involved in the Offering.....	4	the Project Area.....	32
Further Information.....	4	Major Property Owners.....	33
REFUNDING PLAN	5	Assessment Appeals	33
Refunding of the Prior Obligations	5	Historical Assessed Valuation, Incremental	
Verification of Mathematical Accuracy	5	Value and Tax Revenues	34
Estimated Sources and Uses of Funds.....	6	Projected Assessed Valuation, Incremental	
Debt Service Schedule.....	7	Value and Tax Revenues	34
THE BONDS	8	RISK FACTORS	38
Authority for Issuance	8	Recognized Obligation Payment Schedule	38
Description of the Bonds	8	Challenges to Dissolution Act.....	38
Redemption.....	9	Reduction in Taxable Value.....	39
Senior Debt, Parity Debt and Subordinate		Risks to Real Estate Market	40
Debt	11	Concentration of Property Ownership	40
THE DISSOLUTION ACT	13	Reduction in Inflationary Rate	40
General	13	Development Risks.....	41
Recognized Obligation Payment Schedules....	14	Levy and Collection of Taxes	41
SECURITY FOR THE BONDS	18	Bankruptcy and Foreclosure.....	41
Pledge of Tax Revenues.....	18	Projected Tax Revenues	41
Definition of Tax Revenues.....	19	Hazardous Substances	42
Recognized Obligation Payment Schedule		Natural Disasters	42
(ROPS) Covenant.....	19	Cyber Security	43
Flow of Funds Under the Indenture.....	21	Pandemic Diseases	43
Reserve Fund; Reserve Policy.....	22	Changes in the Law	44
Pass-Through Payments.....	23	Loss of Tax-Exemption.....	44
Limited Obligation	23	Secondary Market.....	44
PROPERTY TAXATION IN CALIFORNIA	24	TAX MATTERS.....	44
Property Tax Collection Procedures	24	RATING	46
Delinquencies; Teeter Plan	25	CONTINUING DISCLOSURE.....	46
Unitary Property	25	CONCLUDING INFORMATION	47
Article XIII A of the State Constitution	26	Underwriting.....	47
Appropriations Limitation – Article XIII B.....	27	Municipal Advisor and Fiscal Consultant	47
Proposition 87	28	Legal Matters.....	47
Appeals of Assessed Values.....	28	No Litigation.....	47
Propositions 218 and 26	29	Miscellaneous.....	48

- APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE
- APPENDIX B – FISCAL CONSULTANT’S REPORT
- APPENDIX C – THE CITY OF ATASCADERO AND COUNTY OF SAN LUIS OBISPO
- APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE
- APPENDIX E – AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2023
- APPENDIX F – FORM OF BOND COUNSEL OPINION
- APPENDIX G – BOOK-ENTRY ONLY SYSTEM

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No Offering May Be Made Except by this Official Statement. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations with respect to the Bonds other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the Successor Agency or the Project Area since the date of this Official Statement.

Use of this Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to in this Official Statement and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract with the purchasers of the Bonds.

Preparation of this Official Statement. The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness.

The Underwriter have provided the following sentence for inclusion in this Official Statement: The Underwriter have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter do not guarantee the accuracy or completeness of such information.

Document References and Summaries. All references to and summaries of the Indenture or other documents contained in this Official Statement are subject to the provisions of those documents and do not purport to be complete statements of those documents.

Stabilization of and Changes to Offering Prices. The Underwriter may over allot or take other steps that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the Bonds to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

Bonds are Exempt from Securities Laws Registration. The issuance and sale of the Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934.

Estimates and Projections. Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE SUCCESSOR AGENCY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

Website. The City maintains an Internet website, but the information on the website is not incorporated in this Official Statement.

OFFICIAL STATEMENT

\$ _____*
**Successor Agency to the
Community Redevelopment Agency of Atascadero
Tax Allocation Refunding Bonds, Series 2024A**

\$ _____*
**Successor Agency to the
Community Redevelopment Agency of Atascadero
Taxable Tax Allocation Refunding Bonds, Series 2024B**

This Official Statement, including the cover page, the inside cover page and the appendices hereto, is provided to furnish information in connection with the sale by the Successor Agency to the Community Redevelopment Agency of Atascadero (the “**Successor Agency**”) of its Tax Allocation Refunding Bonds, Series 2024A (the “**Series A Bonds**”) and Taxable Tax Allocation Refunding Bonds, Series 2024B (the “**Series B Bonds**”) and together with the Series A Bonds, the “**Bonds**”).

INTRODUCTION

Authority and Purpose

The Successor Agency is issuing the Bonds pursuant to authority granted by Part 1 (commencing with Section 33000) and Part 1.85 of Division 24 (commencing with Section 34170) of the California Health and Safety Code (the “**Law**”), Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “**Refunding Law**”) and an Indenture of Trust, dated as of April 1, 2024 (the “**Indenture**”), by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the “**Trustee**”). See “THE BONDS – Authority for Issuance.”

The Successor Agency will use the proceeds of the Bonds to (a) refund the Atascadero Community Redevelopment Agency 2004 Tax Allocation Bonds (Atascadero Redevelopment Project) (the “**2004 Bonds**”), (b) prepay its obligations under the Reimbursement Agreement, dated as of September 1, 2010 (the “**2010 Agreement**”) and together with the 2004 Bonds, the “**Prior Obligations**”), which 2010 Agreement provides that the Successor Agency will reimburse the City of Atascadero (the “**City**”) for lease payments made by the City to the Atascadero Public Financing Authority (the “**Authority**”) that were pledged to the repayment of the Atascadero Public Financing Authority Lease Revenue Bonds, 2010 Series A (the “**2010 Authority Bonds**”), and (c) pay the costs of issuance of the Bonds.

The City and the Successor Agency

City and County. The City is located off U.S. Highway 101, about midpoint between Los Angeles and San Francisco, within the County of San Luis Obispo (the “**County**”). The City operates under a council-manager form of government. The City Council is composed of five members, a Mayor and four Council Members, elected at large by the citizens of Atascadero. The Mayor serves a two-year term, and Council Members serve four-year overlapping terms. The Mayor presides over the meetings and performs other ceremonial duties. As the policy-making legislative body, the City Council is responsible for the enactment of all programs, policies and

* Preliminary; subject to change.

services of the City. For additional information regarding the City and the County, see “APPENDIX C – The City of Atascadero and County of San Luis Obispo.”

Former Agency. The former Community Redevelopment Agency of Atascadero (the “**Former Agency**”) was established as a redevelopment agency with all of the powers vested in such entities under the Community Redevelopment Law (which is referred to in this Official Statement as the “**Redevelopment Law**”). The City Council of the City was the governing board of the Former Agency.

Dissolution Act. On June 29, 2011, Assembly Bill No. 26 (“**AB 1X 26**”) was enacted, together with a companion bill, Assembly Bill No. 27 (“**AB 1X 27**”). The provisions of AB 1X 26 provided for the dissolution of all redevelopment agencies statewide as of February 1, 2012. The provisions of AB 1X 27 permitted redevelopment agencies to avoid such dissolution by the payment of certain amounts. A lawsuit was brought in the California Supreme Court, *California Redevelopment Association, et al., v. Matosantos, et al.*, 53 Cal. 4th 231 (Cal. Dec. 29, 2011), challenging the constitutionality of AB 1X 26 and AB 1X 27. On December 19, 2012, the California Supreme Court largely upheld AB 1X 26, invalidated AB 1X 27, and held that AB 1X 26 may be severed from AB 1X 27 and enforced independently. As a result of AB 1X 26 and the decision of the California Supreme Court in the *Matosantos* case, as of February 1, 2012, all redevelopment agencies in the State were dissolved, including the Former Agency, and successor agencies were designated as successor entities to the former redevelopment agencies to expeditiously wind down the affairs of the former redevelopment agencies.

The primary provisions enacted by AB 1X 26 relating to the dissolution and wind down of former redevelopment agency affairs are found in Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code of the State, as amended on June 27, 2012 by Assembly Bill No. 1484 (“**AB 1484**”), and further amended on September 22, 2015 by Senate Bill No. 107 (“**SB 107**”) (as amended from time to time, the “**Dissolution Act**”).

Successor Agency. In accordance with Section 34173 of the Dissolution Act, the City Council adopted a resolution pursuant to which it formally elected to act as the successor agency to the Former Agency. Subdivision (g) of Section 34173 of the Dissolution Act, added by AB 1484, expressly affirms that the Successor Agency is a separate public entity and legal entity from the City, that the two entities shall not merge, and that the liabilities of the Former Agency are not transferred to the City nor will the assets of the Former Agency become assets of the City.

Security for the Bonds

The Dissolution Act authorizes the Successor Agency to issue refunding bonds secured by a pledge of, and lien on, and repaid from property tax revenues (as further defined herein, “**Tax Revenues**”) deposited with respect to the Atascadero Redevelopment Project (the “**Project Area**”) from time to time in the Redevelopment Property Tax Trust Fund (the “**Redevelopment Property Tax Trust Fund**” or “**RPTTF**”) established and held by the San Luis Obispo County Auditor-Controller-Treasurer-Tax Collector (the “**County Auditor-Controller**”). See “SECURITY FOR THE BONDS – Definition of Tax Revenues” for the complete definition of “Tax Revenues.”

The Dissolution Act requires the County Auditor-Controller to determine the amount of property taxes that would have been allocated to the Former Agency from the Project Area had the Former Agency not been dissolved, using current assessed values on the last equalized roll, and to deposit that amount in the Redevelopment Property Tax Trust Fund. The Dissolution Act

provides that any bonds authorized thereunder to be issued by the Successor Agency will be considered indebtedness incurred by the dissolved Former Agency, with the same lien priority and legal effect as if the bonds had been issued prior to the effective date of AB 1X 26, in full conformity with the applicable provisions of the Redevelopment Law that existed prior to that date, and will be included in the Successor Agency's Recognized Obligation Payment Schedules (see "SECURITY FOR THE BONDS – Recognized Obligation Payment Schedule (ROPS) Covenant").

The Dissolution Act further provides that property tax revenues pledged to any bonds authorized under the Dissolution Act, such as the Bonds, are taxes allocated to the Successor Agency pursuant to the provisions of the Redevelopment Law and the State Constitution.

Property tax revenues are allocated to the Successor Agency on a semi-annual basis based on a Recognized Obligation Payment Schedule submitted by the Successor Agency to the Countywide Oversight Board for the County of San Luis Obispo (the "**Oversight Board**"), and the State Department of Finance (the "**DOF**"). The County Auditor-Controller distributes funds from the Redevelopment Property Tax Trust Fund in the order specified in the Dissolution Act. See "THE DISSOLUTION ACT" and "SECURITY FOR THE BONDS – Recognized Obligation Payment Schedule (ROPS) Covenant."

The Successor Agency has no power to levy property taxes and must rely on the allocation of taxes as described above. See "RISK FACTORS."

Reserve Account; Reserve Policy

The Successor Agency will meet the "**Reserve Requirement**" (as defined herein) for the Bonds either by depositing proceeds of the Bonds or through a Reserve Policy. See "SECURITY FOR THE BONDS – Reserve Account; Reserve Policy."

Statutory Pass-Through Payments are Subordinate; No Negotiated Pass-Throughs

The tax increment revenues of the Project Area are subject to certain adjustments. Pursuant to 1994 legislation, AB 1290, the Successor Agency is required to make payments to certain affected taxing entities (referred to herein as "**Statutory Pass-Through Payments**"). Statutory Pass-Through Payments are only due on increases in assessed value above an adjusted assessed value base, and are owed to those taxing entities which have not entered into negotiated pass-through agreements with the Successor Agency. Amounts payable as Statutory Pass-Through Payments have been subordinated to the payment of debt service on the Bonds and, therefore, debt service on the Bonds is payable on a basis that is senior to the payment of such amounts. There are no negotiated pass-through payments applicable to the Project Area. For additional information, see "SECURITY FOR THE BONDS – Pass-Through Payments."

The Project Area

The Former Agency was formed under the provisions of the Redevelopment Law, primarily to eliminate and reduce any aspects of visual, economic, physical and social blight existing within the Project Area. The Project Area is located in the central portion of the City, generally bounded by Highway 101, Highway 41, and Rosario Avenue, and consists of approximately 1,110 acres, representing approximately 6.64% of the total land area of the City. The primary land use in the Project Area is single-family residential, and the Project Area includes commercial land uses along El Camino Real adjacent to Highway 101. For additional information, see "THE PROJECT AREA."

Limited Obligation

The Bonds are special limited obligations of the Successor Agency, secured by an irrevocable pledge of and lien on, and are payable as to principal and interest from, Tax Revenues and certain other funds pledged under the Indenture. The Bonds and the interest thereon are not a debt of the City, the County, the State or any of their political subdivisions except the Successor Agency, and none of the City, the County, the State nor any of their political subdivisions (except the Successor Agency) are liable thereon. The Bonds and the interest thereon are not payable out of any funds or properties other than those set forth in the Indenture. No member, officer, agent, or employee of the Successor Agency, the Oversight Board, the County Board of Supervisors or any person executing the Bonds is liable personally on the Bonds by reason of their issuance.

Parity Debt

Following issuance of the Bonds, no debt will be outstanding that is payable from the Tax Revenues on a basis that is senior to, or on a parity with, the payment of the Bonds, and the Indenture prohibits the future issuance of any senior obligations. The Indenture permits the issuance of future **"Parity Debt,"** defined as loans, bonds, notes, advances or indebtedness payable from Tax Revenues on a parity with the Bonds, only for the purpose of refunding the Bonds or other future Parity Debt for savings in accordance with the requirements of Section 34177.5(a) of the Dissolution Act (or any comparable provision of any successor statute). See "APPENDIX A – Summary of Certain Provisions of the Indenture."

Professionals Involved in the Offering

Urban Futures, Inc. is serving as municipal advisor and as fiscal consultant (the **"Fiscal Consultant"**) to the Successor Agency. The report prepared by the Fiscal Consultant is referred to as the **"Fiscal Consultant's Report"** and is attached as APPENDIX B. The Bank of New York Mellon Trust Company, N.A. is serving as Trustee for the Bonds and escrow agent with respect to the Prior Obligations.

All proceedings in connection with the issuance of the Bonds are subject to the approval of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel to the Successor Agency. Jones Hall is also acting as Disclosure Counsel to the Successor Agency. Certain legal matters will be passed on for the Successor Agency by the City Attorney, and for the Underwriter by Stradling Yocca Carlson & Rauth, P.C., as Underwriter' Counsel. *Payment of the fees and expenses of the Municipal Advisor, Trustee and Escrow Agent, Bond Counsel, Disclosure Counsel and Underwriter' Counsel is contingent upon the sale and delivery of the Bonds.*

Further Information

Brief descriptions of the Redevelopment Law, the Dissolution Act, the Refunding Law, the Bonds, the Indenture, the Successor Agency, the Former Agency and the City are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references in this Official Statement to the Redevelopment Law, the Dissolution Act, the Refunding Law, the Bonds, the Indenture, the Constitution and the laws of the State as well as the proceedings of the Former Agency, the Successor Agency, and the City are qualified in their entirety by reference to such documents and laws. References in this Official Statement to

the Bonds are qualified in their entirety by the form included in the Indenture and by the provisions of the Indenture. Capitalized terms used in this Official Statement and not otherwise defined shall have the meanings given to such terms as set forth in the Indenture. See “APPENDIX A – Summary of Certain Provisions of the Indenture.”

REFUNDING PLAN

Refunding of the Prior Obligations

Pursuant to an Escrow Agreement, dated as of April 1, 2024 (the “**Escrow Agreement**”), between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as escrow agent (the “**Escrow Agent**”), the Successor Agency will deliver the net proceeds of the Bonds, along with other available amounts, to the Escrow Agent for deposit in an escrow fund created under the Escrow Agreement (the “**Escrow Fund**”). Amounts in the Escrow Fund will be sufficient to defease and discharge all of the Successor Agency’s obligations with respect to the Prior Obligations, as well as the Authority’s obligations with respect to the 2010 Authority Bonds.

The Escrow Agent will hold the amounts in the Escrow Fund in cash (uninvested) and use the amounts to redeem, in full, all of the 2004 Bonds and 2010 Authority Bonds on or about 30 days following the closing date for the Bonds, in each case, at a redemption price equal to 100% of the outstanding principal amount thereof, together with accrued interest thereon to the date of redemption. *The moneys held by the Escrow Agent pursuant to the Escrow Agreement are pledged solely to the amounts due and payable by the Successor Agency for the 2004 Bonds and 2010 Authority Bonds. Neither the funds deposited with the Escrow Agent for such purpose, nor any interest thereon will be available for the payment of debt service on the Bonds.*

Verification of Mathematical Accuracy

Causey, Demgen & Moore P.C., as verification agent (the “**Verification Agent**”), will deliver a report on the mathematical accuracy of certain computations, contained in schedules provided to them which were prepared by or for the Successor Agency, relating to (1) the sufficiency of the anticipated receipts from the amounts deposited pursuant to the Escrow Agreement to pay, when due, the principal and interest on the 2004 Bonds and 2010 Authority Bonds, and (2) the yield on the Bonds, and federal securities to be purchased pursuant to the Escrow Agreement. Assuming the accuracy of the Verification Agent’s computations, as a result of the deposit and application of funds as provided in the Escrow Agreement, the obligations of the Successor Agency with respect to the Prior Obligations will be discharged. The Verification Agent has restricted its procedures to examining the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information upon which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted outcome.

Estimated Sources and Uses of Funds

The estimated sources and uses of funds related to the Bonds are summarized below.

	Series A Bonds	Series B Bonds	Total
Sources:			
Principal Amount	\$	\$	\$
Plus/Less: [Net] Original Issue Premium/Discount			
Plus: Prior Obligations – Available Funds			
Total Sources	\$	\$	\$
Uses:			
Refunding of Prior Obligations	\$		
Costs of Issuance ⁽¹⁾			
Total Uses	\$	\$	\$

(1) Costs of Issuance include fees and expenses for Bond Counsel, Disclosure Counsel, Municipal Advisor, Fiscal Consultant, and the Trustee, Underwriter' discount, premiums for the Insurance Policy and Reserve Policy (if applicable), printing expenses, rating fee, and other costs related to the issuance of the Bonds.

Debt Service Schedule

The following table shows the annual debt service schedule for the Bonds, assuming no optional redemption.

Bond Year Ending Oct. 1	Series A Bonds Principal	Series A Bonds Interest	Series B Bonds Principal	Series B Bonds Interest	Total Bonds Debt Service
--	---	--	---	--	---

Total

Source: Underwriter.

THE BONDS

Authority for Issuance

The Dissolution Act authorizes the issuance of refunding bonds to provide savings to the Successor Agency, provided that (i) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness does not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (ii) the principal amount of the refunding bonds or other indebtedness does not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance.

The issuance of the Bonds and the execution and delivery of the Indenture were authorized by the Successor Agency pursuant to a resolution adopted on January 23, 2024 (the “**Resolution**”), and by the Oversight Board pursuant to a resolution adopted on January 29, 2024 (the “**Oversight Board Resolution**”). Pursuant to the Dissolution Act, written notice of the Oversight Board Resolution was provided to the DOF. On February 22, 2024, the DOF provided a letter to the Successor Agency stating that based on the DOF’s review and application of the law, the Oversight Board Resolution approving the issuance of the Bonds was approved by the DOF.

Section 34177.5(f) of the Dissolution Act provides that when, as here, a successor agency issues refunding bonds with the approval of the oversight board and the DOF, the oversight board may not unilaterally approve any amendments to or early termination of the bonds, and the scheduled payments on the bonds shall be listed in the Recognized Obligation Payment Schedule and are not subject to further review and approval by the DOF or the California State Controller.

Description of the Bonds

The Bonds will be issued and delivered in fully-registered form without coupons in the denomination of \$5,000 or any integral multiple thereof for each maturity, initially in the name of Cede & Co., as nominee for The Depository Trust Company (“**DTC**”), as registered owner of all Bonds. The initially executed and delivered Bonds will be dated the date of delivery (the “**Closing Date**”) and mature on October 1 in the years and in the amounts shown on the inside cover page of this Official Statement.

Interest on the Bonds will be calculated on the basis of a 360-day year of twelve 30-day months at the rates shown on the inside cover page of this Official Statement, payable semiannually on April 1 and October 1 in each year, commencing on October 1, 2024, by check mailed to the registered owners thereof or upon the request of the Owners of \$1,000,000 or more in principal amount of Bonds, by wire transfer to an account in the United States which shall be designated in written instructions by such Owner to the Trustee on or before the Record Date preceding the Interest Payment Date. “**Record Date**” as defined in the Indenture means, with respect to any Interest Payment Date, the close of business on the 15th calendar day of the month preceding such Interest Payment Date, whether or not such 15th calendar day is a Business Day.

One fully-registered bond will be issued for each series and maturity of the Bonds, each in the aggregate principal amount of such series and maturity, and will be deposited with DTC. See “APPENDIX G – Book-Entry Only System.”

Redemption*

Optional Redemption – Series A Bonds. The Series A Bonds maturing on and after October 1, 20__ shall be subject to redemption, at the option of the Successor Agency on any date on or after October 1, 20__, as a whole or in part, by such maturities as shall be determined by the Successor Agency, and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount of Series A Bonds redeemed, plus accrued interest thereon to the date of redemption, without premium.

Optional Redemption – Series B Bonds. The Series B Bonds are not subject to optional redemption prior to maturity.

Mandatory Sinking Account Redemption – Series A Bonds. The Series A Bonds maturing on October 1, 20__ and October 1, 20__ (the “**Series A Term Bonds**”) shall also be subject to mandatory redemption in part by lot on October 1, ____ and on October 1 in each year thereafter to and including October 1, ____, from sinking account payments made by the Successor Agency, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, or in lieu thereof shall, at the Successor Agency’s option, be purchased in whole or in part pursuant to the Indenture, in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; provided, however, that if some but not all of the Series A Term Bonds have been redeemed at the option of the Successor Agency, as described above, the total amount of all future sinking account payments shall be reduced by the aggregate principal amount of Series A Term Bonds so redeemed, to be allocated among the sinking account payments as are thereafter payable on a pro rata basis in integral multiples of \$5,000 as determined by the Successor Agency (notice of which determination shall be given by the Successor Agency to the Trustee).

**Series A Term Bonds
 Maturing October 1, 20__**

Sinking Account Redemption Date (October 1)	Principal Amount To Be Redeemed
---	------------------------------------

**Series A Term Bonds
 Maturing October 1, 20__**

Sinking Account Redemption Date (October 1)	Principal Amount To Be Redeemed
---	------------------------------------

* Preliminary; subject to change.

The Series B Bonds maturing on October 1, 20__ (the "Series B Term Bonds") shall also be subject to mandatory redemption in part by lot on October 1, _____, from sinking account payments made by the Successor Agency, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, or in lieu thereof shall, at the Successor Agency's option, be purchased in whole or in part pursuant to the Indenture, in the aggregate respective principal amounts and on the respective dates as set forth in the following table; provided, however, that if some but not all of the Series B Term Bonds have been redeemed at the option of the Successor Agency, as described above, the total amount of all future sinking account payments shall be reduced by the aggregate principal amount of Series B Term Bonds so redeemed, to be allocated among the sinking account payments as are thereafter payable on a pro rata basis in integral multiples of \$5,000 as determined by the Successor Agency (notice of which determination shall be given by the Successor Agency to the Trustee).

**Series B Term Bonds
 Maturing October 1, _____**

Sinking Account Redemption Date (October 1)	Principal Amount To Be Redeemed or Purchased
---	--

Notice of Redemption. The Trustee on behalf of and at the expense of the Successor Agency will provide notice of any redemption at least 20 but not more than 60 days prior to the redemption date, (i) to the Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) to the Securities Depositories and one or more Information Services; but such mailing will not be a condition precedent to a redemption and neither failure to receive a redemption notice nor any defect in the redemption notice will affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest on the Bonds to be redeemed. Any such notice of optional redemption may be conditional upon the Trustee having funds available for the redemption on the date designated for such redemption.

The redemption notice will state the redemption date and the redemption price, will state that such redemption is conditioned upon the timely delivery of the redemption price by the Successor Agency to the Trustee for deposit in the Escrow Fund, will designate the CUSIP number of the Bonds to be redeemed, state the individual number of each Bond to be redeemed or state that all Bonds between two stated numbers (both inclusive) or all of the Bonds Outstanding are to be redeemed, and will require that such Bonds be then surrendered at the Designated Corporate Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on the Bonds to be redeemed will not accrue from and after the redemption date.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose will, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Right to Rescind Notice. The Successor Agency has the right to rescind any notice of the optional redemption of Bonds by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of optional redemption will be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation will not constitute an Event of Default. The Successor Agency and the Trustee have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee will mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

Partial Redemption of Bonds. In the event only a portion of any Bond is called for redemption, then upon surrender of such Bond the Successor Agency will execute and the Trustee will authenticate and deliver to the Owner thereof, at the expense of the Successor Agency, a new Bond or Bonds of the same interest rate and maturity, of authorized denominations, in aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the redemption price of and interest on the Bonds so called for redemption have been duly deposited with the Trustee, the Bonds so called will cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest will accrue thereon from and after the redemption date specified in such notice.

Manner of Redemption. Whenever any Bonds or portions thereof are to be selected for redemption by lot, the Trustee will make the selection, in such manner as the Trustee deems appropriate. In the event of redemption by lot of Bonds, the Trustee shall assign to each Bond then Outstanding a distinctive number for each \$5,000 of the principal amount of each such Bond. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected, but only so much of the principal amount of each such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. All Bonds redeemed or purchased pursuant to the Indenture shall be cancelled and destroyed.

Purchase in Lieu of Redemption. In lieu of redemption of the Bonds pursuant to the preceding paragraphs, amounts on deposit in the Sinking Account or the Redevelopment Obligation Retirement Fund (to the extent not required to be transferred to the Trustee pursuant to Indenture during the current Bond Year other than for deposit in the Sinking Account) may also be used and withdrawn by the Successor Agency at any time for the purchase of such Bonds at public or private sale as and when and at such prices (including brokerage and other charges and including accrued interest) as the Successor Agency may in its discretion determine. The par amount of any of such Bonds so purchased by the Successor Agency in any 12-month period ending on July 1 in any year shall be credited towards and shall reduce the par amount of such Bonds required to be redeemed on the next succeeding October 1.

Senior Debt, Parity Debt and Subordinate Debt

No Senior Debt. There is no debt outstanding that is payable from the Tax Revenues on a basis that is senior to the payment of the Bonds, and the Indenture prohibits the future issuance of any senior obligations.

Parity Debt. The Indenture defines “**Parity Debt**” as any loan, bonds, notes, advances or indebtedness secured and payable from Tax Revenues on a parity with the Bonds as

authorized by the Indenture. Upon the issuance of the Bonds, the Successor Agency will have no Parity Debt outstanding. However, the Indenture authorizes the issuance of Parity Debt by the Successor Agency in the future, subject to the conditions set forth in the Indenture, which include the limitation that Parity Debt can only be issued to refund the Bonds or future Parity Debt and the condition that such Parity Debt shall be issued for savings in accordance with the requirements of Section 34177.5(a) of the Dissolution Act (or any comparable provision of any successor statute). See "APPENDIX A – Summary of Certain Provisions of the Indenture" for additional details.

Subordinate Debt. The Indenture permits the Successor Agency to issue and sell Subordinate Debt (as defined in the Indenture). Such Subordinate Debt would be payable from, or secured by a pledge or lien upon, the Tax Revenues on a subordinate basis to the payment of debt service on the Bonds. See "APPENDIX A – Summary of Certain Provisions of the Indenture" for additional details.

THE DISSOLUTION ACT

General

The information in this section describes the amendment to the Redevelopment Law pursuant to the Dissolution Act. The following section entitled "SECURITY FOR THE BONDS" describes the specific pledge of Tax Revenues in favor of the holders of the Bonds and related matters.

Pre-Dissolution Act Redevelopment Tax Increment System. Prior to the enactment of AB X1 26, the Redevelopment Law authorized the financing of redevelopment projects through the use of tax increment revenues. This method provided that the taxable valuation of the property within a redevelopment project area on the property tax roll last equalized prior to the effective date of the ordinance which adopts the redevelopment plan became the base year valuation. Assuming the taxable valuation never dropped below the base year level, the taxing agencies thereafter received that portion of the taxes produced by applying then current tax rates to the base year valuation, and the redevelopment agency was allocated the remaining portion produced by applying then current tax rates to the increase in valuation over the base year. Such incremental tax revenues allocated to a redevelopment agency were authorized to be pledged to the payment of redevelopment agency obligations.

Impact of Dissolution on Redevelopment Tax Increment System. The Dissolution Act requires each county auditor-controller to determine, based on property taxes collected in a redevelopment project area, the amount of property taxes that would have been allocated to the former redevelopment agency (pursuant to subdivision (b) of Section 16 of Article XVI of the State Constitution) had the former redevelopment agency not been dissolved pursuant to the operation of AB X1 26, using current assessed values on the last equalized roll on August 20, and to deposit that amount in the Redevelopment Property Tax Trust Fund for the successor agency established and held by the county auditor-controller pursuant to the Dissolution Act.

Post-Dissolution Refunding Bonds. The Dissolution Act provides that any bonds authorized thereunder to be issued by a successor agency will be considered indebtedness incurred by the former redevelopment agency, with the same lien priority and legal effect as if the bonds had been issued prior to the effective date of AB X1 26, in full conformity with the applicable provisions of the Redevelopment Law that existed prior to that date, and will be included in the successor agency's Recognized Obligation Payment Schedule (see "– Recognized Obligation Payment Schedules" below).

The Dissolution Act further provides that bonds authorized by the Dissolution Act to be issued by a successor agency will be secured by a pledge of, and lien on, and will be repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund, and that property tax revenues pledged to any bonds authorized to be issued by the successor agency under the Dissolution Act are taxes allocated to the successor agency pursuant to subdivision (b) of Section 33670 of the Redevelopment Law and Section 16 of Article XVI of the State Constitution.

Pursuant to subdivision (b) of Section 33670 of the Redevelopment Law and Section 16 of Article XVI of the State Constitution and as provided in the redevelopment plans for each redevelopment project area, taxes levied upon taxable property in the project area each year by or for the benefit of the State, any city, county, city and county, district, or other public corporation (herein sometimes collectively called "**taxing agencies**") after the effective date of the ordinance approving the redevelopment plans, or the respective effective dates of ordinances approving

amendments to the redevelopment plans that added territory to the project area, as applicable, are to be divided as follows:

(a) To Taxing Agencies: That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the taxing agencies upon the total sum of the assessed value of the taxable property in the redevelopment project area as shown upon the assessment roll used in connection with the taxation of such property by such taxing agency last equalized prior to the effective date of the ordinances adopting the redevelopment plans, or the respective effective dates of ordinances approving amendments to the redevelopment plans that added territory to the redevelopment project area, as applicable (each, a “**base year valuation**”), will be allocated to, and when collected will be paid into, the funds of the respective taxing agencies as taxes by or for the taxing agencies on all other property are paid; and

(b) To the Former Redevelopment Agency/Successor Agency: Except for that portion of the taxes in excess of the amount identified in (a) above which are attributable to a tax rate levied by a taxing agency for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness approved by the voters of the taxing agency on or after January 1, 1989 for the acquisition or improvement of real property, which portion shall be allocated to, and when collected shall be paid into, the fund of that taxing agency, that portion of the levied taxes each year in excess of such amount, annually allocated within the redevelopment plan limits, when collected will be paid into a special fund of the successor agency. Section 34172 of the Dissolution Act provides that, for purposes of Section 16 of Article XVI of the State Constitution, the Redevelopment Property Tax Trust Fund shall be deemed to be a special fund of the successor agency to pay the debt service on indebtedness incurred by the former redevelopment agency or the successor to finance or refinance the redevelopment projects of the former redevelopment agency.

That portion of the levied taxes described in paragraph (b) above, less amounts deducted pursuant to Section 34183(a) of the Dissolution Act for permitted administrative costs of the county auditor-controller, constitute the amounts required under the Dissolution Act to be deposited by the county auditor-controller into the Redevelopment Property Tax Trust Fund for each successor agency. In addition, Section 34183 of the Dissolution Act effectively eliminates the January 1, 1989 date from paragraph (b) above.

Recognized Obligation Payment Schedules

Submission of Recognized Obligation Payment Schedule. The Dissolution Act requires successor agencies to prepare, and submit to the successor agency’s oversight board and the DOF for approval, a Recognized Obligation Payment Schedule pursuant to which enforceable obligations (as defined in the Dissolution Act) of the successor agency are listed, together with the source of funds to be used to pay for each enforceable obligation. Successor agencies are required to file Recognized Obligation Payment Schedules with the DOF for approval each February 1 for the July 1 through June 30 period immediately following such February 1 (the next succeeding fiscal year). Pursuant to Section 34177(o)(1)(E) of the Dissolution Act, once per the Recognized Obligation Payment Schedule period, and no later than October 1, a successor agency may submit one amendment to DOF for the second half of the yearly Recognized Obligation Payment Schedule period (January-June), if the Oversight Board makes a finding that a revision is necessary to pay enforceable obligations during the second half of the Recognized Obligation Payment Schedule period.

Prior Period Adjustments. Subject to review by the County Auditor-Controller, differences between actual payments and past estimated obligations on Recognized Obligation Payment Schedules shall be reported in subsequent Recognized Obligation Payment Schedules and shall adjust the amount to be transferred to the Redevelopment Obligation Retirement Fund.

In addition, there are strong incentives for a successor agency to submit recognized obligation payment schedules on time. If a successor agency does not submit a recognized obligation payment schedule to the Oversight Board and the DOF by each February 1 (unless a successor agency elects to file a last and final recognized obligation payment schedule), then a successor agency will be subject to a \$10,000 per day civil penalty for every day the schedule is late. Additionally, if a successor agency does not submit a recognized obligation payment schedule to the Oversight Board and the DOF at least 10 days after each February 1 (unless a successor agency elects to file a last and final recognized obligation payment schedule), then a successor agency's administrative cost allowance may be reduced by up to 25%. For additional information regarding procedures under the Dissolution Act relating to late recognized obligation payment schedules and implications for the Bonds, see "RISK FACTORS – Recognized Obligation Payment Schedule."

Payment of Amounts Listed on the Recognized Obligation Payment Schedule. As defined in the Dissolution Act, "enforceable obligation" includes bonds, including the required debt service, reserve set-asides, and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds of the former redevelopment agency or the successor agency, as well as other obligations such as loans, judgments or settlements against the former redevelopment agency or the successor agency, any legally binding and enforceable agreement that is not otherwise void as violating the debt limit or public policy, contracts necessary for the administration or operation of the successor agency, and, under certain circumstances, amounts borrowed from the successor agency's low and moderate income housing fund. A reserve may be included on the Recognized Obligation Payment Schedule and held by the successor agency when required by a bond indenture or when the next property tax allocation will be insufficient to pay all obligations due under the provisions of the bonds for the next payment due in the following half of the calendar year.

Order of Priority of Distributions from Redevelopment Property Tax Trust Fund. Typically, under the Redevelopment Property Tax Trust Fund distribution provisions of the Dissolution Act, a county auditor-controller is to distribute funds for each six-month period as specified in Section 34183 of the Dissolution Act, which is as follows:

(i) first, subject to certain adjustments (as described below) for subordination of statutory and negotiated pass-through amounts to the extent permitted under the Dissolution Act and no later than each January 2 and June 1, to each local taxing agency and school entity, to the extent applicable, amounts required for pass-through payments such entity would have received under provisions of the Redevelopment Law, as those provisions read on January 1, 2011, including negotiated pass-through agreements and statutory pass-through obligations;

(ii) second, on each January 2 and June 1, to the successor agency for payments listed in its Recognized Obligation Payment Schedule, with debt service payments (and amounts required to replenish the related reserve funds, if any) scheduled to be made for tax allocation bonds having the highest priority over payments scheduled for other debts and obligations listed on the Recognized Obligation Payment Schedule;

(iii) third, on each January 2 and June 1, to the successor agency for the administrative cost allowance, as defined in the Dissolution Act; and

(iv) fourth, on each January 2 and June 1, to taxing entities any moneys remaining in the Redevelopment Property Tax Trust Fund after the payments and transfers authorized by clauses (i) through (iii), in an amount proportionate to such taxing entity's share of property tax revenues in the tax rate area in that fiscal year (without giving effect to any pass-through obligations that were established under the Redevelopment Law).

The Dissolution Act requires the county auditor-controller to distribute from the Redevelopment Property Tax Trust Fund amounts required to be distributed for statutory pass-through obligations to the taxing entities on each January 2 and June 1 before amounts are distributed by the county auditor-controller from the Redevelopment Property Tax Trust Fund to a successor agency's Redevelopment Obligation Retirement Fund, unless: (i) pass-through payment obligations have been made subordinate to debt service payments for the bonded indebtedness of the former redevelopment agency, as succeeded to by the successor agency; (ii) the successor agency has reported, no later than the December 1 and May 1 preceding the applicable January 2 or June 1 distribution date, that the total amount available to the successor agency from the Redevelopment Property Tax Trust Fund allocation to the successor agency's Redevelopment Obligation Retirement Fund, from other funds transferred from the former redevelopment agency and from funds that have or will become available through asset sales and all redevelopment operations, is insufficient to fund the successor agency's enforceable obligations, pass-through payments and the successor agency's administrative cost allowance for the applicable Recognized Obligation Payment Schedule period; and (iii) the State Controller has concurred with the successor agency that there are insufficient funds for such purposes.

If the requirements set forth in clauses (i) through (iii) of the foregoing paragraph have been met, the Dissolution Act provides for certain modifications in the distributions otherwise calculated to be distributed on the applicable January 2 or June 1 property tax distribution date (as adjusted for weekends and holidays). To provide for calculated shortages to be paid to the Successor Agency for enforceable obligations, the amount of the deficiency will first be deducted from the residual amount otherwise calculated to be distributed to the taxing entities under the Dissolution Act after payment of the Successor Agency's enforceable obligations, pass-through payments and the Successor Agency's administrative cost allowance. If such residual amount is exhausted, the amount of the remaining deficiency will be deducted from amounts available for distribution to the Successor Agency for administrative costs for the applicable Recognized Obligation Payment Schedule period in order to fund the enforceable obligations. Finally, funds required for servicing bond debt may be deducted from the amounts to be distributed under subordinated negotiated pass-through agreements, if any, in order to be paid to the Successor Agency for enforceable obligations, but only after the amounts described in the previous two sentences have been exhausted.

The Dissolution Act provides for a procedure by which the Successor Agency may make statutory pass-through payments subordinate to bonds, including the Bonds. *The Successor Agency has undertaken the requisite procedures to subordinate Statutory Pass-Through Payments required to be made from tax increment revenues generated in the Project Area and, therefore, the Statutory Pass-Through Payments are payable on a basis subordinate to the payment of the Bonds as described herein.*

Consequences of Insufficient Property Tax Revenue. If the requirements set forth in clauses (i) through (iii) of the foregoing paragraph have been met, the Dissolution Act provides for certain modifications in the distributions otherwise calculated to be distributed on the applicable January 2 or June 1 property tax distribution date (as adjusted for weekends and holidays). To provide for calculated shortages to be paid to the successor agency for enforceable obligations, the amount of the deficiency will first be deducted from the residual amount otherwise calculated to be distributed to the taxing entities under the Dissolution Act after payment of the successor agency's enforceable obligations, pass-through payments and the successor agency's administrative cost allowance. If such residual amount is exhausted, the amount of the remaining deficiency will be deducted from amounts available for distribution to the successor agency for administrative costs for the applicable Recognized Obligation Payment Schedule period in order to fund the enforceable obligations. Finally, funds required for servicing bond debt may be deducted from the amounts to be distributed as pass-through payments, whether contractual or statutory, in order to be paid to the successor agency for bonded indebtedness, but only after the amounts described in the previous two sentences have been exhausted. If there is still an insufficiency, the Dissolution Act permits, but does not require, a loan to be made from the county treasury to the successor agency. For a description of the Successor Agency's pass-through payment obligations, see "SECURITY FOR THE BONDS – Statutory Pass-Through (AB 1290) Payments."

Sources of Payments for Enforceable Obligations. Under the Dissolution Act, the categories of sources of payments for enforceable obligations listed on a Recognized Obligation Payment Schedule are the following: (i) the low and moderate income housing fund, (ii) bond proceeds, (iii) reserve balances, (iv) administrative cost allowance, (v) the Redevelopment Property Tax Trust Fund (but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or otherwise required under the Dissolution Act), or (vi) other revenue sources (including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the successor agency, as approved by the oversight board).

The Dissolution Act provides that only those payments listed in the Recognized Obligation Payment Schedule may be made by a successor agency and only from the funds specified in the Recognized Obligation Payment Schedule.

No Applicable Redevelopment Plan Limits. In accordance with the Redevelopment Law, redevelopment plans project areas were required to include certain limits on the financing of the redevelopment projects. These limits could include a time limit on the life of the redevelopment plan, a time limit on the incurrence of indebtedness, a time limit on the receipt of property tax increment and the repayment of indebtedness and a limit on the amount of bonded indebtedness outstanding at any time. As a result of the Dissolution Act, former tax increment limits set forth in redevelopment plans no longer apply for purposes of paying approved enforceable obligations.

Redevelopment Obligation Retirement Fund. Each successor agency has established within its treasury a "Redevelopment Obligation Retirement Fund" pursuant to Section 34170.5 of the Dissolution Act. Under the Dissolution Act, the county auditor-controller is obligated to transfer each January 2 and June 1, from the Redevelopment Property Tax Trust Fund of the successor agency into the Redevelopment Obligation Retirement Fund of the successor agency, an amount of tax increment revenue equal to that specified in the successor agency's Recognized Obligation Payment Schedule as approved by the DOF as payable from the Redevelopment Property Tax Trust Fund, subject to certain limitations established by the Dissolution Act.

Elimination of Housing Set-Aside. Before it was amended by the Dissolution Act, the Redevelopment Law required each redevelopment agency to set aside not less than 20% of all tax increment generated in project areas into a low and moderate income housing fund to be used for the purpose of increasing, improving and/or preserving the supply of low and moderate income housing. These tax increment revenues were commonly referred to as “**Housing Set-Aside.**” The Dissolution Act eliminates the characterization of certain tax increment revenues as Housing Set-Aside.

Last and Final Recognized Obligation Payment Schedule. Successor agencies that have received a Finding of Completion and the concurrence of the DOF as to the items that qualify for payment, among other conditions, at their option, may file a “Last and Final” Recognized Obligation Payment Schedule. If approved by the DOF, the Last and Final Recognized Obligation Payment Schedule will be binding on all parties and the successor agency will no longer submit future Recognized Obligation Payment Schedules to the DOF or the oversight board. The county auditor-controller would thereafter remit the authorized funds to the successor agency in accordance with the approved Last and Final Recognized Obligation Payment Schedule until each remaining enforceable obligation has been fully paid. A Last and Final Recognized Obligation Payment Schedule may only be amended twice, and only with approval of the DOF and the county auditor-controller.

The Successor Agency anticipates filing a “Last and Final” Recognized Obligation Payment Schedule in the fiscal year following issuance of the Bonds.

SECURITY FOR THE BONDS

The County Auditor-Controller will deposit Tax Revenues into the Redevelopment Property Tax Trust Fund pursuant to the requirements of the Dissolution Act, including Sections 34183 and 34170.5(b) of the Health and Safety Code. The Bonds are payable from and secured primarily by the Tax Revenues.

Pledge of Tax Revenues

Except as required to compensate or indemnify the Trustee, the Bonds and any Parity Debt are equally secured by a pledge of, security interest in and lien on all of the Tax Revenues, including all of the Tax Revenues in the Redevelopment Obligation Retirement Fund and by a first and exclusive pledge and lien upon all of the moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Sinking Account and the Redemption Account, without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. The Bonds are additionally secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Reserve Fund established for the Bonds. The Bonds are also equally secured by the pledge and lien created with respect to the Bonds by Section 34177.5(g) of the Dissolution Act on moneys deposited from time to time in the Redevelopment Property Tax Trust Fund. Except for the Tax Revenues and such moneys, no funds or properties of the Successor Agency are pledged to, or otherwise liable for, the payment of principal of, or interest on, the Bonds.

In consideration of the acceptance of the Bonds by purchasers of the Bonds, the Indenture will be deemed to be and will constitute a contract between the Successor Agency and the Trustee for the benefit of the Owners from time to time of the Bonds, and the covenants and agreements

set forth in the Indenture to be performed on behalf of the Successor Agency are for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or in the Indenture.

Definition of Tax Revenues

“**Tax Revenues**” is defined in the Indenture to mean all taxes that were eligible for allocation to the Former Agency with respect to the Project Area and are allocated to the Successor Agency pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Law and Section 16 of Article XVI of the Constitution of the State, or pursuant to other applicable State laws and that are deposited in the Redevelopment Property Tax Trust Fund and transferred to the Successor Agency for deposit into the Redevelopment Obligation Retirement Fund, excluding amounts payable by the Successor Agency to taxing entities as Statutory Pass-Through Payments, unless such payments are subordinated to payments on the Bonds or any Parity Debt in accordance with the Law.

“**Statutory Pass-Through Payments**” means statutory pass-through amounts payable pursuant to Sections 33607.5, 33607.7 and 33676 of the Law. *Amounts payable as Statutory Pass-Through Payments have been subordinated to the Bonds and, therefore, debt service on the Bonds is payable on a basis that is senior to such payments. For additional information, see “– Statutory Pass-Through (AB 1290) Payments.”*

Recognized Obligation Payment Schedule (ROPS) Covenant

General. The Successor Agency covenants in the Indenture to comply with all of the requirements of the Law. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Successor Agency with its covenants under the Indenture. Further, the Successor Agency will take all actions required under the Dissolution Act to include:

(i) 100% of the amount of principal and interest on the Bonds and Parity Debt (if any) coming due within the Recognized Obligation Payment Schedule period; and

(ii) amounts due to the Insurer (if applicable) or any other issuer of a Qualified Reserve Fund Credit Instrument hereunder or under an insurance or surety bond agreement or otherwise required to replenish any reserve account established under the Indenture,

in each annual Recognized Obligation Payment Schedule so as to enable the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund to the Successor Agency’s Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required for the Successor Agency to pay principal of, and interest on, the Bonds coming due in the respective Recognized Obligation Payment Schedule period and to pay amounts owed to the Insurer or any other issuer of a Qualified Reserve Fund Credit Instrument or otherwise required to replenish any other reserve account established under the Indenture, as set forth above.

In order to accomplish the foregoing, on or before each February 1 (or at such earlier time as may be required by the Dissolution Act), for so long as any Bonds are outstanding, the Successor Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule to the State Department of Finance and to the County Auditor-Controller that shall include, from the first Tax Revenues distributed to the Successor Agency on each January 2 and June 1 Redevelopment Property Tax Trust Fund distribution date (subject to prior payments described in Indenture): (i) all debt service due on all Outstanding Bonds and Parity Debt coming due during the applicable Bond Year (with at least one-half of such Bond Year's debt service to be distributed from the Redevelopment Property Tax Trust Fund on January 2 and the remainder of such Bond Year's debt service to be distributed from the Redevelopment Property Tax Trust Fund on June 1), as well as all amounts due and owing to the Insurer hereunder, and (ii) any amount required to cure any deficiency in the Reserve Fund pursuant to this Indenture or a reserve fund established under any Parity Debt Instrument (including any amounts required due to a draw on any Qualified Reserve Fund Credit Instrument (including the Reserve Policy, if applicable) as well as all amounts due and owing to the Insurer hereunder or to any other insurer in connection with Parity Debt). The Successor Agency shall have the right, in its sole and absolute discretion, to request up to 100% of the principal and interest coming due during the applicable Bond Year from the Redevelopment Property Tax Trust Fund moneys to be distributed to the Successor Agency on the January 2 of such Bond Year, and to request the remainder of such Bond Year's debt service to be distributed from the Redevelopment Property Tax Trust Fund on June 1 during such Bond Year.

The foregoing actions will include, without limitation, placing on the periodic Recognized Obligation Payment Schedule for approval by the Oversight Board and State Department of Finance the amounts to be held by the Successor Agency as a reserve until the next six-month period, as contemplated by Section 34171(d)(1)(A) of the Dissolution Act, that are necessary to comply with the Indenture.

In the event the provisions set forth in the Dissolution Act as of the Closing Date of the Bonds that relate to the filing of Recognized Obligation Payment Schedules and/or amendments to the "last and final" Recognized Obligation Payment Schedule are amended or modified in any manner, the Successor Agency agrees to take all such actions as are necessary to comply with such amended or modified provisions so as to ensure the timely payment of debt service on the Bonds and, if the timing of distributions of the Redevelopment Property Tax Trust Fund is changed, the receipt of debt service during each Bond Year that approximates as closely as possible the distributions described above, so as to ensure the receipt of (i) not less than one half of the debt service due during each Bond Year on all Outstanding Bonds prior to April 1 of such calendar year, and (ii) the remainder of debt service due during such Bond Year on all Outstanding Bonds prior to the next succeeding October 1.

(c) ***Insurer as Attorney-in-Fact.*** In the event the Successor Agency fails to provide the Oversight Board or the State Department of Finance with a Recognized Obligation Payment Schedule by the statutory deadlines, to the extent permitted by applicable law, the Successor Agency designates the Insurer as its attorney-in-fact with the power to make such a request relating to the Bonds; provided however, that the Insurer will provide a copy of such request to the Successor Agency at the time of such submission. With respect to Recognized Obligation Payment Schedules, if any amounts payable to the Insurer are not included on the then current Recognized Obligation Payment Schedule, the Successor Agency shall amend such Recognized Obligation Payment Schedule to include such amount to the extent permitted by law.

(d) ***Last and Final Recognized Obligation Payment Schedule.*** The Successor Agency shall not approve or submit for approval to the Successor Agency's Oversight Board or the State Department of Finance the final amendment to a "last and final" Recognized Obligation Payment Schedule pursuant to Section 34191.6 of the Dissolution Act without the prior written consent of the Insurer.

The Successor Agency has no power to levy and collect taxes, and various factors beyond its control could affect the amount of Tax Revenues available in any six-month period to pay the principal of and interest on the Bonds. See "RISK FACTORS."

Flow of Funds Under the Indenture

General. The Successor Agency previously established the Redevelopment Obligation Retirement Fund pursuant to Section 34170.5(a) of the Dissolution Act and agrees to hold and maintain the Redevelopment Obligation Retirement Fund as long as any of the Bonds are Outstanding.

Deposit in Redevelopment Obligation Retirement Fund; Transfer to Debt Service Fund. The Indenture provides that the Successor Agency shall deposit all of the Tax Revenues received with respect to any Bond Year into the Redevelopment Obligation Retirement Fund promptly upon receipt thereof. All Tax Revenues received by the Successor Agency in excess of the amount required to pay debt service on the Bonds and any Parity Debt in any Bond Year, and except as may be provided to the contrary in the Indenture or Parity Debt Instrument, shall be released from the pledge and lien under the Indenture and shall be applied in accordance with the Law, including but not limited to the payment of debt service on any Subordinate Debt. Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Bonds and the payment in full of all other amounts payable under the Indenture and under any Supplemental Indentures, the Successor Agency shall not have any beneficial right or interest in the moneys on deposit in the Redevelopment Obligation Retirement Fund, except as may be provided in the Indenture and in any Supplemental Indenture.

Deposit of Amounts by Trustee. There is established a trust fund to be known as the Debt Service Fund, which will be held by the Trustee under the Indenture in trust. Moneys in the Redevelopment Obligation Retirement Fund shall be transferred by the Successor Agency to the Trustee within five (5) Business Days of the receipt thereof for deposit in the Debt Service Fund. So long as any Bonds or Parity Debt remain outstanding, the Trustee shall transfer amounts on deposit in the Debt Service Fund in the following amounts, at the following times, and deposited by the Trustee in the following respective special accounts, which are hereby established in the Debt Service Fund, and in the following order of priority:

Interest Account. On or before the fourth (4th) Business Day preceding each Interest Payment Date, the Trustee shall deposit in the Interest Account an amount which, when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds and any Parity Debt on such Interest Payment Date. No such transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds and any Parity Debt. All moneys in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds and any Parity Debt as it shall become due and payable.

Principal Account. On or before the fourth (4th) Business Day preceding the date on which principal on the Bonds and any Parity Debt becomes due and payable at maturity, the Trustee shall deposit in the Principal Account an amount which, when added to the amount then contained in the Principal Account, will be equal to the principal becoming due and payable on the Outstanding Bonds and any Parity Debt on such date. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds and any Parity Debt as it shall become due and payable.

Sinking Account. No later than the fourth (4th) Business Day preceding each October 1 on which any Outstanding Term Bonds are subject to mandatory redemption or otherwise for purchase pursuant to the provisions of a Supplemental Indenture, the Trustee shall deposit in the Sinking Account an amount which, when added to the amount then contained in the Sinking Account, will be equal to the aggregate principal amount of the Term Bonds required to be redeemed on such October 1, pursuant to the provisions of any Supplemental Indenture. All moneys on deposit in the Sinking Account shall be used and withdrawn by the Trustee for the sole purpose of paying the principal of the Term Bonds as it shall become due and payable upon redemption or purchase pursuant to the provisions of any Supplemental Indenture.

Reserve Fund. There is established in the Debt Service Fund a separate account known as the "Reserve Fund," solely as security for payments on the Bonds, which shall be held by the Trustee in trust for the benefit of the Owners of the Bonds. The Reserve Fund will be utilized as set forth below under "–Reserve Fund; Reserve Policy."

Reserve Fund; Reserve Policy

Deposit of Reserve Policy. On the date of issuance of the Bonds, the Successor Agency will cause the Reserve Policy, in an amount equal to the Reserve Requirement for the Bonds, to be deposited into the Reserve Fund.

The amounts available under the Reserve Policy shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account and the Principal Account in such order of priority, in the event of any deficiency at any time in any of such accounts. The Trustee shall comply with all documentation relating to the Reserve Policy as shall be required to maintain the Reserve Policy in full force and effect and as shall be required to receive payments thereunder in the event and to the extent required to make any payment when and as required under the Indenture.

For additional details on the Reserve Policy, see "APPENDIX A – Summary of Certain Provisions of the Indenture."

Definition of Reserve Requirement. The Indenture defines "**Reserve Requirement**" to mean the lesser of: (i) 125% of the average Annual Debt Service with respect to the Bonds, (ii) Maximum Annual Debt Service with respect to the Bonds, or (iii) 10% of the original principal amount of such series of Bonds (or, if the Bonds have more than a de minimis amount of original issue discount or premium, 10% of the issue price of the Bonds); provided, that in no event shall the Successor Agency be obligated to deposit an amount in the Reserve Fund which is in excess of the amount permitted by the applicable provisions of the Code to be so deposited from the proceeds of tax-exempt bonds without having to restrict the yield of any investment purchased with any portion of such deposit and, in the event the amount of any such deposit into the Reserve

Fund is so limited, the Reserve Requirement shall be increased only by the amount of such deposit as permitted by the Code; and, provided further that the Successor Agency may meet all or a portion of the Reserve Requirement by depositing a Qualified Reserve Fund Credit Instrument meeting the requirements of the Indenture.

In the event a Qualified Reserve Fund Credit Instrument is delivered at any time to meet the entirety of the Reserve Requirement with respect to the Bonds (that is, no cash is being deposited or will remain deposited in the Reserve Fund or subaccount therein with respect to the Bonds), then, notwithstanding the foregoing definition, the Reserve Requirement will be determined only at the time of the delivery of the Qualified Reserve Fund Credit Instrument and will not be subject to increase or decrease at a later date.

Pass-Through Payments

Statutory Pass-Through (AB 1290) Payments are Subordinate. All new redevelopment plans that were adopted, or existing redevelopment plans that were amended in certain manners, after January 1, 1994, became subject to statutorily defined pass-through requirements and plan limitations generally known as AB1290 requirements. Under the AB1290 mechanism, pass-through payments are made to all jurisdictions receiving a portion of the basic 1% property tax levy, except jurisdictions having pre-existing contractual pass-through agreements. The payments required to be made to taxing entities pursuant to the AB1290 requirements are referred to as herein as Statutory Pass-Through Payments. *Amounts payable as Statutory Pass-Through Payments have been subordinated to the Bonds and, therefore, debt service on the Bonds is payable on a basis that is senior to such payments.*

No Section 33676 Elections. Prior to the enactment of AB 1290, redevelopment project areas adopted between January 1, 1985 and January 1, 1994 were subject to payments to schools and to other affected taxing agencies that elected to receive tax revenue payments set forth under Section 33676 of the Law ("**33676 Amounts**"). The annual payments represent that portion of property taxes that are, or otherwise would be, calculated annually pursuant to subdivision (f) of Section 110.1 of the Revenue and Taxation Code (and referred to as the 2% inflation allocation). None of the taxing entities in the Project Area receive 33676 Amounts attributable to Project Area tax revenues.

No Negotiated Pass-Through Agreements. There are no negotiated pass-through payments applicable to the Project Area.

Limited Obligation

The Bonds are not a debt of the City, the County, the State or any of their political subdivisions except the Successor Agency, and none of the City, the County, the State or any of their political subdivisions except the Successor Agency are liable therefor. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. No member of the Successor Agency, the Oversight Board or the Board of Supervisors of the County shall be individually or personally liable for the payment of the principal of or interest on the Bonds; but nothing contained in the Indenture relieves any such member, officer, agent or employee from the performance of any official duty provided by law.

PROPERTY TAXATION IN CALIFORNIA

Property Tax Collection Procedures

Classification. In the State, property which is subject to ad valorem taxes is classified as “secured” or “unsecured.” Secured and unsecured property are entered on separate parts of the assessment roll maintained by the County assessor. The secured classification includes property on which any property tax levied by a county becomes a lien on that property. A tax levied on unsecured property does not become a lien against the taxed unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens on the secured property arising pursuant to State law, regardless of the time of the creation of other liens.

Generally, ad valorem taxes are collected by a county (the “**Taxing Authority**”) for the benefit of the various entities (e.g., cities, schools and special districts) that share in the ad valorem tax (each a taxing entity) and successor agencies eligible to receive distributions from the respective redevelopment property tax trust funds.

Collections. Secured and unsecured property are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property. The taxing authority has four ways of collecting unsecured personal property taxes: (i) initiating a civil action against the taxpayer, (ii) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer, (iii) filing a certificate of delinquency for record in the county recorder’s office to obtain a lien on certain property of the taxpayer, and (iv) seizing and selling personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes with respect to property on the secured roll is the sale of the property securing the taxes to the State for the amount of taxes which are delinquent.

Penalty. A 10% penalty is added to delinquent taxes which have been levied with respect to property on the secured roll. In addition, property on the secured roll on which taxes are delinquent is declared in default by operation of law and declaration of the tax collector on or about June 30 of each fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the county tax collector. A 10% penalty also applies to delinquent taxes with respect to property on the unsecured roll, and further, an additional penalty of 1.5% per month accrues with respect to such taxes beginning on varying dates related to the tax bill mailing date.

Delinquencies. The valuation of property is determined as of the January 1 lien date as equalized in August of each year and equal installments of taxes levied upon secured property become delinquent on the following December 10 and April 10. Taxes on unsecured property are due January 1 and become delinquent August 31.

Supplemental Assessments. California Revenue and Taxation Code Section 75.70 provides for the reassessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Such reassessment is referred to as the Supplemental Assessment and is determined by applying the current year’s tax rate to the amount of the increase or decrease in a property’s value and prorating the resulting property taxes to

reflect the portion of the tax year remaining as determined by the date of the change in ownership or completion of new construction. Supplemental Assessments become a lien against real property. Prior to the enactment of this law, the assessment of such changes was permitted only as of the next tax lien date following the change, and this delayed the realization of increased property taxes from the new assessments for up to 14 months. Since fiscal year 1984-85, revenues derived from Supplemental Assessments have been allocated to redevelopment agencies and taxing entities in the same manner as the general property tax. The receipt of Supplemental Assessment revenues by taxing entities typically follows the change of ownership by a year or more. This statute provides increased revenue to the Redevelopment Property Tax Trust Fund to the extent that supplemental assessments of new construction or changes of ownership occur within the boundaries of redevelopment projects subsequent to the January 1 lien date. To the extent such supplemental assessments occur within the Project Area, tax increment may increase.

Property Tax Administrative Costs. In 1990, the Legislature enacted SB 2557 (Chapter 466, Statutes of 1990) which allows counties to charge for the cost of assessing, collecting and allocating property tax revenues to local government jurisdictions in proportion to the tax-derived revenues allocated to each. SB 1559 (Chapter 697, Statutes of 1992) explicitly includes redevelopment agencies among the jurisdictions which are subject to such charges. The portions of the reimbursement amount that are allocated to each taxing entity within the County are based on the percentage of the total assessed value in the County that each taxing entity's assessed value represents.

In addition, Sections 34182(e) and 34183(a) of the Dissolution Act allow administrative costs of the County Auditor-Controller for the cost of administering the provisions of the Dissolution Act to be deducted from tax increment revenues before monies are deposited into the Redevelopment Property Tax Trust Fund.

The combined property tax and AB x1 26 administration fees paid in Fiscal Year 2022-23 were \$118,943, or approximately 1.70% of the tax increment revenue from the Project Area.

Delinquencies; Teeter Plan

The County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "**Teeter Plan**"). Consequently, secured property tax revenues in the Project Area do not reflect actual collections because the County allocates secured property tax revenues to the Successor Agency as if 100% of the calculated property taxes were collected without adjustment for delinquencies, redemption payments or roll adjustments. The County could elect to terminate this policy and, in such event, the amount of the levy of property tax revenue that could be allocated to the Successor Agency would depend upon the actual collections of the secured taxes within the Project Area.

The Fiscal Consultant reports that the County Auditor-Controller has reported that collections within the County were 99.13% for 2021-22, resulting in a delinquency rate of 0.87%, and that the County has indicated it has no plans to end the Teeter Plan.

Unitary Property

Assembly Bill ("**AB**") 2890 (Statutes of 1986, Chapter 1457) provides that, commencing with fiscal year 1988-89, tax revenues derived from unitary property and assessed by the State Board of Equalization are accumulated in a single Tax Rate Area for the County. The tax

revenues are then to be allocated to each taxing entity County-wide as follows: (i) each taxing entity will receive the same amount as in the previous year plus an increase for inflation of up to 2%; (ii) if utility tax revenues are insufficient to provide the same amount as in the previous year, each taxing entity's share would be reduced pro rata county wide; and (iii) any increase in revenue above 2% would be allocated in the same proportion as the taxing entity's local secured taxable values are to the local secured taxable values of the County.

AB 454 (Statutes of 1987, Chapter 921) further modified Chapter 1457 regarding the distribution of tax revenues derived from property assessed by the State Board of Equalization. Chapter 921 provides for the consolidation of all State-assessed property, except for regulated railroad property, into a single tax rate area in each county. Chapter 921 further provides for a new method of establishing tax rates on State-assessed property and distribution of property tax revenue derived from State-assessed property to taxing jurisdictions within each county in accordance with a new formula. Railroads will continue to be assessed and revenues allocated to all tax rate areas where railroad property is sited.

The County includes the taxable value of utilities as part of the reported taxable values of the Project Area. Consequently, the base year values of redevelopment projects are increased by the amount of utility value that existed originally in the base year. The Successor Agency received \$62,566 of unitary revenues for Fiscal Year 2022-23.

Article XIII A of the State Constitution

Article XIII A limits the amount of ad valorem taxes on real property to 1% of "full cash value" of such property, as determined by the county assessor. Article XIII A defines "full cash value" to mean "the County Assessor's valuation of real property as shown on the 1975-76 tax bill under 'full cash value,' or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." Furthermore, the "full cash value" of all real property may be increased to reflect the rate of inflation, as shown by the consumer price index, not to exceed 2% per year, or may be reduced.

Article XIII A has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by substantial damage, destruction or other factors, and to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other special circumstances.

Article XIII A (i) exempts from the 1% tax limitation taxes to pay debt service on (a) indebtedness approved by the voters prior to July 1, 1978 or (b) bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition; (ii) requires a vote of two-thirds of the qualified electorate to impose special taxes, or certain additional ad valorem taxes; and (iii) requires the approval of two-thirds of all members of the State Legislature to change any State tax laws resulting in increased tax revenues. The validity of Article XIII A has been upheld by both the California Supreme Court and the United States Supreme Court.

In the general election held November 4, 1986, voters of the State approved two measures, Propositions 58 and 60, which further amended Article XIII A. Proposition 58 amended Article XIII A to provide that the terms "purchase" and "change of ownership," for the purposes of determining full cash value of property under Article XIII A, do not include the purchase or transfer of (1) real property between spouses and (2) the principal residence and the first \$1,000,000 of

other property between parents and children. This amendment to Article XIII A may reduce the rate of growth of local property tax revenues.

Proposition 60 amended Article XIII A to permit the State Legislature to allow persons over the age of 55 who sell their residence and buy or build another of equal or lesser value within two years in the same county, to transfer the old residence assessed value to the new residence. As a result of the State Legislature's action, the growth of property tax revenues may decline.

Legislation enacted by the State Legislature to implement Article XIII A provides that all taxable property is shown at full-assessed value as described above. In conformity with this procedure, all taxable property value included in this Official Statement is shown at 100% of assessed value and all general tax rates reflect the \$1 per \$100 of taxable value (except as noted). Tax rates for voter-approved bonded indebtedness and pension liabilities are also applied to 100% of assessed value.

Each year the SBE announces the applicable adjustment factor. Since the adoption of Proposition 13, inflation has, in most years, exceeded 2% and the announced factor has reflected the 2% cap. The changes in the California Consumer Price Index from October of one year and October of the next year are used to determine the adjustment factor for the January assessment date. The table below reflects the inflation adjustment factors for the current fiscal year and prior fiscal years back to Fiscal Year 2014-15.

Historical Inflation Adjustment Factors

<u>Fiscal Year</u>	<u>Inflation Adj. Factor</u>
2014-15	0.45%
2015-16	2.00
2016-17	1.53
2017-18	2.00
2018-19	2.00
2019-20	2.00
2020-21	2.00
2021-22	1.04
2022-23	2.00
2023-24	2.00

Appropriations Limitation – Article XIII B

Article XIII B limits the annual appropriations of the State and its political subdivisions to the level of appropriations for the prior fiscal year, as adjusted for changes in the cost of living, population and services rendered by the government entity. The “base year” for establishing such appropriations limit is the 1978/79 fiscal year, and the limit is to be adjusted annually to reflect changes in population, consumer prices and certain increases in the cost of services provided by these public agencies.

Section 33678 of the Redevelopment Law provides that the allocation of taxes to a redevelopment agency for the purpose of paying principal of, or interest on, loans, advances, or indebtedness shall not be deemed the receipt by a redevelopment agency of proceeds of taxes levied by or on behalf of a redevelopment agency within the meaning of Article XIII B, nor shall such portion of taxes be deemed receipt of proceeds of taxes by, or an appropriation subject to the limitation of, any other public body within the meaning or for the purpose of the Constitution and laws of the State, including Section 33678 of the Redevelopment Law. The constitutionality

of Section 33678 has been upheld in two California appellate court decisions. On the basis of these decisions, the Successor Agency has not adopted an appropriations limit.

Proposition 87

On November 8, 1988, the voters of the State approved Proposition 87, which amended Article XVI, Section 16 of the State Constitution to provide that property tax revenue attributable to the imposition of taxes on property within a redevelopment project area for the purpose of paying debt service on certain bonded indebtedness issued by a taxing entity (not the Former Agency or the Successor Agency) and approved by the voters of the taxing entity after January 1, 1989 will be allocated solely to the payment of such indebtedness and not to redevelopment agencies.

Appeals of Assessed Values

General. Pursuant to California law, a property owner may apply for a reduction of the property tax assessment for such owner's property by filing a written application, in a form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board. In the County, a property owner desiring to reduce the assessed value of such owner's property in any one year must submit an application to the County Assessment Appeals Board (the "**Appeals Board**"). Applications for any tax year must be submitted by September 15 of such tax year. Following a review of each application by the staff of the County Assessor's Office, the staff makes a recommendation to the Appeals Board on each application which has not been rejected for incompleteness or untimeliness or withdrawn. The Appeals Board holds a hearing and either reduces the assessment or confirms the assessment.

The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal's filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level for fiscal years following the year for which the reduction application is filed. However, if the taxpayer establishes through proof of comparable values that the property continues to be overvalued (known as "ongoing hardship"), the County Assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year as well.

Base Year Appeals. Appeals for reduction in the "base year" value of an assessment, which generally must be made within three years of the date of change in ownership or completion of new construction that determined the base year, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. Moreover, in the case of any reduction in any one year of assessed value granted for "ongoing hardship" in the then current year, and also in any cases involving stipulated appeals for prior years relating to base year and personal property assessments, the tax increment revenues attributable to such properties will be reduced in the then current year. In practice, such a reduced assessment may remain in effect beyond the year in which it is granted.

Proposition 8 Appeals. Proposition 8, approved in 1978 (California Revenue and Taxation Code Section 51(b)), provides for the assessment of real property at the lesser of its originally determined (base year) full cash value compounded annually by the inflation factor, or its full cash value as of the lien date, taking into account reductions in value due to damage, destruction, obsolescence or other factors causing a decline in market value. Reductions under this code section may be initiated by the County Assessor or requested by the property owner.

After a roll reduction is granted under this code section, the property is reviewed on an annual basis to determine its full cash value and the valuation is adjusted accordingly. This may result in further reductions or in value increases. Such increases must be in accordance with the full cash value of the property and may exceed the maximum annual inflationary growth rate allowed on other properties under Article XIII A of the State Constitution. Once the property has regained its prior value, adjusted for inflation, it again became subject to the annual inflationary factor growth rate allowed under Article XIII A.

The Successor Agency cannot guarantee that reductions undertaken by the County Assessor or requested by a property owner pursuant to Proposition 8 will not in the future reduce the assessed valuation of property in the Project Area and, therefore, the Tax Revenues that secure the Bonds. See "THE PROJECT AREA – Assessment Appeals."

Propositions 218 and 26

On November 5, 1996, California voters approved Proposition 218—Voter Approval for Local Government Taxes—Limitation on Fees, Assessments, and Charges—Initiative Constitutional Amendment. Proposition 218 added Articles XIII C and XIII D to the State Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. On November 2, 2010, California voters approved Proposition 26, the "Supermajority Vote to Pass New Taxes and Fees Act." Proposition 26 amended Article XIII C of the California Constitution by adding an expansive definition for the term "tax," which previously was not defined under the California Constitution.

Tax Revenues securing the Bonds are derived from property taxes that are outside the scope of taxes, assessments and property-related fees and charges which are limited by Proposition 218 and Proposition 26.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C and Article XIII D and certain other propositions affecting property tax levies were each adopted as measures which qualified for the ballot pursuant to California's initiative process. From time to time other initiative measures could be adopted, further affecting Successor Agency revenues or the Successor Agency's ability to expend revenues.

THE SUCCESSOR AGENCY

The Dissolution Act dissolved the Former Agency as of February 1, 2012. Thereafter, pursuant to Section 34173 of the Dissolution Act, the City Council formally elected to become the Successor Agency to the Former Agency. Subdivision (g) of Section 34173 of the Dissolution Act, added by AB 1484, expressly affirms that the Successor Agency is a separate public entity from the City, that the two entities shall not merge, and that the liabilities of the Former Agency will not be transferred to the City nor will the assets of the Former Agency become assets of the City.

Successor Agency Powers

All powers of the Successor Agency are vested in its five members who are elected members of the City Council. Pursuant to the Dissolution Act, the Successor Agency is a separate public body from the City and succeeds to the organizational status of the Former Agency but without any legal authority to participate in redevelopment activities, except to complete any work related to an approved enforceable obligation. The Successor Agency is tasked with expeditiously winding down the affairs of the Former Agency, pursuant to the procedures and provisions of the Dissolution Act. Under the Dissolution Act, substantially all Successor Agency actions are subject to approval by the Oversight Board, as well as review by the DOF.

Status of Compliance with Dissolution Act

The Successor Agency completed the due diligence process required by the Dissolution Act, received its Finding of Completion and has subsequently submitted its Recognized Obligation Payment Schedules on a timely basis. For additional information regarding procedures under the Dissolution Act relating to late Recognized Obligation Payment Schedules and implications for the Bonds, see “RISK FACTORS – Recognized Obligation Payment Schedule.”

Last and Final ROPS

The Successor Agency anticipates filing a “Last and Final” Recognized Obligation Payment Schedule in the fiscal year following issuance of the Bonds.

City Audited Financial Statements

The City of Atascadero’s Audited Financial Statements for the Fiscal Year Ended June 30, 2023 is attached as APPENDIX E. The audited financial statements include certain information related to the Successor Agency for the fiscal year ended June 30, 2023. The City’s audited financial statements were audited by Moss, Levy & Hartzheim LLP, Certified Public Accountants (the “**Auditor**”). The Auditor has not been asked to consent to the inclusion of the City’s audited financial statements in this Official Statement and has not reviewed this Official Statement.

As described in “SECURITY FOR THE BONDS – Limited Obligation,” the Bonds are payable from and secured by a pledge of Tax Revenues and the Bonds are not a debt of the City. The City’s audited financial statements are attached as APPENDIX E to this Official Statement only because they include certain financial information related to the Successor Agency.

THE PROJECT AREA

General

The Project Area is located in the central portion of the City, generally bounded by Highway 101, Highway 41, and Rosario Avenue. The Project Area consists of approximately 1,110 acres, representing approximately 6.64% of the total land area of the City. The primary land use in the Project Area is single family residential, and the Project Area includes commercial land uses along El Camino Real adjacent to Highway 101. A map of the Project Area is included at the beginning of this Official Statement.

The redevelopment plan for the Project Area was approved by Ordinance No. 362, adopted by the City on July 13, 1999, as amended by Ordinance No. 415 adopted by the City on April 22, 2003. Assessed valuation of taxable property in the Project Area for Fiscal Year 2023-24 is \$1,037,112,784, which is \$755,394,335 greater than the Fiscal Year 1998-99 Base Year valuation of \$281,718,449.

Land Use Types

The Project Area is primarily residential, with 40.18% of the assessed valuation deriving from single-family residential properties, and 18.33% from multi-family/other residential. Commercial properties account for 29.69% of Project Area assessed valuation. The following table shows the value of existing land uses for fiscal year 2023-24 in the Project Area.

**TABLE 1
 SUCCESSOR AGENCY TO THE
 COMMUNITY REDEVELOPMENT AGENCY OF ATASCADERO
 Land Use Within the Project Area
 Fiscal Year 2023-24**

Land Use	No. of Parcels	Secured Assessed Valuation	% of Secured Assessed Valuation⁽¹⁾
Single-Family Residential	1,063	\$402,131,196	40.18%
Commercial	394	297,136,795	29.69
Multi-Family/Other Res.	579	183,480,870	18.33
Other	179	57,013,202	5.70
Vacant	143	46,575,331	4.65
Industrial	23	14,449,030	1.44
Total All Secured	2,381	\$1,000,786,424	100%

(1) Based on Fiscal Year 2023-24 secured assessed valuation of \$1,000,786,424
 Source: *Urban Futures, Inc. with information from the San Luis Obispo County 2023-24 Secured Property Tax Roll.*

Assessed Valuation

The following table shows the historical taxable values of the Project Area over the past five fiscal years. The homeowner’s property tax relief exemption is reimbursed by the State; it is added back to property tax revenue distributed to the Successor Agency. For projections of growth in incremental assessed valuation in the Project Area and the impact on Tax Revenues, see “ – Projected Tax Revenues and Debt Service Coverage” below.

**TABLE 2
 SUCCESSOR AGENCY TO THE
 COMMUNITY REDEVELOPMENT AGENCY OF ATASCADERO
 Historical Assessed Valuations in the Project Area
 Fiscal Years 2019-20 through 2023-24**

Roll	2019-20	2020-21	2021-22	2022-23	2023-24
Secured	\$803,712,035	\$851,436,706	\$879,167,109	\$931,713,301	\$1,000,786,424
Unsecured	31,329,330	32,449,384	34,141,424	34,942,865	36,326,360
Total Assessed Value	\$835,041,365	\$883,886,090	\$913,308,533	\$966,656,166	\$1,037,112,784
% Annual Change – Total AV	4.67%	5.85%	3.33%	5.84%	7.29%
Base Year Assessed Value	\$281,718,449	\$281,718,449	\$281,718,449	\$281,718,449	\$281,718,449
Incremental Assessed Value	\$553,322,916	\$602,167,641	\$631,590,084	\$684,937,717	\$755,394,335
% Annual Change – Incr. AV	7.21%	8.83%	4.89%	8.45%	10.29%

Source: San Luis Obispo County Auditor-Controller and Urban Analytics, LLC, compiled by Urban Futures, Inc.

Recent and Potential Future Development in the Project Area

The Project Area generally consists of residential properties and has experienced slow and steady growth in recent years. Various commercial and residential projects are also currently under construction or in permit review with the City, including:

- Marketplace, a mixed-use project planned for 110,000 of commercial square feet with the potential for later phases to include up to 92 units of housing and/or office uses. This project is currently under construction.
- Emerald Ridge, a 208-unit apartment complex that is currently under construction, with 36 units completed to-date.
- Winter's Garage, a proposed renovation of the Winter's Garage Building in downtown Atascadero, consisting of approximately 10,000 of commercial space divided into a marketplace style development with restaurant bays and a common dining space. This Project is currently under construction.

The Fiscal Consultant has not assumed any increased assessed valuation from any potential new development in the Project Area. See APPENDIX B. Similarly, the projected debt service coverage tables included in this Official Statement do not assume any increased assessed valuation from any potential new development. See “– Projected Tax Revenues and Debt Service Coverage.”

Major Property Owners

The ten largest assesseses in the Project Area for Fiscal Year 2023-24 are shown in the following table.

**TABLE 3
 SUCCESSOR AGENCY TO THE
 COMMUNITY REDEVELOPMENT AGENCY OF ATASCADERO
 Largest Local Secured Taxpayers/Property Owners in the Project Area
 Fiscal Year 2023-24**

Property Owner	Taxable Secured Assessed Value	Primary Land Use	% of Secured AV ⁽¹⁾	% of Incremental AV ⁽²⁾
1. Z 3 LLC	\$24,822,756	Residential/Commercial	2.48%	3.29%
2. North County Hospitality Group LLC	22,207,928	Motel	2.22	2.94
3. Roscher Arno A Tre et al.	18,714,211	Commercial	1.87	2.48
4. Central Coast Assets LLC	14,104,354	Apartments/Vacant Land	1.41	1.87
5. MP Annex LLC	12,000,099	Commercial	1.20	1.59
6. Shivaay Inc. et al.	11,325,000	Motel	1.13	1.50
7. Safeway Realty LLC et al.	10,486,637	Supermarket	1.05	1.39
8. MP Paso LLC	8,999,414	Commercial	0.90	1.19
9. Carlton Hotel Investments LLC	8,969,877	Motel	0.90	1.19
10. Atascadero Prec LLC et al.	8,663,853	Commercial	0.87	1.15
Totals	\$140,294,129		14.02%	18.57%

(1) Based on fiscal year 2023-24 secured assessed valuation of \$1,000,786,424.

(2) Based on fiscal year 2023-24 incremental assessed valuation of \$755,394,335.

Source: Urban Futures, Inc. with information from the San Luis Obispo County 2023-24 Secured Property Tax Roll.

Assessment Appeals

Appeals of assessments by property owners in the Project Area can result in reductions in assessed valuations that could potentially affect the Successor Agency. Reductions in prior-year assessed valuations do not currently affect the Successor Agency’s allocation of regular tax increment revenue due to the County Auditor-Controller’s practice of deducting taxpayer refunds from supplemental revenue payments to the Successor Agency and not from the regular tax increment apportionment. However, as described below, the Assessor can reduce annual assessed valuations on specific properties, which can affect the Successor Agency.

The most common type of appeal filed is known as a Proposition 8 appeal, in which the property owner seeks a reduction in a particular year’s assessment based on the current economic value of the property. The assessor may also adjust valuations based on Proposition 8 criteria. Reductions in valuation made under Proposition 8 are temporary, with valuations restored to their full assessments once the economic reason for the reduction no longer applies. Such reductions can affect the Successor Agency’s tax increment while they are in effect.

Property owners may also appeal the Proposition 13 base assessment of a property. Although less frequently filed, such appeals, if successful, can permanently reduce the enrolled valuation of a property and consequently affect the Successor Agency’s annual revenue. As noted, the County Auditor-Controller’s office applies tax refunds due to successful property tax appeals to the Successor Agency’s total tax increment, including supplemental assessments.

According to the Fiscal Consultant, the County is not able to provide detailed assessment appeals information for the Project Area. However, County staff have verified that none of the top ten taxpayers in the Project Area have current assessment appeals pending. Estimated adjustments to future Project Area assessed valuation from assessment appeals have not been factored into the projected revenues shown elsewhere in this Official Statement.

Historical Assessed Valuation, Incremental Value and Tax Revenues

The following table shows historical assessed valuations, incremental valuations and Tax Revenues for the prior five fiscal years.

**TABLE 4
SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY OF ATASCADERO
Historical Assessed Valuation, Incremental Valuation and Tax Revenues
Fiscal Years 2018-19 through 2022-23**

	2018-19	2019-20	2020-21	2021-22	2022-23
Total Assessed Value	\$797,812,486	\$835,041,365	\$883,886,090	\$913,308,533	\$966,656,166
Incremental Value	516,094,037	553,322,916	602,167,641	631,590,084	684,937,717
Tax Increment ⁽¹⁾	5,160,940	5,533,229	6,021,676	6,315,901	6,849,377
Gross RPTTF Collections ⁽²⁾	\$5,452,191	\$5,715,140	\$6,321,278	\$6,608,980	\$6,969,418
Less: County Admin. Fees	(97,410)	(111,695)	(118,889)	(119,076)	(118,943)
Pledged Tax Revenues⁽³⁾	5,354,781	5,603,445	6,202,389	6,489,904	6,850,475
Less: Pass-Through Payments ⁽⁴⁾	(1,508,862)	(1,628,941)	(1,854,983)	(1,970,914)	(2,140,730)
Tax Revenues after P. T. Payments	\$3,845,919	\$3,974,504	\$4,347,406	\$4,518,990	\$4,709,745

(1) Tax Increment calculated at 1% of Incremental Value.
(2) Based on actual collections, and includes unitary and supplemental revenues.
(3) Tax Revenues available for debt service payments on the 2004 Bonds and 2010 Agreement.
(4) Pass Through Payments to taxing entities are subordinate to debt service payments. Shown for reference only.
Source: San Luis Obispo County Auditor-Controller and Urban Analytics, LLC, compiled by Urban Futures, Inc.

Projected Assessed Valuation, Incremental Value and Tax Revenues

The Successor Agency has retained the Fiscal Consultant to provide projections of taxable valuations on land in the Project Area and projected Tax Revenues available for debt service on the Bonds. Tax Revenues are projected over the duration of the Bonds, as shown in the following tables. Table 5 shows a projection assuming 2% growth each fiscal year, starting in Fiscal Year 2023-24. Table 6 shows a projection assuming 0% growth.

The Successor Agency believes that the assumptions used in the Fiscal Consultant's Report and its footnotes, upon which the projections in Tables 5 and 6, respectively, below are based, are reasonable; however, the actual growth rate of assessed valuation may be less than the projected rate in the Project Area and may decrease. Therefore, the actual Tax Revenues received during the forecast period may vary from the projections and the variations may be material.

Tables 5 and 6 show projections of Tax Revenues, based on assumptions of assessed value growth of 2% and 0%, respectively. Table 7 sets forth projected debt service coverage on the Bonds based on the projection of Tax Revenues set forth in Tables 5 and 6. No assurance can be given projected debt service coverage will be achieved. See "RISK FACTORS."

TABLE 5
SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY OF ATASCADERO
Projection of Tax Revenues
(In Thousands of Dollars)
(2% Growth)

Fiscal Year	Assessed Value (2% Growth)	Incremental Value⁽¹⁾	Gross Tax Increment	County Admin. Fee	Pledged Tax Revenues⁽²⁾
2024-25	\$1,057,855,040	\$776,136,591	\$7,761,366	\$(132,455)	\$7,628,911
2025-26	1,079,012,141	797,293,692	7,972,937	(136,066)	7,836,871
2026-27	1,100,592,384	818,873,935	8,188,739	(139,749)	8,048,990
2027-28	1,122,604,231	840,885,782	8,408,858	(143,506)	8,265,352
2028-29	1,145,056,316	863,337,867	8,633,379	(147,337)	8,486,042
2029-30	1,167,957,442	886,238,993	8,862,390	(151,246)	8,711,144
2030-31	1,191,316,591	909,598,142	9,095,981	(155,232)	8,940,749
2031-32	1,215,142,923	933,424,474	9,334,245	(159,298)	9,174,947
2032-33	1,239,445,781	957,727,332	9,577,273	(163,446)	9,413,827
2033-34	1,264,234,697	982,516,248	9,825,162	(167,676)	9,657,486
2034-35	1,289,519,391	1,007,800,942	10,078,009	(171,991)	9,906,018
2035-36	1,315,309,779	1,033,591,330	10,335,913	(176,393)	10,159,520
2036-37	1,341,615,974	1,059,897,525	10,598,975	(180,882)	10,418,093
2037-38	1,368,448,294	1,086,729,845	10,867,298	(185,461)	10,681,837
2038-39	1,395,817,260	1,114,098,811	11,140,988	(190,132)	10,950,856
2039-40	1,423,733,605	1,142,015,156	11,420,152	(194,896)	11,225,256

(1) Equals the Projected Assessed Value (based on 2% growth over actual Fiscal Year 23-24 Assessed Value) less the base year value of \$281,718,449.

(2) Equals Gross Tax Increment less County Admin. Fees (calculated as 1.7% of Gross Tax Increment).

Source: *Urban Futures, Inc.*

**TABLE 6
 SUCCESSOR AGENCY TO THE
 COMMUNITY REDEVELOPMENT AGENCY OF ATASCADERO
 Projection of Tax Revenues
 (In Thousands of Dollars)
 (0% Growth)**

Fiscal Year	Assessed Value (0% Growth)	Incremental Value⁽¹⁾	Gross Tax Increment	County Admin. Fee	Pledged Tax Revenues⁽²⁾
2024-25	\$1,037,112,784	\$755,394,335	\$7,553,943	\$(128,916)	\$7,425,027
2025-26	1,037,112,784	755,394,335	7,553,943	(128,916)	7,425,027
2026-27	1,037,112,784	755,394,335	7,553,943	(128,916)	7,425,027
2027-28	1,037,112,784	755,394,335	7,553,943	(128,916)	7,425,027
2028-29	1,037,112,784	755,394,335	7,553,943	(128,916)	7,425,027
2029-30	1,037,112,784	755,394,335	7,553,943	(128,916)	7,425,027
2030-31	1,037,112,784	755,394,335	7,553,943	(128,916)	7,425,027
2031-32	1,037,112,784	755,394,335	7,553,943	(128,916)	7,425,027
2032-33	1,037,112,784	755,394,335	7,553,943	(128,916)	7,425,027
2033-34	1,037,112,784	755,394,335	7,553,943	(128,916)	7,425,027
2034-35	1,037,112,784	755,394,335	7,553,943	(128,916)	7,425,027
2035-36	1,037,112,784	755,394,335	7,553,943	(128,916)	7,425,027
2036-37	1,037,112,784	755,394,335	7,553,943	(128,916)	7,425,027
2037-38	1,037,112,784	755,394,335	7,553,943	(128,916)	7,425,027
2038-39	1,037,112,784	755,394,335	7,553,943	(128,916)	7,425,027
2039-40	1,037,112,784	755,394,335	7,553,943	(128,916)	7,425,027

(1) Equals the Projected Assessed Value (based on zero growth over actual Fiscal Year 23-24 Assessed Value) less the base year value of \$281,718,449.

(2) Equals Gross Tax Increment less County Admin. Fees (calculated as 1.7% of Gross Tax Increment).

Source: San Luis Obispo County Auditor-Controller.

**TABLE 7
SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY OF ATASCADERO
Projected Debt Service Coverage
(0% Growth and 2% Growth)**

Bond Year Ending Oct.1	Bond Debt Service*	Tax Revenues (0% Growth)⁽¹⁾	Debt Service Coverage (0%Growth)*	Tax Revenues (2% Growth)⁽²⁾	Debt Service Coverage (2% Growth)*
2025	\$1,510,750	\$7,425,027	491%	\$7,628,911	505%
2026	\$1,516,250	\$7,425,027	490%	\$7,836,871	517%
2027	\$1,514,750	\$7,425,027	490%	\$8,048,990	531%
2028	\$1,516,500	\$7,425,027	490%	\$8,265,352	545%
2029	\$1,511,250	\$7,425,027	491%	\$8,486,042	562%
2030	\$1,519,250	\$7,425,027	489%	\$8,711,144	573%
2031	\$1,514,750	\$7,425,027	490%	\$8,940,749	590%
2032	\$1,513,250	\$7,425,027	491%	\$9,174,947	606%
2033	\$1,514,500	\$7,425,027	490%	\$9,413,827	622%
2034	\$1,518,250	\$7,425,027	489%	\$9,657,486	636%
2035	\$1,519,250	\$7,425,027	489%	\$9,906,018	652%
2036	\$1,512,500	\$7,425,027	491%	\$10,159,520	672%
2037	\$1,513,250	\$7,425,027	491%	\$10,418,093	688%
2038	\$1,511,000	\$7,425,027	491%	\$10,681,837	707%
2039	\$1,510,750	\$7,425,027	491%	\$10,950,856	725%
2040	\$1,517,250	\$7,425,027	489%	\$11,225,256	740%

* Preliminary; subject to change.

- (1) Equals the Projected Assessed Value (based on zero growth over actual Fiscal Year 23-24 Assessed Value) less the base year value of \$281,718,449.
- (2) Equals Gross Tax Increment less County Admin. Fees (calculated as 1.7% of Gross Tax Increment).

Sources: Underwriter and Urban Futures, Inc.

RISK FACTORS

The following information should be considered by prospective investors in evaluating the Bonds. However, the following does not purport to be an exhaustive listing of risks and other considerations which may be relevant to investing in the Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.

The various legal opinions to be delivered concurrently with the issuance of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by State and federal laws, rulings and decisions affecting remedies, and by bankruptcy, reorganization or other laws of general application affecting the enforcement of creditors' rights, including equitable principles.

Recognized Obligation Payment Schedule

Tax Revenues will not be withdrawn from the Redevelopment Property Tax Trust Fund by the County Auditor-Controller and remitted to the Successor Agency without a duly approved and effective Recognized Obligation Payment Schedule to pay debt service on the Bonds and to pay other enforceable obligations for each applicable annual period. In the event the Successor Agency failed to file a Recognized Obligation Payment Schedule as required, the availability of Tax Revenues to the Successor Agency could be adversely affected for such period. See "THE DISSOLUTION ACT – Recognized Obligation Payment Schedules."

AB 1484 also added provisions to the Dissolution Act implementing certain penalties in the event a successor agency does not timely submit a Recognized Obligation Payment Schedule as required. Specifically, an oversight board approved Recognized Obligation Payment Schedule must be submitted by the successor agency to the county auditor-controller and the DOF, no later than each February 1 for the subsequent annual period. If a successor agency does not submit a Recognized Obligation Payment Schedule by such deadlines, the city or county that established the redevelopment agency will be subject to a civil penalty equal to \$10,000 per day for every day the schedule is not submitted to the DOF. Additionally, a successor agency's administrative cost allowance is reduced by 25% if the successor agency does not submit an oversight board-approved Recognized Obligation Payment Schedule within 10 days of the February 1 deadline, with respect to the Recognized Obligation Payment Schedule for the subsequent annual period.

Challenges to Dissolution Act

Several successor agencies, cities and other entities have filed judicial actions challenging the legality of various provisions of the Dissolution Act. One such challenge is an action filed on August 1, 2012, by Syncora Guarantee Inc. and Syncora Capital Assurance Inc. (collectively, "Syncora") against the State, the State Controller, the State Director of Finance, and the Auditor-Controller of San Bernardino County on his own behalf and as the representative of all other County Auditors in the State (Superior Court of the State of California, County of Sacramento, Case No. 34-2012-80001215). Syncora are monoline financial guaranty insurers domiciled in the State of New York, and as such, provide credit enhancement on bonds issued by state and local governments and do not sell other kinds of insurance such as life, health, or property insurance. Syncora provided bond insurance and other related insurance policies for bonds issued by former California redevelopment agencies.

The complaint alleged that the Dissolution Act, and specifically the “Redistribution Provisions” thereof (i.e., California Health and Safety Code Sections 34172(d), 34174, 34177(d), 34183(a)(4), and 34188) violate the “contract clauses” of the United States and California Constitutions (U.S. Const. art. 1, §10, cl.1; Cal. Const. art. 1, §9) because they unconstitutionally impair the contracts among the former redevelopment agencies, bondholders and Syncora. The complaint also alleged that the Redistribution Provisions violate the “Takings Clauses” of the United States and California Constitutions (U.S. Const. amend. V; Cal Const. art. 1 § 19) because they unconstitutionally take and appropriate bondholders’ and Syncora’s contractual right to critical security mechanisms without just compensation.

After hearing by the Sacramento County Superior Court on May 3, 2013, the Superior Court ruled that Syncora’s constitutional claims based on contractual impairment were premature. The Superior Court also held that Syncora’s takings claims, to the extent based on the same arguments, were also premature. Pursuant to a Judgment stipulated to by the parties, the Superior Court on October 3, 2013, entered its order dismissing the action. The Judgment, however, provides that Syncora preserves its rights to reassert its challenges to the Dissolution Act in the future. The Successor Agency does not guarantee that any reassertion of challenges by Syncora or that the final results of any of the judicial actions brought by others challenging the Dissolution Act will not result in an outcome that may have a material adverse effect on the Successor Agency’s ability to timely pay debt service on the Bonds.

Reduction in Taxable Value

Tax increment revenue available to pay principal of and interest on the Bonds are determined by the amount of incremental taxable value in the Project Area and the current rate or rates at which property in the Project Area is taxed. The reduction of taxable values of property in the Project Area caused by economic factors beyond the Successor Agency’s control, such as relocation out of the Project Area by one or more major property owners, sale of property to a non-profit corporation exempt from property taxation, or the complete or partial destruction of such property caused by, among other eventualities, earthquake or other natural disaster, could cause a reduction in the tax increment available to pay debt service on the Bonds. Such reduction of tax increment available to pay debt service on the Bonds could have an adverse effect on the Successor Agency’s ability to make timely payments of principal of and interest on the Bonds; this risk could be increased by the significant concentration of property ownership in the Project Area (see “THE PROJECT AREA – Major Property Owners”).

As described in greater detail under the heading “PROPERTY TAXATION IN CALIFORNIA – Article XIII A of the State Constitution,” Article XIII A provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflation rate, not to exceed a two percent increase for any given year, or may be reduced to reflect a reduction in the consumer price index, comparable local data or any reduction in the event of declining property value caused by damage, destruction or other factors (as described above). Such measure is computed on a calendar year basis. Any resulting reduction in the full cash value base over the term of the Bonds could reduce tax increment available to pay debt service on the Bonds.

In addition to the other limitations on, and required application under the Dissolution Act of Tax Revenues on deposit in the Redevelopment Property Tax Trust Fund, the State electorate or Legislature could adopt a constitutional or legislative property tax reduction with the effect of reducing Tax Revenues allocated to the Redevelopment Property Tax Trust Fund and available to the Successor Agency. Although the federal and State Constitutions include clauses generally

prohibiting the Legislature's impairment of contracts, there are also recognized exceptions to these prohibitions. There is no assurance that the State electorate or Legislature will not at some future time approve additional limitations that could reduce the tax increment available to pay debt service on the Bonds and adversely affect the source of repayment and security of the Bonds.

Risks to Real Estate Market

The Successor Agency's ability to make payments on the Bonds will be dependent upon the economic strength of the Project Area. The general economy of the Project Area will be subject to all of the risks generally associated with urban real estate markets. Real estate prices and development may be adversely affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, unexpected increases in development costs and by other similar factors. For example, Diablo Canyon Power Plant is currently scheduled to close in 2030, and its closure may result in a loss of high-paying jobs in the area in the future.

Further, real estate development within the Project Area could be adversely affected by limitations of infrastructure or future governmental policies, including governmental policies to restrict or control development. In addition, if there is a significant decline in the general economy of the Project Area, the owners of property within the Project Area may be less able or less willing to make timely payments of property taxes or may petition for reduced assessed valuation causing a delay or interruption in the receipt of Tax Revenues by the Successor Agency from the Project Area. See "THE PROJECT AREA – Projected Tax Revenues and Debt Service Coverage" for a description of the debt service coverage on the Bonds.

Concentration of Property Ownership

The ten largest assesses in the Project Area for Fiscal Year 2023-24 represent approximately 18.75% of the total incremental assessed value in the Project Area, as shown in Table 3 above. The bankruptcy, termination of operations or departure from one of the Project Area by one of the largest property owners from the Project Area could adversely impact the availability of Tax Revenues to pay debt service on the Bonds.

Reduction in Inflationary Rate

As described in greater detail above under the caption "PROPERTY TAXATION IN CALIFORNIA – Article XIII A of the State Constitution," Article XIII A of the State Constitution provides that the full cash value of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. Such measure is computed on a calendar year basis. Because Article XIII A limits inflationary assessed value adjustments to the lesser of the actual inflationary rate or 2%, there have been years in which the assessed values were adjusted by actual inflationary rates, which were less than 2%.

Since Article XIII A was approved, the annual adjustment for inflation has fallen below the 2% limitation several times; in fiscal year 2010-11, the inflationary value adjustment was negative for the first time at -0.237%. Although the fiscal year 2023-24 inflationary value adjustment will be 2.00%, the Successor Agency is unable to predict if any adjustments to the full cash value of real property within the Project Area, whether an increase or a reduction, will be realized in the future.

Development Risks

The general economy of a redevelopment project area will be subject to all the risks generally associated with real estate development. Projected development within a redevelopment project area may be subject to unexpected delays, disruptions and changes. Real estate development operations may be adversely affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, unexpected increases in development costs and by other similar factors. Further, real estate development operations within a redevelopment project area could be adversely affected by future governmental policies, including governmental policies to restrict or control development. If projected development in a redevelopment project area is delayed or halted, the economy of the redevelopment project area could be affected. If such events lead to a decline in assessed values, they could cause a reduction in incremental property tax revenues.

Levy and Collection of Taxes

The Successor Agency has no independent power to levy or collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the tax increment available to pay debt service on the Bonds.

Although the County currently includes the property taxes allocable to the Successor Agency in its Teeter Plan, the County could elect to terminate this policy and, in such event, the amount of the levy of property tax revenue that could be allocated to the Successor Agency would depend upon the actual collections of the secured taxes within the Project Area. In such event, delinquencies in the payment of property taxes by the owners of land in the Project Area, and the impact of bankruptcy proceedings on the ability of taxing agencies to collect property taxes, could have an adverse effect on the Successor Agency's ability to make timely payments on the Bonds. See also "–Pandemic Diseases" below.

Bankruptcy and Foreclosure

The payment of the property taxes from which Tax Revenues are derived and the ability of the County to foreclose the lien of a delinquent unpaid tax may be limited by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the liens to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings.

Projected Tax Revenues

In estimating that projected Tax Revenues will be sufficient to pay debt service on the Bonds, the Successor Agency has made certain assumptions with regard to present and future assessed valuation in the Project Area, future tax rates and percentage of taxes collected. The Successor Agency believes these assumptions to be reasonable, but there is no assurance these assumptions will be realized and to the extent that the assessed valuation and the tax rates are

less than expected, the net tax increment available to pay debt service on the Bonds will be less than those projected and such reduced net tax increment may be insufficient to provide for the payment of principal of, and interest on, the Bonds. See “THE PROJECT AREA – Projected Tax Revenues and Debt Service Coverage.”

Hazardous Substances

An additional environmental condition that may result in the reduction in the assessed value of property would be the discovery of a hazardous substance or future contamination that would limit the beneficial use of taxable property within the Project Area. In general, the owners and operators of property may be required by law to remedy conditions of the property relating to releases or threatened releases of hazardous substances. The owner or operator may be required to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the property within the Project Area be affected by a hazardous substance, could be to reduce the marketability and value of the property by the costs of remedying the condition.

Future events could also result in contamination and loss of value to parcels in the Project Area. Transport along Highway 101 or Highway 41 and the Union Pacific Railroad poses the most significant hazardous material risk. A hazardous material release from the highway or railroad could expose residents to significant health and safety hazards and cause substantial environmental damage and property impact. Both the highways and the railroad run through (and/or alongside) the Project Area.

Natural Disasters

The value of the property in the Project Area in the future can be adversely affected by a variety of additional factors, particularly those which may affect infrastructure and other public improvements and private improvements on property and the continued habitability and enjoyment of such private improvements. Such additional factors include, without limitation, geologic conditions such as earthquakes, topographic conditions such as earth movements, and climatic conditions such as floods, droughts and wildfires. In the event that one or more of such conditions occur, such occurrence could cause damages of varying seriousness to the land and improvements and the value of property in the Project Area could be diminished in the aftermath of such events. A substantial reduction of the value of such properties and could affect the ability or willingness of the property owners to pay the property taxes. Some potential natural disasters that could adversely affect property values are described below, but this list is not exhaustive.

Seismic. The City and the Project Area, like much of California, is located in a seismically active area. A major earthquake would be expected to cause considerable damage to property and transportation systems. In particular, roads, bridges and highway overpasses are susceptible to damage or failure in the event of a major earthquake. Landslides would be intensified as a result of ground shaking, and could affect portions of the roadway system located in landslide potential areas. Seismic damage could also occur to treated water and sewage pipelines, gas pipelines, and to telephone and power lines. For example, an earthquake struck the City in 2003, causing significant damage to certain buildings in the City, including City Hall.

Floods. The City and the Project Area are subject to thunderstorms, heavy rain and flooding from time to time. The proximity to the Pacific Ocean both moderates and exaggerates certain types of adverse weather, with the majority of adverse weather experienced during the winter months as heavy rain and thunderstorm events, sometimes accompanied by high winds,

dense fog, hail and freeze events, occur. Heavy rain storms can cause widespread flooding, as well as lead to extensive localized drainage issues.

Droughts. From time to time, areas of the State have experienced significant drought conditions that resulted in severe impacts to water supplies, which could have a material adverse effect on property values in the Project Area. The Successor Agency cannot predict if and when drought conditions may return or what effect drought conditions may have on the future development of the Project Area or property values therein.

Wildfires/Climate Change. Like much of California, land in the Project Area may be vulnerable to property damage or reductions in assessed value as a result of increased frequency and severity of wildfires or other negative impacts resulting from climate change. Local impacts of climate change are not definitive, but parcels within the Project Area could experience changes to local and regional weather patterns; increased risk of wildfire risk and flooding; water restrictions; and vegetation changes. These changes could adversely impact property values within the Project Area. Although the land in the Project Area is not as susceptible to wildfire as outlying areas, no assurance can be given that a fire in one part of the City could spread to properties in the Project Area, causing significant damage (and commensurate loss in assessed value) therein.

Cyber Security

The Successor Agency and the City, like many other public and private entities, rely on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other sensitive electronic information, the Successor Agency and the City are potentially subject to multiple cyber threats, including without limitation hacking, viruses, ransomware, malware and other attacks. No assurance can be given that their efforts to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of any entity, including with respect to the administration of the Bonds. The Successor Agency is also reliant on other entities and service providers in connection with the administration of the Bonds, including without limitation the County Auditor-Controller for the levy and collection of Tax Revenues, State agencies such as DOF, and the Trustee. No assurance can be given that the Successor Agency and these other entities will not be affected by cyber threats and attacks in a manner that may affect the Bond owners.

Pandemic Diseases

Although now largely contained, the COVID-19 coronavirus pandemic, and efforts to contain the spread of the virus, for many years impacted governments, businesses and people in a manner that had negative effects on global, national and local economies. In addition, stock markets in the United States and globally saw significant declines and volatility attributed to coronavirus concerns. Future tax increment revenues available to the Successor Agency for payment of debt service on the Bonds could be negatively impacted by pandemics or other similar kinds of events in the future. The initial impact could occur because upcoming property tax installments could be deferred, or some taxpayers may be unable to make their property tax payments.

Changes in the Law

There can be no assurance that the California electorate will not at some future time adopt initiatives or that the Legislature will not enact legislation that will amend the Dissolution Act, the Redevelopment Law or other laws or the Constitution of the State resulting in a reduction of tax increment available to pay debt service on the Bonds.

Loss of Tax-Exemption

As discussed under the caption "TAX MATTERS," interest on the Series A Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the Series A Bonds were issued, as a result of future acts or omissions of the Successor Agency in violation of its covenants in the Indenture. In addition, current and future legislative proposals, if enacted into law, may cause interest on the Series A Bonds to be subject, directly or indirectly, to federal income taxation by, for example, changing the current exclusion or deduction rules to limit the aggregate amount of interest on state and local government bonds that may be treated as tax exempt by individuals. Should such an event of taxability occur, the Series A Bonds are not subject to special redemption and will remain outstanding until maturity or until redeemed under other provisions set forth in the Indenture.

Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds, or, if a secondary market exists, that the Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon the then prevailing circumstances.

TAX MATTERS

Federal Tax Status. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Series A Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Series A Bonds may be subject to the corporate alternative minimum tax. Interest on the Series B Bonds is not intended to be excluded from gross income for federal income tax purposes.

The opinions set forth in the preceding paragraph are subject to the condition that the Successor Agency comply with all requirements of the Internal Revenue Code of 1986, as amended (the "**Tax Code**") that must be satisfied subsequent to the issuance of the Series A Bonds. The Successor Agency has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of issuance of the Series A Bonds.

Tax Treatment of Original Issue Discount and Premium. The issue price for original issue discount (as further discussed below) and market discount purposes (the "OID Issue Price") for each maturity of the Series A Bonds is the price at which a substantial amount of such maturity

of the Series A Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of Underwriter, placement agents or wholesalers). The OID Issue Price of a maturity of the Series A Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the cover page hereof.

If the OID Issue Price of a maturity of the Series A Bonds is less than the principal amount payable at maturity, the difference between the OID Issue Price of each such maturity, if any, of the Series A Bonds (the "OID Bonds") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the OID Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the District complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Code; and (d) the accretion of original issue discount in each year may result in certain collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. An OID Bond would be treated in a similar manner for purposes of California personal income taxes.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the OID Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Series A Bond is purchased at any time for a price that is less than the Series A Bond's stated redemption price at maturity or, in the case of an OID Bond, its OID Issue Price plus accreted original issue discount (the "Revised Issue Price"), the purchaser will be treated as having purchased a Series A Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Series A Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Series A Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Series A Bonds.

An investor may purchase a Series A Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Series A Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the bond. Investors who purchase a Series A Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Series A Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Series A Bond.

California Tax Status. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes.

Other Tax Considerations. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the Bonds, or as to the consequences of owning or receiving interest on the Bonds, as of any future date. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the Bonds, the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("**S&P**"), has assigned its municipal bond rating of "____" to the Bonds. This rating reflects only the view of S&P, and an explanation of the significance of the rating, and any outlook assigned to or associated with the rating, should be obtained from the S&P. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The Successor Agency has provided certain additional information and materials to S&P (some of which does not appear in this Official Statement).

There is no assurance that this rating will continue for any given period of time or that this rating will not be revised downward or withdrawn entirely by S&P, if in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of any rating on the Bonds may have an adverse effect on the market price or marketability of the Bonds.

CONTINUING DISCLOSURE

The Successor Agency will covenant for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the Successor Agency by not later than April 1 after the end of each fiscal year of the Successor Agency (currently June 30th), commencing not later than April 1, 2025 with the report for Fiscal Year 2023-24 (the "**Annual Report**"), and to provide notices of the occurrence of certain listed events. The specific nature of the information to be contained in the Annual Report or the notices of listed events is summarized in "APPENDIX D – Form of Continuing Disclosure Certificate," attached to this Official Statement. These covenants have been made in order to assist the Underwriter in complying with Securities Exchange Commission Rule 15c2-12(b)(5) (the "**Rule**").

During the previous five years, the City and its related governmental entities have complied in all material respects with their continuing disclosure undertakings under the Rule, except for failures to timely disclose a bond insurer novation occurring in 2021 and a bond insurer rating change in 2022.

CONCLUDING INFORMATION

Underwriting

The Bonds are being purchased by Piper Sandler & Co., as underwriter (the “Underwriter”). The Underwriter has agreed to purchase the Series A Bonds at a price of \$_____ (being the principal amount of the Series A Bonds plus/less a [net] original issue premium/discount of \$_____ and less an Underwriter’ discount of \$_____), and the Series B Bonds at a price of \$_____ (being the principal amount of the Series B Bonds plus/less a [net] original issue premium/discount of \$_____ and less an Underwriter’ discount of \$_____). The initial public offering prices set forth on the cover page hereof may be changed by the Underwriter. The Underwriter may offer and sell the Bonds to certain dealers and others at a price lower than the public offering prices set forth on inside cover page hereof.

The Underwriter may offer and sell Bonds to certain dealers and others at a price lower than the offering price stated on the inside cover page of this Official Statement. The offering price may be changed from time to time by the Underwriter.

Piper Sandler & Co., the Underwriter of the Bonds, has entered into a distribution agreement (“**Distribution Agreement**”) with Charles Schwab & Co., Inc. (“**CS&Co**”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the Distribution Agreement, CS&Co. will purchase Bonds from Piper Sandler at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that CS&Co. sells.

Municipal Advisor and Fiscal Consultant

The Successor Agency has retained the services of Urban Futures, Inc., as municipal advisor in connection with the sale of the Bonds. The municipal advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. Urban Futures, Inc. is also serving as Fiscal Consultant. *Compensation paid to the Municipal Advisor and Fiscal Consultant is contingent upon the sale and delivery of the Bonds.*

Legal Matters

The final approving opinion of Jones Hall, A Professional Law Corporation, Bond Counsel, will be delivered at the time of delivery of the Bonds. A copy of the proposed form of Bond Counsel’s final approving opinion with respect to the Bonds is attached hereto as APPENDIX F. In addition, certain legal matters will be passed on by Jones Hall, A Professional Law Corporation, as Disclosure Counsel and Stradling Yocca Carlson & Rauth, P.C., as Underwriter’ Counsel. Certain legal matters will be passed on for the Successor Agency by the City Attorney as counsel to the Successor Agency. *Compensation paid to Bond Counsel, Disclosure Counsel and Underwriter’ Counsel is contingent upon the sale and delivery of the Bonds.*

No Litigation

There is no action, suit or proceeding known to the Successor Agency to be pending and notice of which has been served upon and received by the Successor Agency, or threatened,

restraining or enjoining the execution or delivery of the Bonds or the Indenture or in any way contesting or affecting the validity of the foregoing or any proceedings of the Successor Agency taken with respect to any of the foregoing.

Miscellaneous

All of the preceding summaries of the Indenture, the Redevelopment Law, the Dissolution Act, other applicable legislation, the Redevelopment Plan for the Project Area, agreements and other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the Successor Agency for further information in connection therewith.

This Official Statement does not constitute a contract with the purchasers of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement has been duly authorized by the Successor Agency.

**SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT
AGENCY OF ATASCADERO**

By: _____
City Manager, City of Atascadero

APPENDIX A
SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

APPENDIX B
FISCAL CONSULTANT'S REPORT

APPENDIX C

GENERAL INFORMATION ABOUT CITY OF ATASCADERO AND COUNTY OF SAN LUIS OBISPO

The following information concerning the City and the County is included only for the purpose of supplying general information. The Bonds are not a debt of the City, the County, the State or any of its political subdivisions, except for the Successor Agency to the extent set forth in the main body of the Official Statement, and neither the City, the County, the State nor any of its political subdivisions (except the Successor Agency) is liable therefor.

General Information

The City. The City of Atascadero (the “**City**”) is located off U.S. Highway 101, about midpoint between Los Angeles and San Francisco. The City is farther inland than most other San Luis Obispo County cities, and as a result, usually experiences warmer, drier summers and cooler winters than neighboring cities such as San Luis Obispo and Pismo Beach. Nearby CA Highways 41 and 46 provide easy access to the Pacific Coast and the Central Valley of California.

The County. San Luis Obispo County (the “**County**”) is the fifteenth largest county in the State and is located in the mid coast of California. The County borders the Pacific Ocean, with Monterey County to the north, Santa Barbara County to the south and Kern County to the east. The County lies near the Southern Coast Ranges which extend northwest to southeast. The Santa Lucia Range dominates the western half of the County. There is little level land except in some coastal valleys, along the northern border, and in the Carrizo Plain. Los Padres National Forest is located in the south-central part of the County. Along the coast, the climate is moderate. In the City of San Luis Obispo, the mean annual temperature is 54 degrees with an average annual rainfall of 22 inches. The average temperature is higher with less rainfall in the inland areas. During the summer, the temperature may be as much as 40 degrees cooler along the coast than in the interior.

Along the Pacific coastline of the County are many recreational areas and tourist attractions. Some popular activities are swimming, clamming, picnicking, boating, surfing, fishing and water skiing at the beaches, lakes and parks of the County. The nationally known Hearst Castle in San Simeon attracts over 750,000 visitors annually.

Population

The following table lists population estimates for the City and County for the last five calendar years, as of January 1.

**SAN LUIS OBISPO COUNTY
 Population Estimates
 Calendar Years 2019 through 2023 as of January 1**

	2019	2020	2021	2022	2023
Arroyo Grande	17,757	17,617	18,380	18,140	17,922
Atascadero	30,300	30,042	30,646	30,301	30,206
El Paso De Robles	31,149	31,245	31,477	31,009	30,692
Grover Beach	13,304	13,204	12,803	12,623	12,467
Morro Bay	10,235	10,151	10,581	10,415	10,275
Pismo Beach	8,272	8,191	8,065	7,958	7,865
San Luis Obispo	45,972	45,916	47,163	47,247	47,788
Total Unincorporated	120,861	120,452	119,608	122,058	121,133
Total County	277,850	276,818	278,723	279,751	278,348

Source: State Department of Finance estimates (as of January 1).

[Remainder of page intentionally left blank.]

Employment Industry

The District is included in the San Luis Obispo-Paso Robles-Arroyo Grande Metropolitan Statistical Area (“MSA”). The unemployment rate in the San Luis Obispo County was 3.6 percent in December 2023, up from a revised 3.5 percent in November 2023, and above the year-ago estimate of 2.7 percent. This compares with an unadjusted unemployment rate of 5.1 percent for California and 3.5 percent for the nation during the same period.

The table below lists employment by industry group for the County for the years 2018 through 2022.

**SAN LUIS OBISPO PASO ROBLES ARROYO GRANDE MSA
(San Luis Obispo County)
Annual Average Civilian Labor Force, Employment and Unemployment,
Unemployment by Industry
(March 2022 Benchmark)**

	2018	2019	2020	2021	2022
Civilian Labor Force ⁽¹⁾	140,100	139,900	134,400	135,400	137,200
Employment	135,900	135,900	123,900	128,200	133,000
Unemployment	4,200	4,100	10,500	7,200	4,200
Unemployment Rate	3.0%	2.9%	7.8%	5.3%	3.0%
<u>Wage and Salary Employment:</u> ⁽²⁾					
Agriculture	5,200	5,000	4,800	5,000	5,700
Mining, Logging, Construction	7,900	8,300	8,500	9,100	9,000
Manufacturing	7,700	7,800	7,300	7,900	8,200
Wholesale Trade	2,700	2,700	2,500	2,600	2,600
Retail Trade	14,300	14,000	12,900	13,500	13,800
Trans., Warehousing, Utilities	4,100	4,100	3,700	3,700	3,800
Information	1,200	1,200	1,100	1,200	1,300
Financial and Insurance	2,300	2,200	2,300	2,300	2,200
Real Estate, Rental & Leasing	1,600	1,700	1,500	1,600	1,800
Professional and Business Services	10,900	11,200	10,500	11,000	10,900
Educational and Health Services	17,700	18,200	17,000	17,500	18,100
Leisure and Hospitality	19,200	19,800	15,400	17,400	19,600
Other Services	4,000	4,100	3,300	3,400	3,700
Federal Government	500	500	600	600	600
State Government	10,800	10,800	10,600	10,200	10,400
Local Government	13,100	13,100	12,400	12,400	12,800
Total All Industries ⁽³⁾	123,100	124,700	114,400	119,300	124,300

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) Columns may not sum to totals due to rounding.

Source: State of California, Employment Development Department.

Largest Employers

The table below lists the largest employers in the County as of February 2024, listed alphabetically.

**SAN LUIS OBISPO COUNTY
 Largest Employers**

Employer Name	Location	Industry
Ami Sierra Vista Radiology	San Luis Obispo	Physicians & Surgeons
Apple Farm Inn	San Luis Obispo	Hotels & Motels
Arroyo Grande Community Hosp	Arroyo Grande	Hospitals
Atascadero State Hospital	Atascadero	Hospitals
Broad Street Storage	San Luis Obispo	Storage-Household & Commercial
Cal Poly State University	San Luis Obispo	Schools-Universities & Colleges Academic
California Mid-State Fair	Paso Robles	Concert Venues
California State Parks	San Simeon	State Parks
Cuesta College	Paso Robles	Junior-Community College-Tech Institutes
French Hospital Medical Ctr	San Luis Obispo	Hospitals
Glenair Inc	Paso Robles	Aerospace Industries (mfrs)
Madonna Inn Bakery	San Luis Obispo	Resorts
Medi-Cal Eligibility Info	San Luis Obispo	Government Offices-County
Mental Marketing	San Luis Obispo	Advertising-Agencies & Counselors
Morro Bay Art Assn	Morro Bay	Art Galleries & Dealers
Mustang Waterpark	Arroyo Grande	Water Parks
Pacific Gas & Electric Co	San Luis Obispo	Electric Companies
Pismo State Beach	Oceano	State Parks
Ramirez Farm Labor	Shandon	Labor Contractors
San Luis Obispo County Ofc-Edu	San Luis Obispo	School Districts
San Luis Obispo Sheriff's Dept	San Luis Obispo	Sheriff
Sierra Vista Regional Med Ctr	San Luis Obispo	Hospitals
Transportation Department	San Luis Obispo	State Government-Regulation & Admin.
Trust RCM	San Luis Obispo	Billing Service
Twin Cities Community Hospital	Templeton	Hospitals

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2024 1st Edition.

Effective Buying Income

“Effective Buying Income” is defined as personal income less personal tax and non-tax payments, a number often referred to as “disposable” or “after-tax” income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor’s income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), non-tax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as “disposable personal income.”

The following table summarizes the total effective buying income for the City, the County, the State and the United States for the period 2020 through 2024.

**CITY OF ATASCADERO AND SAN LUIS OBISPO COUNTY
 Effective Buying Income
 2020 through 2024**

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2020	City of Atascadero	\$993,537	\$70,030
	San Luis Obispo County	9,288,811	66,215
	California	1,243,564,816	65,870
	United States	9,487,165,436	55,303
2021	City of Atascadero	\$1,017,385	\$71,689
	San Luis Obispo County	9,449,183	66,820
	California	1,290,894,604	67,956
	United States	9,809,944,764	56,790
2022	City of Atascadero	\$1,057,525	\$76,090
	San Luis Obispo County	10,306,185	73,825
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448
2023	City of Atascadero	\$1,110,369	\$75,678
	San Luis Obispo County	10,374,155	73,601
	California	1,461,799,662	77,175
	United States	11,454,846,397	65,326
2024	City of Atascadero	\$1,234,057	\$79,136
	San Luis Obispo County	11,341,817	77,351
	California	1,510,708,521	80,973
	United States	11,987,185,826	67,876

Source: Claritas, LLC.

Commercial Activity

Total taxable sales during the first three quarters of calendar year 2023 in the City were reported to be \$305,621,484, a 5.12% decrease over the total taxable sales of \$322,114,250 reported during the comparable three quarters of calendar year 2022. Annual figures for 2023 are not available.

CITY OF ATASCADERO
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
Calendar Years 2018 through 2022
(Dollars in Thousands)

Year	Retail Stores		Total Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2018	639	\$318,593	1,117	\$353,232
2019	626	323,289	1,126	361,933
2020	655	317,109	1,190	351,853
2021	616	367,127	1,134	403,123
2022	639	383,073	1,180	426,014

Source: State Department of Tax and Fee Administration.

Total taxable sales during the first three quarters of calendar year 2023 in the County were reported to be \$5,115,761,448, a 2.83% decrease over the total taxable sales of \$5,264,631,177 reported during the comparable three quarters of calendar year 2022. Annual figures for 2023 are not available.

SAN LUIS OBISPO COUNTY
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
Calendar Years 2018 through 2022
(Dollars in Thousands)

Year	Retail Stores		Total Outlets	
	Permits on July 1	Taxable Transactions	Permits on July 1	Taxable Transactions
2018	7,181	\$3,865,203	12,387	\$5,416,332
2019	7,105	3,924,770	12,596	5,489,189
2020	7,447	4,005,502	13,332	5,480,713
2021	6,569	4,803,344	11,956	6,695,515
2022	6,533	5,064,032	12,193	7,094,083

Source: State Department of Tax and Fee Administration.

Construction Trends

Provided below are the building permits and valuations for the City and the County for calendar years 2018 through 2022.

**CITY OF ATASCADERO
 Total Building Permit Valuations
 Calendar Years 2018 through 2022
 (Dollars in thousands)**

	2018	2019	2020	2021	2022
<u>Permit Valuation</u>					
New Single-family	\$4,397.8	\$8,233.8	\$12,276.7	\$11,814.3	\$16,184.5
New Multi-family	0.0	3,801.8	0.0	1,400.4	709.9
Res. Alterations/Additions	<u>3,550.9</u>	<u>2,112.4</u>	<u>1,387.3</u>	<u>1,953.9</u>	<u>4,225.1</u>
Total Residential	<u>7,948.7</u>	<u>14,112.0</u>	<u>13,664.0</u>	<u>15,168.6</u>	<u>21,119.5</u>
New Commercial	12,240.8	2,042.3	4,080.2	2,274.1	4,930.2
New Industrial	0.0	0.0	0.0	0.0	0.0
New Other	753.7	1,020.3	818.8	867.4	1,246.2
Com. Alterations/Additions	<u>1,936.5</u>	<u>2,110.2</u>	<u>1,494.4</u>	<u>829.0</u>	<u>2,997.0</u>
Total Nonresidential	<u>14,931.0</u>	<u>5,172.8</u>	<u>6,393.4</u>	<u>3,970.5</u>	<u>9,173.4</u>
<u>New Dwelling Units</u>					
Single Family	20	32	61	64	74
Multiple Family	<u>0</u>	<u>6</u>	<u>0</u>	<u>12</u>	<u>4</u>
TOTAL	20	38	61	76	78

Source: Construction Industry Research Board, Building Permit Summary.

**SAN LUIS OBISPO COUNTY
 Total Building Permit Valuations
 Calendar Years 2018 through 2022
 (Dollars in thousands)**

	2018	2019	2020	2021	2022
<u>Permit Valuation</u>					
New Single-family	\$193,768.8	\$346,246.7	\$251,475.1	\$233,508.0	\$206,049.3
New Multi-family	37,018.4	27,053.9	16,098.3	40,876.3	80,359.0
Res. Alterations/Additions	<u>36,513.3</u>	<u>36,741.4</u>	<u>29,995.5</u>	<u>41,260.1</u>	<u>49,730.0</u>
Total Residential	<u>267,200.5</u>	<u>410,042.0</u>	<u>297,568.9</u>	<u>315,644.4</u>	<u>336,138.3</u>
New Commercial	82,645.5	65,898.2	44,038.5	52,354.0	39,780.9
New Industrial	11,088.0	10,977.8	0.0	0.0	161.8
New Other	21,954.8	17,842.3	12,001.2	20,235.9	18,822.8
Com. Alterations/Additions	<u>52,079.1</u>	<u>36,883.3</u>	<u>22,736.6</u>	<u>20,672.6</u>	<u>40,191.8</u>
Total Nonresidential	<u>167,767.4</u>	<u>131,601.6</u>	<u>78,776.3</u>	<u>93,262.5</u>	<u>98,957.3</u>
<u>New Dwelling Units</u>					
Single Family	636	697	861	741	678
Multiple Family	<u>207</u>	<u>204</u>	<u>79</u>	<u>192</u>	<u>401</u>
TOTAL	796	901	940	933	1,079

Source: Construction Industry Research Board, Building Permit Summary.

Transportation

The City. The City is at the major ground transport intersection of the Freeway U.S. 101 and the CA SR 41 exactly halfway between Los Angeles and San Francisco on the U.S. 101 with direct eastbound access to the San Joaquin Valley and Interstate 5 and the Yosemite Freeway. Atascadero is currently serviced by 1 Freeway and 1 Highway: U.S. Route 101 and State Route 41. Atascadero has a railway going right through it. Most commonly, the Amtrak passengers and Union Pacific freights go through. Atascadero is close to San Luis Obispo's airport, described below.

The County. The County is served by Amtrak trains and Greyhound Lines buses. The San Luis Obispo Regional Transit Authority (SLORTA) provides countywide service along US 101 as well as service to Morro Bay, Los Osos, Cambria and San Simeon. The cities of San Luis Obispo, Atascadero and Paso Robles operate their own local bus services; all of these connect with SLORTA routes. San Luis Obispo County Regional Airport, also known as McChesney Field, serves County residents. The airport is also home to full service general aviation and corporate facilities.

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$ _____
Successor Agency to the
Community Redevelopment Agency of Atascadero
Tax Allocation Refunding Bonds, Series 2024A

\$ _____
Successor Agency to the
Community Redevelopment Agency of Atascadero
Taxable Tax Allocation Refunding Bonds, Series 2024B

This CONTINUING DISCLOSURE CERTIFICATE (this “**Disclosure Certificate**”) is executed and delivered by the SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF ATASCADERO (the “**Successor Agency**”) in connection with the execution and delivery of the bonds captioned above (the “**Bonds**”). The Bonds are being issued pursuant to an Indenture of Trust, dated as of April 1, 2024 (the “**Indenture**”), by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee.

The Successor Agency covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Successor Agency for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

Section 2. Definitions. In addition to the definitions set forth above and in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the Successor Agency pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Annual Report Date*” means the date that is nine months after the end of the Successor Agency’s fiscal year (currently April 1 based on the Successor Agency’s fiscal year end of June 30).

“*Dissemination Agent*” means Urban Futures, Inc., or any successor Dissemination Agent designated in writing by the Successor Agency and which has filed with the Successor Agency a written acceptance of such designation.

“*Listed Events*” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“*Official Statement*” means the final official statement executed by the Successor Agency in connection with the issuance of the Bonds.

“*Participating Underwriter*” means each of the original Underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The Successor Agency shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing April 1, 2025, with the report for Fiscal Year 2023-24, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the Successor Agency shall provide the Annual Report to the Dissemination Agent (if other than the Successor Agency). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the Successor Agency) has not received a copy of the Annual Report, the Dissemination Agent shall contact the Successor Agency to determine if the Successor Agency is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided, that the audited financial statements of the Successor Agency may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the Successor Agency’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The Successor Agency shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the Successor Agency hereunder.

(b) If the Successor Agency does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the Successor Agency shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form required by the MSRB.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the Successor Agency, file a report with the Successor Agency certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The Successor Agency’s Annual Report shall contain or incorporate by reference the following:

(a) The Successor Agency’s audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Successor Agency’s audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in

the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the Successor Agency for the preceding fiscal year, substantially similar to that provided in the corresponding tables in the Official Statement:

- (i) Principal amount of Bonds outstanding as of June 30 of the most recently-completed fiscal year.
- (ii) Balance in the Reserve Fund and a statement of the Reserve Requirement as of June 30 of the most recently-completed fiscal year.
- (iii) The information in the following tables of the Official Statement for the most recently completed fiscal year: Tables 1, 2, and 3.

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the Successor Agency shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Successor Agency or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The Successor Agency shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The Successor Agency shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.

- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the Successor Agency or other obligated person.
- (13) The consummation of a merger, consolidation, or acquisition involving the Successor Agency or an obligated person, or the sale of all or substantially all of the assets of the Successor Agency or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (15) Incurrence of a financial obligation of the Successor Agency, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Successor Agency, any of which affect security holders, if material (for the definition of "financial obligation," see clause (e)).
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Successor Agency, any of which reflect financial difficulties (for the definition of "financial obligation," see clause (e)).

(b) Whenever the Successor Agency obtains knowledge of the occurrence of a Listed Event, the Successor Agency shall, or shall cause the Dissemination Agent (if not the Successor Agency) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Indenture.

(c) The Successor Agency acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14) and (a)(15) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The Successor Agency shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the Successor Agency obtains knowledge of the occurrence of any of these Listed Events, the Successor Agency will as soon as possible determine if such event would be material under applicable federal securities law. If

such event is determined to be material, the Successor Agency will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Successor Agency in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Successor Agency, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Successor Agency.

(e) For purposes of Section 5(a)(15) and (16), “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The Successor Agency’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Successor Agency shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The Successor Agency may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days’ written notice to the Successor Agency.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Successor Agency may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first Annual Report filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Successor Agency from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Successor Agency chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Successor Agency shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the Successor Agency fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Successor Agency to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Successor Agency to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Successor Agency agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the Successor Agency hereunder, and shall not be deemed to be acting in any fiduciary capacity for the Successor Agency, the Bond holders or any other party. The obligations of the Successor Agency under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the Successor Agency for its services provided hereunder in accordance with its schedule of fees as amended from time to

time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Successor Agency, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: _____, 2024

**SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT
AGENCY OF ATASCADERO**

By: _____
City Manager, City of Atascadero

APPENDIX E
AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2023

APPENDIX F
FORM OF BOND COUNSEL OPINION

[Closing Date]

Successor Agency to the
Community Redevelopment Agency of Atascadero
6500 Palma Ave
Atascadero, California 93422

OPINION: \$_____ Successor Agency to the Community Redevelopment Agency of Atascadero Tax Allocation Refunding Bonds, Series 2024A; and

\$_____ Successor Agency to the Community Redevelopment Agency of Atascadero Taxable Tax Allocation Refunding Bonds, Series 2024B

Members of the Successor Agency:

We have acted as bond counsel to the Successor Agency to the Community Redevelopment Agency of Atascadero (the "Agency") in connection with the issuance by the Agency of its \$_____ aggregate principal amount of Successor Agency to the Community Redevelopment Agency of Atascadero Tax Allocation Refunding Bonds, Series 2024A (the "Series A Bonds"), and its \$_____ aggregate principal amount of Successor Agency to the Community Redevelopment Agency of Atascadero Taxable Tax Allocation Refunding Bonds, Series 2024B (the "Series B Bonds," and together with the Series A Bonds, the "Bonds").

The Bonds are issued under the Community Redevelopment Law (being Part 1 of Division 24 of the California Health and Safety Code) (the "Law"), under Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code (the "Dissolution Act"), under the provisions of Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Refunding Law"), and under an Indenture of Trust dated as of April 1, 2024, by and between the Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Indenture"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on representations of the Agency contained in the Indenture and in certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Agency is validly existing as a public entity, with the power to execute and deliver the Indenture, perform the agreements on its part contained therein, and issue the Bonds.
2. The Indenture has been duly executed and delivered by the Agency and constitutes the valid and binding obligation of the Agency enforceable upon the Agency.

3. Pursuant to the Law, the Indenture creates a valid lien on the funds pledged by the Indenture for the security of the Bonds, subject to no prior lien granted under the Law and the Dissolution Act, except as provided therein.

4. The Bonds have been duly authorized, executed and delivered by the Agency and are valid and binding special obligations of the Agency payable solely from the sources provided therefor in the Indenture.

5. The interest on the Series A Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of federal alternative minimum tax. The opinions set forth in the preceding sentence are subject to the condition that the Agency comply with all requirements of the Internal Revenue Code of 1986, as amended, relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series A Bonds. The Agency has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Series A Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

Interest on the 2024 Series B Bonds is not intended to be excluded from gross income for federal income tax purposes. Interest on the Series A Bonds may be subject to the corporate alternative minimum tax. We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in accordance with principles of equity or otherwise in appropriate cases.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Moreover, our opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or any court; rather, our opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations, opinions, and covenants referenced above.

Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

A Professional Law Corporation

APPENDIX G

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix concerning The Depository Trust Company (“DTC”), and DTC’s book-entry system has been obtained from DTC and the Successor Agency takes no responsibility for the completeness or accuracy thereof. The Successor Agency cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company (“DTC”) will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing Successor Agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information set forth on such website is not incorporated herein by reference.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from

DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Successor Agency as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium (if any), and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Successor Agency or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Successor Agency, subject to any statutory or regulatory requirements as may be in effect from time to time. Principal, premium (if any), and interest payments with respect to the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Successor Agency or the Trustee, disbursement of such payments to Direct Participants will be

the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Successor Agency or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates representing the Bonds are required to be printed and delivered.

The Successor Agency may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, representing the Bonds will be printed and delivered to DTC in accordance with the provisions of the Indenture.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Successor Agency believes to be reliable, but the Successor