

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 4.1
(ID # 25205)

MEETING DATE:
Tuesday, June 11, 2024

FROM : SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY

SUBJECT: SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE: Refunding of Outstanding Bonds of the Successor Agency, All Districts [\$1,598,195 - Bond Proceeds] (Vote on Separately)

RECOMMENDED MOTION: That the Board of Supervisors acting as governing board of the Successor Agency:

1. Adopt Successor Agency SA Resolution No. 2024-05, confirming the Issuance of Refunding Bonds to Refund Certain Outstanding Bonds of the Successor Agency, approving preliminary and final Official Statements, and Providing for Other Matters Properly Relating Thereto; and
2. Direct staff to take the necessary actions to complete the issuance of refunding bonds.

ACTION:Policy

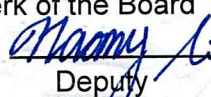


Don Kent, Director of Finance 5/30/2024

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Gutierrez and duly carried unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: June 11, 2024
xc: Redevelopment Agency

Kimberly A. Rector
Clerk of the Board
By: 
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$0	\$1,598,195 (est)	\$1,598,195 (est)	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: Bond Proceeds – 100%			Budget Adjustment:	No
			For Fiscal Year:	2024-2025

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

On March 14, 2024, the County of Riverside Debt Advisory Committee, reviewed and recommended approval to the respective boards of the Successor Agency to the Redevelopment Agency for the County of Riverside (the "Successor Agency") and the Riverside County Public Financing Authority (the "RCPFA") the issuance of the Successor Agency's proposed refunding bonds (the "2024 Refunding Bonds") and the RCPFA's 2024 Series A Tax Allocation Revenue Bonds. On April 2, 2024, the Successor Agency and the RCPFA approved the financing, adopting SA Resolution No. 2024-04 and PFA Resolution No. PFA 2024-01. On May 16, 2024, the Countywide Oversight Board for the County of Riverside approved the issuance of the 2024 Refunding Bonds by the Successor Agency, adopting Resolution No. 2024-029.

The proposed resolution confirms the Successor Agency's actions in SA Resolution No. 2024-04, including, without limitation, authorizing and approving the issuance and sale of the 2024 Refunding Bonds. The proposed resolution also approves the forms of the preliminary and final Official Statements for the 2024 Authority Bonds and the Continuing Disclosure Agreement.

The Preliminary Official Statement (the "POS") is the primary disclosure document relating to the 2024 Authority Bonds. It is the document circulated to potential purchasers of the 2024 Authority Bonds and is to be released prior to the bond sale. The POS provides information regarding the RCPFA, the Successor Agency, the 2024 Authority Bonds, the 2024 Refunding Bonds, terms and conditions of the 2024 Authority Bonds, and inherent known risk factors associated with the 2024 Authority Bonds. It is important that the POS not contain any material misstatements or omissions. Thus, the RCPFA must exercise reasonable care to avoid material misstatements or omissions in preparing public statements, including the POS and the RCPFA may not knowingly or recklessly include material misstatements or misleading statements in other public statements while its securities are outstanding.

The distribution of the POS is subject to federal securities laws, including the Securities Act of 1933 and the Securities Exchange Act of 1934, which require the POS to include all facts that would be material to an investor in the 2024 Authority Bonds.

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

In connection with the 2024 Authority Bonds, a Continuing Disclosure Agreement will be executed and delivered by the Successor Agency for the benefit of the holders and beneficial owners of the 2024 Authority Bonds and in order to assist the underwriters of the 2024 Authority Bonds in complying with SEC Rule 15c2-12(b)(5). A form of Continuing Disclosure Agreement is on file with the Secretary.

The proposed 2024 Refunding Bonds are expected to produce savings in excess of the County's Debt Management Policy B-24 present value savings target of 3% or greater.

The anticipated principal amount of the 2024 Refunding Bonds, respective savings percentages, and respective savings amounts, all based on current market conditions, are shown in the table below.

2024 Series A, D, E and Housing Bonds

	Series A	Series D	Series E	Housing Set-Aside	Total
Par Amount	\$13,060,000	\$19,470,000	\$11,440,000	\$33,110,000	\$77,080,000
NPV Savings	\$750,127	\$959,294	\$697,218	\$3,004,277	\$5,410,916
NPV Savings % of Refunded Bonds	5.27%	4.56%	5.51%	8.24%	6.41%
Total Savings	\$1,052,767	\$1,439,635	\$983,763	\$4,065,649	\$7,541,814

It is expected that 2024 Refunding Bonds will be issued in August 2024. The Department of Finance (DOF) is expected to approve the Countywide Oversight Board's action approving the refinancing by July 2024.

Successor Agency SA Resolution No. 2024-05 has been approved as to form by County Counsel.

Impact on Citizens and Businesses

The proceeds of the 2024 Refunding Bonds will be used to refund certain bonds issued by the Successor Agency in 2014, as more particularly described in SA Resolution No. 2024-04 (the "2014 Prior Bonds"). The refunding of the 2014 Prior Bonds will be beneficial for the citizens of Riverside County due to refinancing at lower interest rates of the 2014 Prior Bonds. Taxing entities within the project areas will share the surplus property taxes which will be distributed to the County, K-12 school districts, community college districts, cities and special districts.

SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA

Attachments:

1. SA Resolution No. 2024-05
2. Preliminary Official Statement
3. Continuing Disclosure Agreement

Michael Ambolo
Michael Ambolo, Chief Finance Officer 6/4/2024

Aaron Gettis
Aaron Gettis, Chief of Deputy County Counsel 6/4/2024

BOARD OF SUPERVISORS

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR
THE COUNTY OF RIVERSIDE

SA RESOLUTION NO. 2024-05

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT
AGENCY FOR THE COUNTY OF RIVERSIDE CONFIRMING THE ISSUANCE OF
REFUNDING BONDS TO REFUND CERTAIN OUTSTANDING BONDS OF THE
SUCCESSOR AGENCY, APPROVING PRELIMINARY AND FINAL OFFICIAL
STATEMENTS AND PROVIDING FOR OTHER MATTERS PROPERLY RELATED
THERE TO

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
Redevelopment Agency for the County of Riverside (the "Former Agency") has been dissolved
and no longer exists as a public body, corporate and politic, and pursuant to Section 34173, the
Successor Agency to the Redevelopment Agency for the County of Riverside (the "Successor
Agency") has become the successor entity to the Former Agency;

WHEREAS, prior to its dissolution, the Former Agency issued, among other bonds,
the following series of bonds:

1. Redevelopment Agency For the County of Riverside Redevelopment
Project Area No. 1 2004 Tax Allocation Bonds, Series A (the "2004 Series A Project
Area No. 1 Bonds"), in the original aggregate principal amount of \$24,865,000, to
finance redevelopment activities;

2. Redevelopment Agency For the County of Riverside Desert
Communities Redevelopment Project Area 2004 Tax Allocation Bonds, Series D (the

FORM APPROVED COUNTY COUNSEL
BY [Signature] DATE 6/14/24
RYAN D YABKO

1 “2004 Series D Desert Communities Bonds”), in the original aggregate principal
2 amount of \$34,840,000, to finance redevelopment activities; and

3 3. Redevelopment Agency For the County of Riverside Interstate 215
4 Corridor Redevelopment Project Area 2004 Tax Allocation Bonds, Series E (the “2004
5 Series E I-215 Bonds”), in the original aggregate principal amount of \$20,240,000, to
6 finance redevelopment activities; and

7 4. Redevelopment Agency for the County of Riverside 2004 Tax
8 Allocation Housing Bonds, Series A (the “2004 Series A Housing Bonds”), in the
9 original aggregate principal amount of \$38,255,000, to finance low- and moderate-
10 income housing in the County of Riverside;

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

16 **WHEREAS**, under the authority of Section 34177.5(a)(1) and the Refunding Law, the
17 Successor Agency previously issued the following series of bonds:

18 1. Successor Agency to the Redevelopment Agency For the County of
19 Riverside Redevelopment Project Area No. 1 2014 Tax Allocation Refunding Bonds,
20 Series A (the “2014 Series A Project Area No. 1 Bonds”), in the original aggregate
21 principal amount of \$19,620,000, to refund, on a current basis, the then outstanding
22 2004 Series A Project Area No. 1 Bonds;

23 2. Successor Agency to the Redevelopment Agency For the County of
24 Riverside Desert Communities Redevelopment Project Area 2014 Tax Allocation
25 Refunding Bonds, Series D (the “2014 Series D Desert Communities Bonds”), in the

1 original aggregate principal amount of \$28,130,000, to refund, on a current basis, the
2 then outstanding 2004 Series D Desert Communities Bonds;

3 3. Successor Agency to the Redevelopment Agency For the County of
4 Riverside Interstate 215 Corridor Redevelopment Project Area 2014 Tax Allocation
5 Refunding Bonds, Series E (the “2014 Series E I-215 Bonds”), in the original aggregate
6 principal amount of \$16,545,000, to refund, on a current basis, the then outstanding
7 2004 Series E I-215 Bonds; and

8 4. Successor Agency to the Redevelopment Agency for the County of
9 Riverside 2014 Tax Allocation Housing Refunding Bonds, Series A (the “2014 Series
10 A Housing Bonds”), in the original aggregate principal amount of \$36,465,000, to
11 refund, on a current basis, the then outstanding 2004 Series A Housing Bonds;

12 **WHEREAS**, the Successor Agency, pursuant to SA Resolution No. 2024-04 (the
13 “Bond Resolution”), adopted on April 2, 2024, approved the issuance by the Successor Agency
14 of the following bonds (the “2024 Refunding Bonds”), subject to the Savings Parameters being
15 met:

16 1. Successor Agency to the Redevelopment Agency for the County of
17 Riverside Redevelopment Project Area No. 1 2024 Tax Allocation Refunding Bonds,
18 Series A, to refund all or a portion of the outstanding 2014 Series A Project Area No. 1
19 Bonds;

20 2. Successor Agency to the Redevelopment Agency for the County of
21 Riverside Desert Communities Redevelopment Project Area 2024 Tax Allocation
22 Refunding Bonds, Series D, to refund all or a portion of the outstanding 2014 Series D
23 Desert Communities Bonds;

24 3. Successor Agency to the Redevelopment Agency for the County of
25 Riverside Interstate 215 Corridor Redevelopment Project Area 2024 Tax Allocation

1 Refunding Bonds, Series E, to refund all or a portion of the outstanding 2014 Series E
2 I-215 Bonds; and

3 4. Successor Agency to the Redevelopment Agency for the County of
4 Riverside 2024 Tax Allocation Housing Refunding Bonds, Series A, to refund all or a
5 portion of the outstanding 2014 Series A Housing Bonds;

6 **WHEREAS**, the Countywide Oversight Board for the County of Riverside, by
7 Resolution No. 2024-029 (the "OB Resolution"), adopted May 16, 2024, approved the issuance
8 of the 2024 Refunding Bonds, and the OB Resolution, together with additional materials, have
9 been submitted to the California Department of Finance for its approval of the OB Resolution
10 and the issuance of the 2024 Refunding Bonds;

11 **WHEREAS**, the Successor Agency, pursuant to the Bond Resolution, also approved
12 the sale of the 2024 Refunding Bonds to the Riverside County Public Financing Authority (the
13 "Authority"), and the Authority intends to issue its own bonds (the "2024 Authority Bonds") in
14 order to obtain the funds necessary to purchase the 2024 Refunding Bonds;

15 **WHEREAS**, the Successor Agency and the Authority, with the assistance of their
16 disclosure counsel, Best Best & Krieger LLP, have prepared a draft of an Official Statement
17 for the 2024 Authority Bonds (the "Official Statement"), which contains information regarding
18 the 2024 Refunding Bonds, the 2024 Authority Bonds, the Former Agency, and the Successor
19 Agency, the preliminary form of which is on file with the Secretary of the Successor Agency;
20 and

21 **WHEREAS**, the Successor Agency, with the aid of its staff, has reviewed the Official
22 Statement and wishes at this time to approve their use and distribution as in the public interests
23 of the Successor Agency and applicable taxing entities;

1 **NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** by
2 the Board of Directors of the Successor Agency to the Redevelopment Agency for the County
3 of Riverside assembled in regular session on June 11, 2024, at 9:30 a.m. or soon thereafter, in
4 the meeting room of the Board of Supervisors, located on the first floor of the County
5 Administrative Center, 4080 Lemon Street, Riverside, California, as follows:

6 1. Confirmation of Approval of Issuance of the 2024 Refunding Bonds. The
7 Successor Agency hereby confirms its actions in the Bond Resolution, including, without
8 limitation, authorizing and approving the issuance and sale of the 2024 Refunding Bonds.

9 2. Approval of Official Statement. The Successor Agency hereby approves the
10 preliminary Official Statement in substantially the form on file with the Secretary of the
11 Successor Agency. Distribution of the preliminary Official Statement by the Authority and the
12 Loop Capital Markets LLC and Samuel A. Ramirez & Co., Inc., as underwriters of the 2024
13 Authority Bonds (the "Underwriters"), is hereby approved, and, prior to the distribution of the
14 preliminary Official Statement, the County Executive Officer and the Director of Finance of
15 the County of Riverside, on behalf of the Successor Agency (each, an "Authorized Officer"),
16 each acting alone, are authorized and directed, on behalf of the Successor Agency, to deem the
17 preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange
18 Act of 1934 (the "Rule"). The execution of the final Official Statement, which shall include
19 such changes and additions thereto deemed advisable by the Authorized Officers, and such
20 information permitted to be excluded from the preliminary Official Statement pursuant to the
21 Rule, is hereby approved for delivery to the Underwriters, and the Authorized Officers, each
22 acting alone, are authorized and directed to execute and deliver the final Official Statement for
23 and on behalf of the Successor Agency, and to deliver to the Underwriters a certificate with
24 respect to the information set forth therein.

1 3. Approval of Continuing Disclosure Agreement. The Successor Agency hereby
2 approves the Continuing Disclosure Agreement in the form on file with the Secretary. The
3 Authorized Officers, each acting alone, are hereby authorized and directed, for and in the name
4 and on behalf of the Successor Agency, to execute and deliver the Continuing Disclosure
5 Agreement with such changes therein, deletions therefrom, and additions thereto as the
6 Authorized Officer executing the same shall approve, such approval to be conclusively
7 evidenced by the execution and delivery thereof.

8 4. Official Actions. The Authorized Officers and any and all other officers of the
9 Successor Agency are hereby authorized and directed, for and in the name and on behalf of the
10 Successor Agency, to do any and all things and take any and all actions, which they, or any of
11 them, may deem necessary or advisable in connection with the issuance, sale and delivery of
12 the 2024 Refunding Bonds, including the execution and delivery of all of the documents
13 related thereto and necessary therefor. Whenever in this Resolution any officer of the
14 Successor Agency is directed to execute or countersign any document or take any action, such
15 execution, countersigning or action may be taken on behalf of such officer by any person
16 designated by such officer to act on his or her behalf in the case such officer is absent or
17 unavailable.

18 5. Effective Date. This Resolution shall take effect from and after the date of
19 approval and adoption thereof.
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1 The foregoing resolution was passed and adopted by the Successor Agency to the
2 Redevelopment Agency for the County of Riverside at a regular meeting held on the 11th day
3 of June 2024, by the following vote:

4 AYES:

5 NOES:

6 ABSENT:

7 ABSTAIN:

8
9 SUCCESSOR AGENCY TO THE
10 REDEVELOPMENT AGENCY FOR
11 THE COUNTY OF RIVERSIDE

12 By: Chuck Washington
13 Chairman
14 Chuck Washington

15 Attest:

16 By: Naomy Li, Deputy
17 ~~Secretary~~
18 Clerk of the Board
19 Kimberly A. Rector

20 ROLL CALL:

21 Ayes: Jeffries, Washington, Spiegel, Perez, and Gutierrez

22 Nays: None

23 Absent: None

24 The foregoing is certified to be a true copy of a resolution duly adopted by said
25 Board of Supervisors on the date therein set forth.

26 KIMBERLY A. RECTOR, Clerk of said Board

27 By: Naomy Li
28 Deputy

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. 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.

NEW ISSUE – BOOK-ENTRY ONLY

RATINGS: [INSURED RATING: S&P: “[]”]
[UNDERLYING RATING: S&P: “[]”]
See “RATINGS” herein

\$[]*
Riverside County Public Financing Authority
2024 Series A Tax Allocation Revenue Bonds
(Redevelopment Project Area No. 1, Desert Communities Redevelopment Project Area, Interstate 215 Corridor Redevelopment Project Area, and Former Housing Set-Aside)

Dated: Date of Delivery

Due: October 1, as shown herein

The Riverside County Public Financing Authority 2024 Series A Tax Allocation Revenue Bonds (Redevelopment Project Area No. 1, Desert Communities Redevelopment Project Area, Interstate 215 Corridor Redevelopment Project Area, and Former Housing Set-Aside) (the “Bonds”) are being issued by the Riverside County Public Financing Authority (the “Authority”) to provide funds to (i) purchase four separate series of tax allocation refunding bonds (together, the “Successor Agency Bonds”) being issued by the Successor Agency to the Redevelopment Agency for the County of Riverside (the “Successor Agency”), and (ii) pay costs of issuance of the Bonds, which includes the cost of the municipal bond insurance premium for the Insured Bonds (defined below). See “ESTIMATED SOURCES AND USES OF FUNDS” herein.

Three series of Successor Agency Bonds (together, the “Non-Housing Successor Agency Bonds”) are being issued by the Successor Agency to refund three separate series of tax allocation refunding bonds of the Successor Agency, the proceeds of which refinanced certain redevelopment activities with respect to the Successor Agency’s Redevelopment Project Area No. 1, the Desert Communities Redevelopment Project Area, and Interstate 215 Corridor Redevelopment Project Area of the Successor Agency (together, the “Project Areas”), as further described herein. The fourth series of Successor Agency Bonds (the “2024 Housing Bonds”) is being issued by the Successor Agency to refund a series of outstanding tax allocation refunding housing bonds of the Successor Agency, the proceeds of which refinanced low and moderate income housing obligations. The remaining proceeds of the Successor Agency Bonds will be used to pay costs of issuance of the Successor Agency Bonds and satisfy their respective reserve requirements.

The Bonds will be issued under that certain Indenture of Trust (the “Indenture”), dated as of [August 1, 2024], by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). The Bonds will be secured by a first lien on and pledge of all of the Revenues (as defined in the Indenture), which consist principally of amounts payable by the Successor Agency to the Authority as debt service on the Successor Agency Bonds, and moneys in certain funds and accounts held by the Trustee under the Indenture. The Successor Agency Bonds are secured under four separate Indentures of Trust (together, the “Successor Agency Bonds Indentures”), by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Successor Agency Bonds Trustee”). The Non-Housing Successor Agency Bonds will be secured by a pledge of, security interest in, and lien on Tax Revenues (as defined in the applicable Successor Agency Bonds Indentures) and certain funds and accounts established and held by the Successor Agency or the Successor Agency Bonds Trustee. With respect to each series of Non-Housing Successor Agency Bonds, Tax Revenues generally consist of tax increment revenues from the Successor Agency’s Redevelopment Project Area No. 1, the Desert Communities Redevelopment Project Area or the Interstate 215 Corridor Redevelopment Project Area of the Successor Agency, as applicable, allocated and paid to the Successor Agency as described herein and subject to the payment of certain senior obligations and parity obligations as described herein. The 2024 Housing Bonds will be secured by a pledge of, security interest in, and lien on Housing Tax Revenues and certain funds and accounts established and held by the Successor Agency or the Successor Agency Bonds Trustee pursuant to the Successor Agency Bonds Indenture for such bonds. Housing Tax Revenues generally consist of amounts deposited in the Redevelopment Property Tax Trust Fund that, but for the Dissolution Act, would have been deposited in the Low and Moderate Income Housing Fund.

Each series of Non-Housing Successor Agency Bonds is a separate and distinct obligation secured by Tax Revenues generated in the Project Area to which such series of Successor Agency Bonds relates, and the 2024 Housing Bonds are separate and distinct obligations secured by Housing Tax Revenues. Tax Revenues from a Project Area may only be used to pay debt service on the series of Non-Housing Successor Agency Bonds issued for such Project Area, and Housing Tax Revenues may only be used to pay debt service on the 2024 Housing Bonds. The Successor Agency Bonds will be payable on a parity with certain outstanding bonds of the Successor Agency. Tax revenues generated from all five of the Successor Agency’s project areas are available to pay debt service on all refunding bonds issued by the Successor Agency, including the Successor Agency Bonds, on a parity basis to the extent such tax revenues constitute Residual RPTTF (as defined herein), which generally consists of amounts remaining on deposit in the Redevelopment Property Tax Trust Fund after amounts have been set aside and reserved in the manner required in the applicable indentures or other relevant documents to pay debt service on other bonds of the Successor Agency and other senior obligations with respect to other project areas. The Successor Agency may issue additional tax allocation refunding bonds payable from Tax Revenues and Housing Tax Revenues, as applicable, subject to the satisfaction of certain conditions precedent. The Successor Agency has covenanted not to issue any obligations payable from Tax Revenues and Housing Tax Revenues, as applicable, on a senior basis to the Successor Agency Bonds. See “SECURITY FOR THE BONDS” and “SECURITY FOR THE SUCCESSOR AGENCY BONDS” herein.

The Bonds are being issued in fully registered form, and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases of the Bonds may be made in book-entry form only, in denominations of \$5,000 or any integral multiple thereof. Purchasers of interests in the Bonds will not receive certificates from the Authority or the Trustee representing their interest in the Bonds purchased. Interest on the Bonds will be payable semiannually on April 1 and October 1 of each year, commencing October 1, 2024. Payments of principal, premium, if any, and interest on the Bonds will be payable by the Trustee, to DTC, which is obligated in turn to remit such principal, premium, if any, and interest to the DTC Participants for subsequent disbursement to the Beneficial Owners of the Bonds, as more fully described herein.

The Bonds are subject to optional and mandatory redemption prior to maturity as described herein.* See “THE BONDS — Redemption of the Bonds” herein.

The scheduled payment of principal of and interest on the Bonds maturing on October 1 [of the years 20[] through 20[], inclusive, and October 1, 20[], as indicated on the inside cover hereof (collectively, the “Insured Bonds”), when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Insured Bonds by [Build America Mutual Assurance Company].

[INSURER LOGO]

[The Successor Agency will satisfy the respective debt service reserve fund requirements for the 2024 Series D Bonds and the 2024 Housing Bonds with Municipal Bond Debt Service Reserve Insurance Policies issued by [Build America Mutual Assurance Company].

The Bonds are special obligations of the Authority payable solely from Revenues and certain other funds and accounts held by the Trustee under the Indenture. Neither the County of Riverside (the “County”), the State of California, nor the Authority shall be obligated to pay the principal of the Bonds, or the interest thereon, except from the funds described above, and neither the full faith and the credit nor the taxing power of the County, the State of California or any political subdivision thereof is pledged to the payment of the principal of or the interest on the Bonds. The issuance of the Bonds shall not directly, indirectly or contingently obligate the Successor Agency, the County, the State of California or any political subdivision thereof to levy or pledge any form of taxation whatever therefor or to make any appropriations for their payment. Neither the Authority nor the Successor Agency has taxing power.

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision. Capitalized terms used and not defined on this cover page shall have the meanings set forth herein.

For a discussion of some of the risks associated with a purchase of the Bonds, see “CERTAIN BOND OWNER’S RISKS” herein.

MATURITY SCHEDULE
See inside front cover

The Bonds are offered when, as and if issued, subject to the approval of their legality by Anzel Galvan LLP, San Francisco, California, Bond Counsel. Certain disclosure matters will be passed upon for the Successor Authority by Best Best & Krieger LLP, Riverside, California, as Disclosure Counsel. Certain matters will be passed upon for the Authority and the Successor Agency by the Office of the County of Riverside County Counsel, and for the Underwriters by Stradling Yocca Carlson & Rauth, LLP, Newport Beach, California. It is anticipated that the Bonds will be available for delivery in definitive form on or about August [], 2024.

[UNDERWRITERS LOGOS]

Dated: _____, 2024

* Preliminary, subject to change.

\$[____]*
2024 Series A Tax Allocation Revenue Bonds
**(Redevelopment Project Area No. 1, Desert Communities Redevelopment Project Area, Interstate 215
Corridor Redevelopment Project Area, and Former Housing Set-Aside)**

MATURITY SCHEDULE*

\$[____]
Serial Bonds
(Base CUSIP†: [____])

<u>Maturity Date</u> (<u>October 1</u>)	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP</u> [†]
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* Preliminary; subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data is provided by CUSIP Global Services (CGS) which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP® data is not intended to create a database and does not serve in any way as a substitute for the CUSIP® Service Bureau. CUSIP® numbers are provided for convenience of reference only. Neither the Authority nor the Underwriter take any responsibility for the selection or accuracy of such numbers set forth herein.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by the Authority or the Successor Agency to give any information or to make any representations in connection with the offer or sale of the Bonds other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction where such offer, solicitation or sale would be unlawful.

The information set forth herein has been obtained from sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Authority or the Successor Agency. Neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the Successor Agency since the date hereof. The information and expressions of opinion stated herein are subject to change without notice.

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 words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” “assumes” and analogous expressions. The achievement of certain results or other expectations contained in such forward-looking statements are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. No assurance is given that actual results will meet the forecasts of the Authority or the Successor Agency in any way, regardless of the optimism communicated in the information, and such statements speak only as of the date of this Official Statement. The Authority or the Successor Agency disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the expectations of the Authority or the Successor Agency with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

All summaries of the Indenture (as defined herein) and Successor Agency Bonds Indentures (as defined herein), and of statutes and other documents referred to herein do not purport to be comprehensive or definitive and are qualified in their entireties by reference to each such statute and document. This Official Statement, including any amendment or supplement hereto, is intended to be deposited with one or more depositories. This Official Statement does not constitute a contract between any Owner of a Bond and the Authority or the Successor Agency.

The issuance and sale of the Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Sections 3(a)(2) and 3(a)(12), respectively, for the issuance and sale of municipal securities.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters 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 Underwriters do not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR AFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The County maintains a website. The information presented there, however, is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

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RIVERSIDE COUNTY PUBLIC FINANCING AUTHORITY

AUTHORITY/COUNTY BOARD OF SUPERVISORS

Kevin Jeffries, District 1
Karen Spiegel, District 2
Chuck Washington, District 3
V. Manuel Perez, District 4
Yxstian Gutierrez, District 5

AUTHORITY STAFF

Jeff Van Wagenen, Executive Director
Don Kent, Assistant Executive Director
Matt Jennings, Treasurer
Kimberly Rector, Secretary
Minh Tran, County Counsel

SUCCESSOR AGENCY/COUNTY STAFF

Jeff Van Wagenen, County Executive Officer
Michael Ambolo, Chief Finance Officer
Don Kent, Director of Finance
Minh Tran, County Counsel

SPECIAL SERVICES

Trustee

The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

Bond Counsel

Anzel Galvan LLP
San Francisco, California

Disclosure Counsel

Best Best & Krieger LLP
Riverside, California

Municipal Advisor

Columbia Capital Management, LLC
Carlsbad, California

Fiscal Consultant

Urban Analytics, LLC
San Francisco, California

Verification Agent

Causey, Demgen & Moore PC
Denver, Colorado

LOCATION MAP

PROJECT AREAS MAPS

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TABLE OF CONTENTS

<p>INTRODUCTION1</p> <p style="padding-left: 20px;">General1</p> <p style="padding-left: 20px;">Purpose1</p> <p style="padding-left: 20px;">The County2</p> <p style="padding-left: 20px;">The Authority2</p> <p style="padding-left: 20px;">The Successor Agency2</p> <p style="padding-left: 20px;">The Project Areas2</p> <p style="padding-left: 20px;">Authority for Issuance of the Bonds and the Successor Agency</p> <p style="padding-left: 40px;">Bonds3</p> <p style="padding-left: 40px;">Terms of the Bonds4</p> <p style="padding-left: 40px;">Security for the Bonds4</p> <p style="padding-left: 40px;">Security for the Successor Agency Bonds4</p> <p style="padding-left: 40px;">Authority Parity Debt7</p> <p style="padding-left: 40px;">Successor Agency Parity Debt7</p> <p style="padding-left: 40px;">Municipal Bond Insurance for the Bonds10</p> <p style="padding-left: 40px;">Debt Service Reserve Accounts for the Successor Agency Bonds10</p> <p style="padding-left: 40px;">Professionals Involved in the Offering11</p> <p style="padding-left: 40px;">Continuing Disclosure11</p> <p style="padding-left: 40px;">Reference to Underlying Documents11</p> <p>PLAN OF REFINANCE11</p> <p style="padding-left: 20px;">Refunding of Project Area No. 1 2014 Series A Bonds12</p> <p style="padding-left: 20px;">Refunding of Desert Communities 2014 Series D Bonds12</p> <p style="padding-left: 20px;">Refunding of Interstate 215 2014 Series E Bonds13</p> <p style="padding-left: 20px;">Refunding of 2014 Housing Bonds14</p> <p style="padding-left: 20px;">Verification of Mathematical Accuracy15</p> <p>ESTIMATED SOURCES AND USES OF FUNDS16</p> <p>ANNUAL DEBT SERVICE REQUIREMENTS OF THE BONDS17</p> <p>AGGREGATE ESTIMATED DEBT SERVICE COVERAGE18</p> <p>THE BONDS19</p> <p style="padding-left: 20px;">General19</p> <p style="padding-left: 20px;">Redemption of the Bonds19</p> <p style="padding-left: 20px;">Notice of Redemption; Rescission20</p> <p style="padding-left: 20px;">Effect of Redemption20</p> <p>SECURITY FOR THE BONDS20</p> <p style="padding-left: 20px;">Special Obligations20</p> <p style="padding-left: 20px;">Pledge of Revenues21</p> <p style="padding-left: 20px;">Receipt, Deposit and Application of Revenues22</p> <p style="padding-left: 20px;">No Reserve Fund for the Bonds23</p> <p style="padding-left: 20px;">Additional Bonds23</p> <p>SECURITY FOR THE SUCCESSOR AGENCY BONDS23</p> <p style="padding-left: 20px;">Tax Increment Financing Generally23</p> <p style="padding-left: 20px;">Pledge Under Successor Agency Bonds Indenture24</p> <p style="padding-left: 20px;">Tax Sharing Agreements28</p> <p style="padding-left: 20px;">Assembly Bill 129028</p> <p style="padding-left: 20px;">Allocation of Taxes Subsequent to the Dissolution Act29</p> <p style="padding-left: 20px;">Recognized Obligation Payment Schedule29</p> <p style="padding-left: 20px;">Funds and Accounts Under Successor Agency Bonds Indentures32</p> <p style="padding-left: 20px;">Debt Service Reserve Accounts35</p> <p style="padding-left: 20px;">[Municipal Bond Debt Service Reserve Insurance Policy]37</p> <p style="padding-left: 20px;">Additional Successor Agency Parity Debt38</p> <p style="padding-left: 20px;">Events of Default39</p> <p>BOND INSURANCE POLICY39</p> <p>SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY40</p> <p style="padding-left: 20px;">The Successor Agency40</p> <p style="padding-left: 20px;">Oversight Board40</p> <p style="padding-left: 20px;">Pass-Through Agreements41</p> <p style="padding-left: 20px;">Statutory Tax Sharing Payments41</p> <p style="padding-left: 20px;">Property Taxes and Inflation Rates42</p> <p style="padding-left: 20px;">Supplemental Assessment Revenues42</p> <p style="padding-left: 20px;">Property Taxes; Teeter Plan43</p> <p style="padding-left: 20px;">Financial Statements43</p> <p style="padding-left: 20px;">Allocation of Former Low and Moderate Income Housing Set-Aside43</p> <p style="padding-left: 20px;">Plan Limitations44</p> <p style="padding-left: 20px;">Other Project Areas44</p> <p>REDEVELOPMENT PROJECT AREA NO. 147</p> <p style="padding-left: 20px;">General47</p> <p style="padding-left: 20px;">Largest Taxpayers in the Project Area No. 148</p> <p style="padding-left: 20px;">Project Area No. 1 Indebtedness49</p> <p style="padding-left: 20px;">Assessed Valuation50</p> <p style="padding-left: 20px;">Proposition 8 Assessment Reductions and Restorations51</p> <p style="padding-left: 20px;">Assessed Valuation Appeals51</p> <p style="padding-left: 20px;">Property Value by Land Use53</p> <p style="padding-left: 20px;">Volatility Ratio54</p> <p style="padding-left: 20px;">Project Area No. 1 Estimated Revenues and Bond Retirement55</p> <p>DESERT COMMUNITIES REDEVELOPMENT PROJECT AREA58</p> <p style="padding-left: 20px;">General58</p> <p style="padding-left: 20px;">Largest Taxpayers in the Project Area60</p> <p style="padding-left: 20px;">Successor Agency Indebtedness61</p> <p style="padding-left: 20px;">Assessed Valuation61</p> <p style="padding-left: 20px;">Proposition 8 Assessment Reductions And Restorations63</p> <p style="padding-left: 20px;">Assessed Valuation Appeals63</p> <p style="padding-left: 20px;">Property Value by Land Use66</p> <p style="padding-left: 20px;">Volatility Ratio66</p> <p style="padding-left: 20px;">Desert Communities Redevelopment Project Area Estimated</p> <p style="padding-left: 40px;">Revenues And Bond Retirement67</p> <p>INTERSTATE 215 CORRIDOR REDEVELOPMENT PROJECT AREA70</p> <p style="padding-left: 20px;">General70</p> <p style="padding-left: 20px;">Largest Taxpayers in the Project Area71</p> <p style="padding-left: 20px;">Successor Agency Indebtedness73</p>	<p style="padding-left: 20px;">Assessed Valuation73</p> <p style="padding-left: 20px;">Proposition 8 Assessment Reductions And Restorations74</p> <p style="padding-left: 20px;">Assessed Valuation Appeals75</p> <p style="padding-left: 20px;">Property Value by Land Use78</p> <p style="padding-left: 20px;">Volatility Ratio78</p> <p style="padding-left: 20px;">Interstate 215 Corridor Redevelopment Project Area Estimated</p> <p style="padding-left: 40px;">Revenues And Bond Retirement79</p> <p>RPTTF PROJECT AREA; HOUSING SET-ASIDE83</p> <p style="padding-left: 20px;">Redevelopment Plans83</p> <p style="padding-left: 20px;">Redevelopment Plan Limitations85</p> <p style="padding-left: 20px;">Largest Taxpayers in the Project Area85</p> <p style="padding-left: 20px;">Successor Agency Indebtedness87</p> <p style="padding-left: 20px;">Assessed Valuation87</p> <p style="padding-left: 20px;">Volatility Ratio88</p> <p style="padding-left: 20px;">Proposition 8 Assessment Reductions And Restorations90</p> <p style="padding-left: 20px;">Assessed Valuation Appeals90</p> <p style="padding-left: 20px;">Property Value by Land Use94</p> <p style="padding-left: 20px;">RPTTF Project Area Estimated Revenues And Bond Retirement94</p> <p>CERTAIN RISKS OF BOND OWNERS98</p> <p style="padding-left: 20px;">Limited Special Obligations98</p> <p style="padding-left: 20px;">Recognized Obligation Payment Schedule98</p> <p style="padding-left: 20px;">Mandatory Redemption on Acceleration of Successor Agency Bonds</p> <p style="padding-left: 40px;">on Default100</p> <p style="padding-left: 40px;">Limited Application of Project Area Tax Revenues100</p> <p style="padding-left: 40px;">Reduction in Taxable Value100</p> <p style="padding-left: 40px;">Bond Insurance Risk Factors101</p> <p style="padding-left: 40px;">Risks of Real Estate Secured Investments Generally102</p> <p style="padding-left: 40px;">Reduction in Inflationary Rate and Changes in Legislation102</p> <p style="padding-left: 40px;">Change in Law102</p> <p style="padding-left: 40px;">Concentration of Property Ownership103</p> <p style="padding-left: 40px;">Availability of Property and Casualty Insurance103</p> <p style="padding-left: 40px;">Bankruptcy of Landowners103</p> <p style="padding-left: 40px;">Risks Related to Availability of Mortgage Loans103</p> <p style="padding-left: 40px;">Seismic Considerations, Natural Calamities, and Public Health</p> <p style="padding-left: 80px;">Emergencies103</p> <p style="padding-left: 80px;">Levy and Collection of Taxes104</p> <p style="padding-left: 80px;">Estimated Revenues104</p> <p style="padding-left: 80px;">Hazardous Substances104</p> <p style="padding-left: 80px;">Direct and Overlapping Indebtedness105</p> <p style="padding-left: 80px;">Future Legislation and Initiatives105</p> <p style="padding-left: 80px;">Assessment Appeals105</p> <p style="padding-left: 80px;">Economic Risks105</p> <p style="padding-left: 80px;">Investment Risk105</p> <p style="padding-left: 80px;">Secondary Market106</p> <p style="padding-left: 80px;">Bankruptcy106</p> <p style="padding-left: 80px;">Federal Tax-Exempt Status of the Bonds106</p> <p style="padding-left: 80px;">IRS Audit of Tax-Exempt Issues106</p> <p style="padding-left: 80px;">Cyber Security106</p> <p>LIMITATIONS ON TAX REVENUES107</p> <p style="padding-left: 20px;">Property Tax Limitations - Article XIII A107</p> <p style="padding-left: 20px;">Implementing Legislation108</p> <p style="padding-left: 20px;">Unitary Property108</p> <p style="padding-left: 20px;">Litigation Regarding Unitary Property109</p> <p style="padding-left: 20px;">Property Taxes; Teeter Plan110</p> <p style="padding-left: 20px;">Proposition 87110</p> <p style="padding-left: 20px;">Tax Collection Fees111</p> <p style="padding-left: 20px;">Future Initiatives111</p> <p>OTHER INFORMATION111</p> <p style="padding-left: 20px;">Continuing Disclosure111</p> <p style="padding-left: 20px;">Litigation111</p> <p style="padding-left: 20px;">Tax Matters112</p> <p style="padding-left: 20px;">Verification of Mathematical Computations113</p> <p style="padding-left: 20px;">Legal Opinion113</p> <p style="padding-left: 20px;">Municipal Advisor114</p> <p style="padding-left: 20px;">Financial Interests114</p> <p style="padding-left: 20px;">Ratings114</p> <p style="padding-left: 20px;">Underwriting114</p> <p style="padding-left: 20px;">Miscellaneous115</p> <p>APPENDIX A - Report of Fiscal Consultant A-1</p> <p>APPENDIX B - Information Regarding the County of Riverside B-1</p> <p>APPENDIX C - Audited Financial Statements for Fiscal Year Ended June 30, 2023 C-1</p> <p>APPENDIX D - Summary of Certain Provisions of the Legal Documents D-1</p> <p>APPENDIX E - DTC and the Book-Entry System E-1</p> <p>APPENDIX F - Form of Opinion of Bond Counsel F-1</p> <p>APPENDIX G - Form of Continuing Disclosure Agreement G-1</p> <p>APPENDIX H - Specimen Municipal Bond Insurance Policy H-1</p>
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**Riverside County Public Financing Authority
2024 Series A Tax Allocation Revenue Bonds
(Redevelopment Project Area No. 1, Desert Communities Redevelopment Project Area, Interstate 215
Corridor Redevelopment Project Area, and Former Housing Set-Aside)**

INTRODUCTION

This Introduction is subject in all respects to the more complete information contained elsewhere in this Official Statement and the offering of the Bonds (as defined below) to potential investors is made only by means of the entire Official Statement. Capitalized terms used and not defined in this Introduction shall have the meanings assigned to them elsewhere in this Official Statement.

General

This Official Statement, including the cover page and appendices hereto, provides information in connection with the issuance by the Riverside County Public Financing Authority (the “Authority”) of \$[_____] Riverside County Public Financing Authority 2024 Series A Tax Allocation Revenue Bonds (Redevelopment Project Area No. 1, Desert Communities Redevelopment Project Area, Interstate 215 Corridor Redevelopment Project Area, and Former Housing Set-Aside) (the “Bonds”).

Purpose

The Bonds are being issued to (i) provide funds to purchase four series of tax allocation refunding bonds (together, the “Successor Agency Bonds”) of the Successor Agency to the Redevelopment Agency for the County of Riverside (the “Successor Agency”) as described herein, and (ii) pay costs of issuance of the Bonds, which includes the municipal bond insurance premium for the Insured Bonds (defined below). See “PLAN OF REFINANCE” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

The four separate series of Successor Agency Bonds to be issued by the Successor Agency consist of the bonds designated as: (1) \$[_____] Successor Agency to the Redevelopment Agency for the County of Riverside Redevelopment Project Area No. 1 2024 Tax Allocation Refunding Bonds, Series A (the “2024 Series A Bonds”); (2) \$[_____] Successor Agency to the Redevelopment Agency for the County of Riverside Desert Communities Redevelopment Project Area 2024 Tax Allocation Refunding Bonds, Series D (the “2024 Series D Bonds”); (3) \$[_____] Successor Agency to the Redevelopment Agency for the County of Riverside Interstate 215 Corridor Redevelopment Project Area 2024 Tax Allocation Refunding Bonds, Series E (the “2024 Series E Bonds”); and (4) \$[_____] Successor Agency to the Redevelopment Agency for the County of Riverside 2024 Tax Allocation Housing Refunding Bonds, Series A (the “2024 Housing Bonds”).

The 2024 Series A Bonds, the 2024 Series D Bonds and the 2024 Series E Bonds (collectively, the “Non-Housing Successor Agency Bonds”) will be issued pursuant to separate indentures of trust (the “Non-Housing Successor Agency Bonds Indentures”), each dated as of [August] 1, 2024, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Successor Agency Bonds Trustee”).

The 2024 Housing Bonds will be issued under that certain Indenture of Trust, dated as of December 1, 2004 (the “2004 Indenture”), as amended and supplemented from time to time, including as amended and supplemented by that certain Ninth Supplement to Indenture of Trust, dated as of [August] 1, 2024 (the “Ninth Supplement”), by and between the Successor Agency and the Successor Agency Bonds Trustee. The 2004 Indenture, as supplemented and amended from time to time, including as supplemented and amended by the Ninth Supplement, is referred to herein as the “Tax-Exempt Housing Bonds Indenture.”

* Preliminary, subject to change.

The Tax-Exempt Housing Bonds Indenture and the Non-Housing Successor Agency Bonds Indentures are referred to herein collectively as the “Successor Agency Bonds Indentures.”

The remaining net proceeds of the Successor Agency Bonds will be used to pay costs of issuance of the Successor Agency Bonds and to satisfy the reserve requirement for each of the Successor Agency Bonds with cash or the provision of the Reserve Policies (as hereinafter defined).

The County

The County of Riverside, California (the “County”) which encompasses 7,177 square miles, was organized in 1893 from territory in San Bernardino and San Diego Counties. Located in the southeastern portion of California, the County is bordered on the north by San Bernardino County, on the east by the State of Arizona, on the South by San Diego and Imperial Counties and on the west by Orange and Los Angeles Counties. There are 28 incorporated cities in the County.

The Authority

The Authority was established pursuant to that certain Joint Exercise of Powers Agreement, dated as of March 20, 1990, as amended and restated pursuant to an Amended and Restated Joint Exercise of Powers Agreement, dated as of May 15, 1999, each by and between the County and the Redevelopment Agency for the County of Riverside, pursuant to Chapter 5, Division 7, Title 1 of the California Government Code (the “Act”). The Authority has the power under the Act to acquire the bonds and other obligations of local agencies (as such term is defined in the Act). The Board of Supervisors of the County (the “County Board”) serves as the Board of Directors of the Authority.

The Successor Agency

As described below, the Successor Agency has succeeded to certain rights of the now dissolved Redevelopment Agency for the County of Riverside (the “Former Agency”). The Former Agency was organized by the County Board in 1985 to exercise the powers granted by the Redevelopment Law (as defined herein).

Pursuant to the Dissolution Act (defined herein), redevelopment agencies in California, including the Former Agency, were dissolved, and with certain exceptions, can no longer conduct redevelopment activities. The Successor Agency, however, is authorized to continue to refinance existing bonds in order to achieve debt service savings. See “– The Project Areas” below. See also “SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY” herein for a discussion of the Dissolution Act, the formation of the Successor Agency, and the current powers, and limitations thereon, of the Successor Agency.

Pursuant to the Dissolution Act, the County has elected to serve as the Successor Agency. The Dissolution Act, however, expressly clarifies that the County and the Successor Agency are separate legal public entities. None of the liabilities of the Former Agency were transferred to the County by the virtue of the County’s election to serve as the Successor Agency.

The Project Areas

The Former Agency was activated on August 6, 1985, by ordinance of the County Board under the Redevelopment Law. At that same time, the County Board declared itself to be the governing body of the Former Agency. The Former Agency established five separate project areas, including the following three Project Areas which generate the respective “Tax Revenues” that are separately pledged to the payment of the principal of and the interest on the Non-Housing Successor Agency Bonds. The three Project Areas that are subject to said pledge for the Non-Housing Successor Agency Bonds are Redevelopment Project Area No. 1-1986 (“Project Area No. 1”), the Desert Communities Redevelopment Project Area (the “Desert Communities Project Area”), and the Interstate 215 Corridor Redevelopment Project Area (the “Interstate 215 Corridor Project Area”) of the Former

Agency. Each series of Non-Housing Successor Agency Bonds is a separate and distinct obligation secured by “Tax Revenues” generated in the project area related to such series of bonds.

Redevelopment Project Area No. 1. The Redevelopment Plan for Project Area No. 1 was adopted by the County Board on December 23, 1986. Project Area No. 1 consists of three sub-areas, totaling approximately 4,651 acres. See “PROJECT AREA NO. 1” herein. Tax Revenues generated therein are pledged only to the 2024 Series A Bonds.

Desert Communities Redevelopment Project Area. The Redevelopment Plan for the Desert Communities Project Area was adopted by the County Board on December 23, 1986. The Desert Communities Project Area consists of ten sub-areas and represents approximately 29,668 acres which produce tax increment in the Desert Communities Project Area. See “DESERT COMMUNITIES REDEVELOPMENT PROJECT AREA” herein. Tax Revenues generated therein are pledged only to the 2024 Series D Bonds.

Interstate 215 Corridor Redevelopment Project Area. The Redevelopment Plan for the Interstate 215 Corridor Project Area was adopted by the County Board on December 23, 1986. The Interstate 215 Corridor Project Area consists of several sub-areas and represents approximately 21,695 acres. See “INTERSTATE 215 CORRIDOR REDEVELOPMENT PROJECT AREA” herein. Tax Revenues generated therein are pledged only to the 2024 Series E Bonds.

Together, Project Area No. 1, the Desert Communities Project Area, and the Interstate 215 Corridor Project Area are referred to as the “Project Areas.”

Prior to the Dissolution Act, the Redevelopment Law required generally that redevelopment agencies set aside in a low and moderate income housing fund (the “Low and Moderate Income Housing Fund”) not less than 20% of all tax revenues allocated to agencies from redevelopment project areas adopted after December 31, 1976, for authorized housing purposes. The 2024 Housing Bonds will be secured by Housing Tax Revenues, which represent 20% of tax revenues generated in all five project areas formed by the Former Agency. In addition to the Project Areas, this includes the Jurupa Valley Redevelopment Project Area (the “Jurupa Valley Project Area”), and the Mid-County Redevelopment Project Area (the “Mid-County Project Area”). See “RPTTF PROJECT AREA; HOUSING SET-ASIDE” herein.

Authority for Issuance of the Bonds and the Successor Agency Bonds

The Bonds are being issued by the Authority pursuant to the provisions of the Act. A portion of the proceeds of the Bonds will be used to purchase the Successor Agency Bonds.

The Successor Agency Bonds are being issued by the Successor Agency pursuant to the Community Redevelopment Law, consisting of Part 1 of Division 24 of the California Health and Safety Code (the “Redevelopment Law”), the provisions of Assembly Bill X1 26, consisting of Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code, as amended by Assembly Bill 1484 (“AB 1484”) and as further amended on September 22, 2015 by Senate Bill 107 (“SB 107” and together the “Dissolution Act”) and Article 11 (commencing with Section 53588) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the “Refunding Law”).

The County has developed a program with the Authority to assist successor agencies within the County to refund tax increment obligations pursuant to the Dissolution Act in order to provide debt service savings to such successor agencies and to increase property tax revenues available for distribution to affected taxing entities.

The issuance of the Successor Agency Bonds is subject to approvals under the Dissolution Act of the Countywide Oversight Board for the County of Riverside (the “Oversight Board”), and the Department of Finance of the State of California (the “DOF”). All such approvals have been obtained. See “SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY.”

The Oversight Board approved the issuance of the Successor Agency Bonds by the Successor Agency by resolution adopted on May 16, 2024. The DOF released its letter approving the Oversight Board’s resolution approving the issuance of the Successor Agency Bonds on [DATE]. See Appendix H “STATE DEPARTMENT OF FINANCE DETERMINATION LETTER APPROVING THE BONDS.”

Terms of the Bonds

The Bonds will be issued in denominations of \$5,000 and any integral multiple thereof. The Bonds will be dated their date of delivery and are payable with respect to interest semiannually each April 1 and October 1, commencing on October 1, 2024.

The Bonds will be delivered in fully-registered form only, and when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Bonds. Ownership interests in the Bonds may be purchased in book-entry form only. Principal of and interest on the Bonds will be paid by the Trustee to DTC or its nominee, which will in turn remit such payments to its Participants (defined herein) for subsequent disbursement to the Owners of the Bonds. See APPENDIX E - “DTC AND THE BOOK-ENTRY SYSTEM” attached hereto.

The Bonds are subject to redemption prior to maturity, as described herein. See “THE BONDS – Redemption of the Bonds” herein.

Security for the Bonds

The Bonds. The Bonds will be secured by a first lien on and pledge of all of the Revenues and a pledge of all of the moneys in the Revenue Fund, the Interest Account and the Principal Account, including all amounts derived from the investment of such moneys. Under the Indenture, “Revenues” means (a) all amounts payable by the Successor Agency to the Authority or the Trustee pursuant to the Successor Agency Bonds, other than (i) administrative fees and expenses and indemnity against claims payable to the Authority and the Trustee and (ii) amounts payable to the United States of America pursuant to the Successor Agency Bonds Indentures; (b) any proceeds of Bonds originally deposited with the Trustee and all moneys deposited and held from time to time by the Trustee in the funds and accounts established under the Indenture; (c) investment income with respect to any moneys held by the Trustee in the funds and accounts established under the Indenture; and (d) any other investment income received under the Indenture.

The Bonds are special obligations of the Authority, payable from and secured as to the payment of the principal thereof and the redemption premium, if any, and the interest thereon in accordance with their terms and the terms of the Indenture. The Bonds shall not constitute a charge against the general credit of the Authority or any of its members, and under no circumstances shall the Authority be obligated to pay principal of or redemption premium, if any, or interest on the Bonds except from Revenues. Neither the State nor any public agency (other than the Authority) nor any member of the Authority is obligated to pay the principal of or redemption premium, if any, or interest on the Bonds, and neither the faith and credit nor the taxing power of the State or any public agency thereof or any member of the Authority is pledged to the payment of the principal of or redemption premium, if any, or interest on the Bonds. The payment of the principal of or redemption premium, if any, or interest on the Bonds does not constitute a debt, liability or obligation of the State or any public agency (other than the Authority) or any member of the Authority.

Security for the Successor Agency Bonds

Non-Housing Successor Agency Bonds. Contemporaneous with the issuance of the Bonds by the Authority, the Successor Agency will issue the Non-Housing Successor Agency Bonds which consist of three separate series of tax allocation refunding bonds payable from tax revenues generated within the Successor Agency’s Project Area No. 1, the Desert Communities Project Area, or the Interstate 215 Corridor Project Area,

as further described below. Each series of Non-Housing Successor Agency Bonds is a separate and distinct obligation secured by “Tax Revenues” generated in the project area related to such series of bonds.

The 2024 Series A Bonds will be secured by a pledge of, security interest in and lien on Tax Revenues (as defined in the Successor Agency Bonds Indenture relating to such bonds), and certain funds and accounts established and held by the Successor Agency or the Successor Agency Bonds Trustee pursuant to the Successor Agency Bonds Indenture for such bonds. Such Tax Revenues generally consist of tax increment revenues from the Successor Agency’s Project Area No. 1, less Project Area No. 1’s Pro Rata Share of Housing Debt Service (as defined below), and are sometimes referred to herein as the “Project Area No. 1 Tax Revenues.”

The 2024 Series D Bonds will be secured by a pledge of, security interest in and lien on Tax Revenues (as defined in the Successor Agency Bonds Indenture relating to such bonds), and certain funds and accounts established and held by the Successor Agency or the Successor Agency Bonds Trustee pursuant to the Successor Agency Bonds Indenture for such bonds. Such Tax Revenues generally consist of tax increment revenues from the Successor Agency’s Desert Communities Project Area, less the Desert Communities Project Area’s Pro Rata Share of Housing Debt Service (as defined below), and are sometimes referred to herein as the “Desert Communities Project Area Tax Revenues.”

The 2024 Series E Bonds will be secured by a pledge of, security interest in and lien on Tax Revenues (as defined in the Successor Agency Bonds Indenture relating to such bonds), and certain funds and accounts established and held by the Successor Agency or the Successor Agency Bonds Trustee pursuant to the Successor Agency Bonds Indenture for such bonds. Such Tax Revenues generally consist of tax increment revenues from the Successor Agency’s Interstate 215 Corridor Project Area, less the Interstate 215 Corridor Project Area’s Pro Rata Share of Housing Debt Service (as defined below), and are sometimes referred to herein as the “Interstate 215 Corridor Project Area Tax Revenues.”

Prior to the enactment of the Dissolution Act, 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 becomes the base year valuation. Assuming the taxable valuation never drops 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 agency obligations. The respective tax revenues pledged to the Non-Housing Successor Agency Bonds consist of a portion of such incremental tax revenues.

See “SECURITY FOR THE SUCCESSOR AGENCY BONDS – Pledge Under Successor Agency Bonds Indentures,” herein.

2024 Housing Bonds. The 2024 Housing Bonds will be secured by Housing Tax Revenues which generally consist of amounts deposited in the Redevelopment Property Tax Trust Fund (“RPTTF” or “Redevelopment Property Tax Trust Fund”) that, but for the Dissolution Act, would have been deposited in the Low and Moderate Income Housing Fund, and represent a portion (not less than 20%) of the tax revenues from all five of the Successor Agency’s project areas.

Before it was amended by the Dissolution Act, the Redevelopment Law required the Former Agency to set aside not less than 20% of all tax increment generated in all five of its 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.

Section 34177.5(a)(1)(B) of the Dissolution Act provides that “the successor agency may pledge to the refunding bonds or other indebtedness the revenues pledged to the bonds or other indebtedness being refunded, and that pledge, when made in connection with the issuance of such refunding bonds or other indebtedness, shall have the same lien priority as the pledge of the bonds or other obligations to be refunded, and shall be valid, binding, and enforceable in accordance with its terms.” See “SECURITY FOR THE SUCCESSOR AGENCY BONDS – Pledge of Housing Tax Revenues for 2024 Housing Bonds.”

Based on the authority granted by Section 34177.5(a)(1)(B), the Successor Agency has pledged to the payment of debt service on the 2024 Housing Bonds the same Housing Tax Revenues that were pledged to the payment of the 2014 Housing Bonds to be refunded by the 2024 Housing Bonds. Accordingly, although for most purposes under the Dissolution Act tax increment revenues are no longer required to be set aside to finance low and moderate income housing, for purposes of the payment of debt service on the 2024 Housing Bonds, Housing Tax Revenues must be made available in compliance with the authority to pledge such Housing Tax Revenues that is granted to the Successor Agency by Section 34177.5(a)(1)(B) of the Dissolution Act.

Residual RPTTF Pledge. The Successor Agency Bonds will also be secured by the pledge and lien created with respect to the Successor Agency Bonds by Section 34177.5(g) of the California Health and Safety Code on moneys deposited or available for deposit from time to time in the Redevelopment Property Tax Trust Fund for the Successor Agency established and held by the County Auditor-Controller pursuant to the Dissolution Act, provided, however, that such pledge and lien shall only be with respect to the amounts on deposit in the Redevelopment Property Tax Trust Fund after amounts on deposit therein have been set aside and reserved, in the manner required in the applicable indentures or other relevant documents, to (i) pay debt service on the other bonds of the Former Agency and the Successor Agency, including bonds issued for the benefit of other project areas of the Former Agency and bonds secured by the amounts required, prior to the Dissolution Act, to be deposited in the former low and moderate income housing fund of the Former Agency and (ii) amounts due pursuant to tax sharing agreements, owner participation agreements, development agreements and other similar agreements that are senior to the payment of the debt service on the Successor Agency Bonds and the bonds described in (i) above. Such pledge and lien for the Successor Agency Bonds is on a parity basis with all refunding bonds issued by the Successor Agency, unless otherwise specified in connection with the issuance of such refunding bonds. The moneys deposited or available for deposit from time to time in the Redevelopment Property Tax Trust Fund after amounts on deposit therein have been set aside and reserved, in the manner required in the applicable indentures or other relevant documents, to pay the items described in clauses (i) and (ii) above are sometimes referred to herein as “Residual RPTTF.” See “SECURITY FOR THE SUCCESSOR AGENCY BONDS – Pledge Under Successor Agency Bonds Indentures – Residual RPTTF Parity Pledge for All Successor Agency Bonds.”

No Cross-Collateralization. Each series of Non-Housing Successor Agency Bonds is a separate and distinct obligation secured by “Tax Revenues” generated in the project area to which such series of bonds relates to, and the 2024 Housing Bonds are separate and distinct obligations secured by Housing Tax Revenues. Tax Revenues from a project area may only be used to pay debt service on the series of Non-Housing Successor Agency Bonds issued for such project area, and Housing Tax Revenues may only be used to pay debt service on the 2024 Housing Bonds. The Successor Agency Bonds will be payable on a parity with certain outstanding bonds of the Successor Agency. See “– Additional Debt” below. Tax revenues generated from all five of the Successor Agency’s project areas are available to pay debt service on all refunding bonds issued by the Successor Agency, including the Successor Agency Bonds, on parity basis to the extent such tax revenues constitute Residual RPTTF. See “– Residual RPTTF Pledge,” above, and “SECURITY FOR THE SUCCESSOR AGENCY BONDS,” herein.

Sufficiency of Payments. Payments under the Successor Agency Bonds are calculated to be sufficient to permit the Authority to pay the principal of, premium, if any, and interest on the Bonds when due. The Successor Agency Bonds will be registered in the name of the Trustee and payments of debt service on the Successor Agency Bonds will be paid to the Trustee as assignee of the Authority.

Limited Obligation. The Successor Agency Bonds are not a debt of the County, the State of California or any other political subdivision of the State other than the Successor Agency, and neither the State, the County nor any of the State’s other political subdivisions is liable therefor, nor in any event shall the Successor Agency Bonds be payable out of any funds or properties other than those of the Successor Agency pledged therefor as provided in the Successor Agency Bonds Indentures.

See “SECURITY FOR THE BONDS” and “SECURITY FOR THE SUCCESSOR AGENCY BONDS.” See also APPENDIX D - “SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS” attached hereto for a summary of certain provisions of the Indenture and the Successor Agency Bonds Indentures.

Additional Authority Debt

Other than with respect to the Bonds, the Authority may not issue or incur any obligations payable from Revenues, except that the Authority may issue refunding bonds payable out of the Revenues that refund the Bonds in part so long as the aggregate debt service payable on the refunding bonds is less than the aggregate debt service on the Bonds refunded.

Successor Agency Parity Debt

Outstanding Parity Bonds. As more fully described under “SECURITY FOR THE SUCCESSOR AGENCY BONDS,” the Successor Agency has certain outstanding bonds issued by the Former Agency and Successor Agency on behalf of each Project Area that are payable on a parity basis with the Successor Agency Bonds as described below.

Project Area No. 1. The Successor Agency previously issued the following bonds which are outstanding and secured by tax increment revenues from Project Area No. 1. A portion of the proceeds of the 2024 Series A Bonds will be used to defease and redeem the Successor Agency’s outstanding Redevelopment Project Area No. 1 2014 Tax Allocation Refunding Bonds, Series A (the “2014 Series A Bonds”). See “PLAN OF REFINANCE” herein. The bonds listed in the table below, other than the 2014 Series A Bonds to be redeemed, are referred to herein as the “Project Area No. 1 Parity Bonds” and will be on a parity with the 2024 Series A Bonds.

**Project Area No. 1
Outstanding Parity Bonds**

<u>Series</u>	<u>Final Maturity Date</u>	<u>Original Par Amount</u>	<u>Amount Outstanding⁽¹⁾</u>
2014 Series A Bonds ⁽²⁾	October 1, 2037	\$19,620,000	\$14,245,000
Project Area No. 1 2015 Tax Allocation Refunding Bonds, Series A	October 1, 2037	22,460,000	16,570,000
Project Area No. 1 2016 Tax Allocation Refunding Bonds, Series A	October 1, 2037	16,365,000	12,510,000

⁽¹⁾ As of July 1, 2024.

⁽²⁾ To be refunded with the 2024 Series A Bonds.

Desert Communities Project Area. The Successor Agency previously issued the following bonds which are outstanding and secured by tax increment revenues from the Desert Communities Project Area. A portion of the proceeds of the 2024 Series D Bonds will be used to defease and redeem the Successor Agency’s outstanding Desert Communities Redevelopment Project Area 2014 Tax Allocation Refunding Bonds, Series D (the “2014 Series D Bonds”). See “PLAN OF REFINANCE” herein. The bonds listed in the table below, other than the 2014 Series D Bonds to be redeemed, are referred to herein as the “Desert Communities Parity Bonds” and will be on a parity with the 2024 Series D Bonds.

**Desert Communities Project Area
Outstanding Parity Bonds**

<u>Series</u>	<u>Final Maturity Date</u>	<u>Original Par Amount</u>	<u>Amount Outstanding⁽¹⁾</u>
2014 Series D Bonds ⁽²⁾	October 1, 2037	\$28,130,000	\$21,045,000
Desert Communities Redevelopment Project Area 2015 Tax Allocation Refunding Bonds, Series D	October 1, 2037	13,620,000	10,330,000
Desert Communities Redevelopment Project Area 2016 Tax Allocation Refunding Bonds, Series D	October 1, 2037	50,800,000	38,100,000
Desert Communities Redevelopment Project Area 2017 Tax Allocation Refunding Bonds, Series D	October 1, 2037	30,385,000	28,130,000

⁽¹⁾ As of July 1, 2024.

⁽²⁾ To be refunded with the 2024 Series D Bonds.

Interstate 215 Corridor Project Area. The Successor Agency previously issued the following bonds which are outstanding and secured by tax increment revenues from the Interstate 215 Corridor Project Area. A portion of the proceeds of the 2024 Series E Bonds will be used to defease and redeem the Successor Agency’s outstanding Interstate 215 Corridor Redevelopment Project Area 2014 Tax Allocation Refunding Bonds, Series E (the “2014 Series E Bonds”). See “PLAN OF REFINANCE” herein. The bonds listed in the table below, other than the 2014 Series E Bonds to be redeemed, are referred to herein as the “Interstate 215 Corridor Parity Bonds” and will be on a parity with the 2024 Series E Bonds.

**Interstate 215 Corridor Project Area
Outstanding Parity Bonds**

<u>Series</u>	<u>Final Maturity Date</u>	<u>Original Par Amount</u>	<u>Amount Outstanding⁽¹⁾</u>
2014 Series E Bonds ⁽²⁾	October 1, 2037	\$16,545,000	\$12,655,000
Interstate 215 Corridor Redevelopment Project Area 2015 Tax Allocation Refunding Bonds, Series E	October 1, 2037	18,875,000	13,325,000
Interstate 215 Corridor Redevelopment Project Area 2016 Tax Allocation Refunding Bonds, Series E	October 1, 2037	21,730,000	16,635,000
Interstate 215 Corridor Redevelopment Project Area 2017 Tax Allocation Refunding Bonds, Series E	October 1, 2040	50,255,000	42,345,000

⁽¹⁾ As of July 1, 2024.

⁽²⁾ To be refunded with the 2024 Series E Bonds.

Housing Set-Aside. The Successor Agency previously issued the following bonds which are outstanding and secured by Housing Tax Revenues from all five project areas. A portion of the proceeds of the 2024 Series A Housing Bonds will be used to defease and redeem the Successor Agency’s outstanding 2014 Tax Allocation Housing Refunding Bonds, Series A (the “2014 Housing Bonds”). See “PLAN OF REFINANCE” herein. The bonds listed in the table below, other than the 2014 Housing Bonds to be redeemed, are referred to herein as the “Housing Parity Bonds” and will be on a parity with the 2024 Housing Bonds.

**Housing Set-Aside
Outstanding Parity Bonds**

<u>Series</u>	<u>Final Maturity Date</u>	<u>Original Par Amount</u>	<u>Amount Outstanding⁽¹⁾</u>
2004 Taxable Tax Allocation Housing Bonds, Series A-T	October 1, 2028	\$37,000,000	\$10,115,000
2014 Housing Bonds ⁽²⁾	October 1, 2037	\$36,465,000	36,465,000
2015 Tax Allocation Housing Refunding Bonds, Series A	October 1, 2033	13,545,000	8,765,000
2017 Tax Allocation Housing Refunding Bonds, Series A	October 1, 2039	18,135,000	17,510,000
2017 Taxable Tax Allocation Housing Refunding Bonds, Series A-T	October 1, 2037	53,360,000	38,765,000
2017 Tax Allocation Housing Refunding Bonds, Series B	October 1, 2042	26,546,807	25,616,535

⁽¹⁾ As of July 1, 2024.

⁽²⁾ To be refunded with the 2024 Housing Bonds.

Future Parity Debt. With respect to each series of Successor Agency Bonds, the Successor Agency may issue or incur additional bonds, notes, loans, advances or other indebtedness payable from the respective Tax Revenues or Housing Tax Revenues, as applicable, securing such Successor Agency Bonds solely for the purpose of refunding such Successor Agency Bonds or bonds, notes, loans, advances or other indebtedness payable from such Tax Revenues on a parity therewith, subject to the satisfaction of certain conditions precedent set forth in the Successor Agency Bonds Indenture relating to such Successor Agency Bonds.

Such additional bonds, notes, loans, advances or other indebtedness payable from the Project Area No. 1 Tax Revenues on a parity with the 2024 Series A Bonds and the Project Area No. 1 Parity Bonds are referred to herein collectively as the “Project Area No. 1 Parity Debt.” Such additional bonds, notes, loans, advances or other indebtedness payable from the Desert Communities Tax Revenues on a parity with the 2024 Series D Bonds and the Desert Communities Project Area Parity Bonds are referred to herein collectively as the “Desert Communities Parity Debt.” Such additional bonds, notes, loans, advances or other indebtedness payable from the Interstate 215 Corridor Project Area Tax Revenues on a parity with the 2024 Series E Bonds and the Interstate 215 Corridor Parity Bonds are referred to herein collectively as the “Interstate 215 Parity Debt.” Such additional bonds, notes, loans, advances or other indebtedness payable from the Project Area No. 1 Tax Revenues on a parity with the 2024 Housing Bonds and the Housing Parity Bonds are referred to herein collectively as “Housing Parity Debt.”

The Project Area No. 1 Parity Debt, the Desert Communities Parity Debt, Interstate 215 Corridor Parity Debt and the Housing Parity Debt is sometimes referred to in this Official Statement as “Parity Debt.”

The Successor Agency covenants that so long as any of the Successor Agency Bonds remain Outstanding, the Successor Agency will not issue any bonds, notes or other obligations that are otherwise secured on a basis which is senior to the pledge and lien which secures the Successor Agency Bonds.

See “SECURITY FOR THE SUCCESSOR AGENCY BONDS – Additional Successor Agency Parity Debt.”

Outstanding Successor Agency Subordinate Bonds. The Successor Agency previously issued its Desert Communities Redevelopment Project Area 2020 Second Lien Tax Allocation Refunding Bonds, Series D (the “2020 Series D Subordinate Bonds”) in the original principal amount of \$5,585,000 of which \$4,695,000 remain outstanding. The 2020 Series D Subordinate Bonds are payable on a basis subordinate to the payment of the 2024 Series D Bonds and the Desert Communities Parity Bonds. Additionally, the Successor Agency previously issued its Interstate 215 Corridor Redevelopment Project Area 2020 Second Lien Tax Allocation Bonds, Series E (the “2020 Series E Subordinate Bonds”) in the original principal amount of \$8,120,000, of which \$7,605,000 remain outstanding. The 2020 Series E Subordinate Bonds are payable on a basis subordinate to the payment of the 2024 Series E Bonds and the Interstate 215 Corridor Parity Bonds.

The Successor Agency may issue or incur subordinate refunding debt subject to the satisfaction of certain conditions precedent set forth in the Successor Agency Bonds Indentures.

Municipal Bond Insurance for the Bonds

Concurrently with the issuance of the Bonds, [Build America Mutual Assurance Company (“BAM” or the “Insurer”)] will issue its Municipal Bond Insurance Policy (the “Policy”) for the Bonds maturing on October 1 of the years 20[] through 20[], inclusive, and October 1, 20[], as indicated on the inside cover hereof (together, the “Insured Bonds”). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due. A form of the Policy is included as Appendix H to this Official Statement.

Debt Service Reserve Accounts for the Successor Agency Bonds

In order to further secure the payment of the principal of and interest on the Successor Agency Bonds, the Successor Agency will establish a debt service reserve subaccount (the “Reserve Subaccounts”) for each series of Successor Agency Bonds in an amount equal to the “Reserve Requirement” applicable thereto.

The Successor Agency will satisfy the Reserve Requirement for the 2024 Series A Bonds on the date the Successor Agency Bonds are issued by depositing in the Reserve Subaccount established for the 2024 Series A Bonds (the “2024 Series A Subaccount of the Reserve Account”) a portion of the proceeds of such bonds in an amount equal to \$[]. The Reserve Requirement for the 2024 Series A Bonds will be calculated separately without regard to any other bonds. Amounts on deposit in the 2024 Series A Subaccount of the Reserve Account will be available to pay debt service only on the 2024 Series A Bonds and any other Parity Debt issued that the Successor Agency elects to be secured by such Reserve Subaccount. See “SECURITY FOR THE SUCCESSOR AGENCY BONDS – Funds and Accounts Under Successor Agency Bonds Indentures – Flow of Funds Under Successor Agency Bonds Indentures” and “– Debt Service Reserve Accounts.”

The Successor Agency will satisfy the Reserve Requirement for the 2024 Series E Bonds on the date the Successor Agency Bonds are issued by depositing in the Reserve Subaccount established for the 2024 Series E Bonds (the “2024 Series E Subaccount of the Reserve Account”) a portion of the proceeds of such bonds in an amount equal to \$[]. The Reserve Requirement for the 2024 Series E Bonds will be calculated on a combined basis with the Successor Agency to the Redevelopment Agency for the County of Riverside Interstate 215 Corridor Redevelopment Project Area 2015 Tax Allocation Refunding Bonds, Series E (the “2015 Series E Bonds”). On the date the Successor Agency Bonds are issued, amounts on deposit in the 2024 Series E Subaccount of the Reserve Account and the Reserve Subaccount for the 2015 Series E Bonds (the “2015 Series E Subaccount of the Reserve Account”) in the approximate amount of \$[] will equal the Reserve Requirement for the 2024 Series E Bonds and the 2015 Series E Bonds, on a combined basis. Amounts on deposit in the 2024 Series E Subaccount of the Reserve Account and the 2015 Series E Subaccount of the Reserve Account will be available to pay debt service only on the 2024 Series E Bonds, the 2015 Series E Bonds and any other Parity Debt issued in the future that the Successor Agency elects to be secured by such Reserve Subaccount. See “SECURITY FOR THE SUCCESSOR AGENCY BONDS – Funds and Accounts Under Successor Agency Bonds Indentures – Flow of Funds Under Successor Agency Bonds Indentures” and “– Debt Service Reserve Accounts.”

The Successor Agency will initially satisfy the Reserve Requirement for each of the 2024 Series D Bonds and the 2024 Housing Bonds by purchasing a Municipal Bond Debt Service Reserve Fund Insurance Policy for the 2024 Series D Bonds (the “2024 Series D Bonds Reserve Policy”) and for the 2024 Housing Bonds (the “2024 Housing Bonds Reserve Policy” and together with the 2024 Series D Bonds Reserve Policy, the “Reserve Policies”) issued by the Insurer. The respective Reserve Requirement for the 2024 Series E Bonds and the 2024 Housing Bonds will be calculated separately and without regard to any other bonds. The 2024 Series D Bonds Reserve Policy will be deposited in the Reserve Subaccount established for the 2024 Series D Bonds (the “Series 2024 Series D Subaccount of the Reserve Account”) and the 2024 Housing Bonds Reserve Policy will be deposited in the Reserve Subaccount established for the 2024 Housing Bonds (the “2024 Series A Housing Subaccount of the Reserve Account”). The 2024 Series D Bonds Reserve Policy and the 2024 Housing Bonds Reserve Policy will have a stated amount equal to the Reserve Requirement for the 2024 Series D Bonds and the 2024 Housing Bonds, respectively, on the date the Successor Agency Bonds are issued. See “SECURITY FOR THE SUCCESSOR AGENCY BONDS – Municipal Bond Debt Service Reserve Insurance Policies.”

Professionals Involved in the Offering

The Bank of New York Mellon Trust Company, N.A., Los Angeles, California, will act as trustee with respect to the Bonds and the Successor Agency Bonds under the Indenture and the Successor Agency Bonds Indentures.

Columbia Capital Management, LLC, Carlsbad, California, has acted as Municipal Advisor to the Authority and the Successor Agency in the structuring and presentation of the financing.

Urban Analytics, LLC, San Francisco, California, has acted as Fiscal Consultant to the Successor Agency and has prepared an analysis of taxable values and tax increment revenues in the Project Areas and for the Housing Set-Aside. See APPENDIX A - "REPORT OF FISCAL CONSULTANT" herein.

All proceedings in connection with the issuance of the Bonds and the Successor Agency Bonds are subject to the approval of Anzel Galvan LLP, San Francisco, California, Bond Counsel. Best Best & Krieger LLP is acting as Disclosure Counsel. Certain legal matters will be passed on for the Authority and the Successor Agency by the Office of the County of Riverside County Counsel. Stradling Yocca Carlson & Rauth, LLP, will be acting as counsel to Loop Capital Markets LLC and Samuel A. Ramirez & Co., Inc. (collectively, the "Underwriter"). The fees and expenses of the Municipal Advisor, Bond Counsel, Disclosure Counsel and Underwriter's Counsel are contingent upon the sale and delivery of the Bonds.

For information concerning respects in which certain of the above-mentioned professionals, advisors, counsel and consultants may have a financial or other interest in the offering of the Bonds, see "OTHER INFORMATION – Financial Interests."

Continuing Disclosure

With respect to continuing disclosure, the Successor Agency will prepare and provide annual updates of the information contained in the tables included in this Official Statement with respect to property tax revenues, collections, any material delinquencies, principal taxpayers, and notices of enumerated events required under the Continuing Disclosure Agreement. [The Authority] will act as Dissemination Agent and will ensure that the annual reports and notices are filed with the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access system ("EMMA"). See the caption "OTHER INFORMATION – Continuing Disclosure" and APPENDIX G - "FORM OF CONTINUING DISCLOSURE AGREEMENT."

Reference to Underlying Documents

Brief descriptions of the Bonds, the Indenture, the Successor Agency Bonds Indentures, the Successor Agency Bonds, the Authority, the County, the Successor Agency, the Successor Agency's project areas and other related information are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of and references to all documents, statutes, reports and other instruments referred to herein are qualified in their entirety by reference to such document, statute, report or instrument, copies of which are all available for inspection at the offices of the Successor Agency. Certain capitalized terms used and not defined herein shall have the meaning given to those terms in APPENDIX D - "SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS" attached hereto.

PLAN OF REFINANCE

The Bonds are being issued to provide funds to purchase the Successor Agency Bonds and pay costs of issuance of the Bonds. The net proceeds of each series of Successor Agency Bonds will be used to refund certain outstanding tax allocation refunding bonds of the Successor Agency as described below. The remaining proceeds of the Successor Agency Bonds will be used to (i) satisfy the applicable reserve requirement for such Successor Agency Bonds by depositing cash or purchasing a debt service reserve policy for such Successor Agency Bonds,

and (ii) pay costs of issuance of the Successor Agency Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” herein.

Refunding of Project Area No. 1 2014 Series A Bonds

A portion of the proceeds of the 2024 Series A Bonds will be used by the Successor Agency to defease and redeem all of the outstanding 2014 Series A Bonds.

The Successor Agency previously issued its 2014 Series A Bonds, which are currently outstanding in the aggregate principal amount of \$14,245,000. The 2014 Series A Bonds were issued pursuant to that certain Indenture of Trust (the “2014 Series A Indenture”), dated as of [October 1, 2014], by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Prior Trustee”).

On the date of issuance of the 2024 Series A Bonds, a portion of the proceeds thereof will be transferred to The Bank of New York Mellon Trust Company, N.A., as escrow agent (the “2014A Escrow Agent”) for deposit into an escrow fund established for the 2014 Series A Bonds (the “2014A Escrow Fund”) and held by the 2014A Escrow Agent under that certain Escrow Agreement (the “2014A Escrow Agreement”), dated as of August 1, 2024, by and between the Successor Agency and the 2014A Escrow Agent, as trustee for the 2014 Series A and as trustee for the 2024 Series A Bonds.

The 2014A Escrow Agent will invest a portion of the funds on deposit in the 2014A Escrow Fund in federal securities and will hold the remainder in cash, uninvested. From the proceeds on deposit in the 2014A Escrow Fund, the 2014A Escrow Agent will pay (i) on October 1, 2024, the principal and interest payment for the 2014 Series A Bonds due on said date, and (ii) on November 5, 2024, the principal amount of all of the outstanding 2014 Series A Bonds and the accrued interest thereon to the date of repayment, without premium.

The amounts in the 2014A Escrow Fund are pledged solely to the amounts due and payable by the Successor Agency with respect to the outstanding 2014 Series A Bonds. The funds deposited in the 2014A Escrow Fund will not be available for the payment of debt service on any other bonds, including without limitation, the Bonds and the Successor Agency Bonds.

2014 SERIES A BONDS TO BE REFUNDED

Maturity Date (October 1)	CUSIP	Principal Amount	Redemption Date	Redemption Price (% of Par Amount)
2024	76913ABN2	\$ 740,000	[DATE]	100%
2025	76913ABP7	780,000		100
2026	76913ABQ5	820,000		100
2027	76913ABR3	860,000		100
2028	76913ABS1	885,000		100
2029	76913ABT9	915,000		100
2030	76913ABU6	955,000		100
2031	76913ABV4	1,000,000		100
2032	76913ABX0	1,045,000		100
2037 ^(T)	76913ABW2	6,245,000		100

^(T) Term Bond.

Refunding of Desert Communities 2014 Series D Bonds

A portion of the proceeds of the 2024 Series D Bonds will be used by the Successor Agency to defease and redeem all of the outstanding 2014 Series D Bonds.

The Successor Agency previously issued its 2014 Series D Bonds, which are currently outstanding in the aggregate principal amount of \$21,045,000. The 2014 Series D Bonds were issued pursuant to that certain

Indenture of Trust (the “2014 Series D Indenture”), dated as of October 1, 2014, by and between the Successor Agency and the Prior Trustee.

On the date of issuance of the 2024 Series D Bonds, a portion of the proceeds thereof will be transferred to The Bank of New York Mellon Trust Company, N.A., as Escrow Agent (the “2014D Escrow Agent”) for deposit into an escrow fund established for the 2014 Series D Bonds (the “2014D Escrow Fund”) and held by the 2014D Escrow Agent under that certain Escrow Agreement (the “2014D Escrow Agreement”), dated as of August 1, 2024, by and between the Successor Agency and 2014D Escrow Agent, as trustee for the 2014 Series D Bonds and as trustee for the 2024 Series D Bonds. The 2014D Escrow Agent will invest a portion of the funds on deposit in the 2014D Escrow Fund in federal securities and will hold the remainder in cash, uninvested. From the proceeds on deposit in the 2014D Escrow Fund, the 2014D Escrow Agent will pay (i) on October 1, 2024, the principal and interest payment for the 2014 Series D Bonds due on said date, and (ii) on November 5, 2024, the principal amount of all of the outstanding 2014 Series D Bonds and the accrued interest thereon to the date of repayment, without premium.

The amounts in the 2014D Escrow Fund are pledged solely to the amounts due and payable by the Successor Agency with respect to the outstanding 2014 Series D Bonds. The funds deposited in the 2014D Escrow Fund will not be available for the payment of debt service on any other bonds, including without limitation, the Bonds and the Successor Agency Bonds.

2014 SERIES D BONDS TO BE REFUNDED

Maturity Date (October 1)	CUSIP	Principal Amount	Redemption Date	Redemption Price (% of Par Amount)
2024	76913AAT0	\$ 985,000	[DATE]	100%
2025	76913AAU7	1,030,000		100
2026	76913AAV5	1,080,000		100
2027	76913AAW3	1,135,000		100
2028	76913AAX1	1,175,000		100
2029	76913AAY9	1,210,000		100
2030	76913AAZ6	1,250,000		100
2031	76913ABA0	1,315,000		100
2032	76913ABB8	1,380,000		100
2037 ^(T)	76913ABC6	10,485,000		100

^(T) Term Bond.

Refunding of Interstate 215 2014 Series E Bonds

A portion of the proceeds of the 2024 Series E Bonds will be used by the Successor Agency to defease and redeem all of the outstanding 2014 Series E Bonds.

The Successor Agency previously issued its 2014 Series E Bonds currently outstanding in the aggregate principal amount of \$12,655,000. The 2014 Series E Bonds were issued pursuant to that certain Indenture of Trust (the “2014 Series E Indenture”), dated as of October 1, 2014, by and between the Successor Agency and the Prior Trustee.

On the date of issuance of the 2024 Series E Bonds, a portion of the proceeds thereof will be transferred to The Bank of New York Mellon Trust Company, N.A., as Escrow Agent (the “2014E Escrow Agent”) for deposit into an escrow fund established for the 2014 Series E Bonds (the “2014E Escrow Fund”) and held by the 2014E Escrow Agent under that certain Escrow Agreement (the “2014E Escrow Agreement”), dated as of August 1, 2024, by and between the Successor Agency and the 2014E Escrow Agent, as trustee for the 2014 Series E Bonds and as trustee for the 2024 Series E Bonds. The 2014E Escrow Agent will invest a portion of the funds on deposit in the 2014E Escrow Fund in federal securities and will hold the remainder in cash, uninvested. From the proceeds on deposit in the 2014E Escrow Fund, the 2014E Escrow Agent will pay (i) on October 1, 2024, the principal and

interest payment for the 2014 Series E Bonds due on said date, and (ii) on November 5, 2024, the principal amount of all of the outstanding 2014 Series E Bonds and the accrued interest thereon to the date of repayment, without premium.

The amounts in the 2014E Escrow Fund are pledged solely to the amounts due and payable by the Successor Agency with respect to the outstanding 2014 Series E Bonds. The funds deposited in the 2014E Escrow Fund will not be available for the payment of debt service on any other bonds, including without limitation, the Bonds and the Successor Agency Bonds.

2014 SERIES E BONDS TO BE REFUNDED

Maturity Date (October 1)	CUSIP	Principal Amount	Redemption Date	Redemption Price (% of Par Amount)
2024	76913ACH4	\$ 540,000	[DATE]	100%
2025	76913ACJ0	570,000		100
2026	76913ACK7	600,000		100
2027	76913ACL5	630,000		100
2028	76913ACM3	650,000		100
2029	76913ACN1	670,000		100
2030	76913ACP6	695,000		100
2031	76913ACQ4	720,000		100
2032	76913ACR2	760,000		100
2037 ^(T)	76913ACS0	6,820,000		100

^(T) Term Bond.

Refunding of 2014 Housing Bonds

A portion of the proceeds of the 2024 Housing Bonds will be used by the Successor Agency to defease and redeem all of the outstanding 2014 Housing Bonds.

The Successor Agency previously issued its 2014 Housing Bonds, which are currently outstanding in the aggregate principal amount of \$36,465,000. The 2014 Housing Bonds were issued pursuant to that certain Indenture of Trust, dated as of December 1, 2004, as supplemented and amended from time to time up to and including the Fifth Supplement to Indenture of Trust, dated as of October 1, 2014, by and between the Successor Agency and the Prior Trustee (the “2014 Housing Bonds Indenture” and together with the 2014 Series A Indenture, 2014 Series D Indenture, and the 2014 Series E Indenture, the “Prior Agency Indentures”).

On the date of issuance of the 2024 Housing Bonds, a portion of the proceeds thereof will be transferred to The Bank of New York Mellon Trust Company, N.A., as Escrow Agent (the “2014 Housing Bonds Escrow Agent”) for deposit into an escrow fund established for the 2014 Housing Bonds (the “2014 Housing Bonds Escrow Fund” and, together with the 2014A Escrow Fund, 2014D Escrow Fund, and the 2014E Escrow Fund, the “Escrow Funds”) under that certain Escrow Agreement (the “2014 Housing Bonds Escrow Agreement”), dated as of August 1, 2024, by and between the Successor Agency and the 2014 Housing Bonds Escrow Agent, as trustee for the 2014 Housing Bonds and as trustee for the 2024 Housing Bonds. [The 2014 Housing Bonds Escrow Agent will invest a portion of the funds on deposit in the 2014 Housing Bonds Escrow Fund in federal securities and will hold the remainder in cash, uninvested.] From the proceeds on deposit in the 2014 Housing Bonds Escrow Fund, the 2014 Housing Bonds Escrow Agent will pay (i) on October 1, 2024, the principal and interest payment for the 2014 Housing Bonds due on said date, and (ii) on November 5, 2024, the principal amount of all of the outstanding 2014 Housing Bonds and the accrued interest thereon to the date of repayment, without premium..

The amounts in the 2014 Housing Bonds Escrow Fund are pledged solely to the amounts due and payable by the Successor Agency with respect to the outstanding 2014 Housing Bonds. The funds deposited in the 2014 Housing Bonds Escrow Fund will not be available for the payment of debt service on any other bonds, including without limitation, the Bonds and the Successor Agency Bonds.

2014 HOUSING BONDS TO BE REFUNDED

Maturity Date (October 1)	CUSIP	Principal Amount	Redemption Date	Redemption Price (% of Par Amount)
2024	76913AAA1	\$ 1,770,000	[DATE]	100%
2025	76913AAB9	2,655,000		100
2026	76913AAC7	2,785,000		100
2027	76913AAD5	2,930,000		100
2028	76913AAE3	3,075,000		100
2029	76913AAF0	3,230,000		100
2030	76913AAG8	4,680,000		100
2031	76913AAA1	1,770,000		100
2032	76913AAB9	2,655,000		100
2037 ^(T)	76913AAH6	15,340,000		100

^(T) Term Bond.

Verification of Mathematical Accuracy

The sufficiency of the deposits in the Escrow Funds for the above purposes will be verified by Causey, Demgen & Moore PC, Denver, Colorado (the “Verification Agent”). See “OTHER INFORMATION - Verification of Mathematical Computations” herein. Assuming the accuracy of the Verification Agent’s computations, as a result of the deposit and application of funds as provided in the Escrow Funds, the Successor Agency’s obligations under the Prior Agency Indentures related to the 2014 Series A Bonds, 2014 Series D Bonds, 2014 Series E Bonds, and the 2014 Housing Bonds will be discharged. See “ESTIMATED SOURCES AND USES OF FUNDS” below. See also “OTHER INFORMATION – Verification of Mathematical Computations.”

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ESTIMATED SOURCES AND USES OF FUNDS

Set forth below are the estimated sources and uses of proceeds of the Authority Bonds.

Sources:

Par Amount of Bonds	\$
Net Original Issue Premium	
TOTAL SOURCES	\$

Uses:

Deposit to Bond Purchase Fund	\$
Costs of Issuance ⁽¹⁾	
TOTAL USES:	\$

⁽¹⁾ Includes allocable share of Underwriter's Discount, Bond Counsel and Disclosure Counsel fees, printing, rating agency fees and expenses, fees of the Municipal Advisor, fees of the Fiscal Consultant, [Policy premium], and other issuance costs of the Bonds.

Set forth below are the estimated sources and uses of proceeds of the Successor Agency Bonds.

	<u>2024 Series A</u> <u>Bonds</u>	<u>2024 Series D</u> <u>Bonds</u>	<u>2024 Series E</u> <u>Bonds</u>	<u>2024 Housing</u> <u>Bonds</u>
<u>Sources:</u>				
Par Amount of Successor Agency Bonds	\$	\$	\$	\$
[Plus/less] [Net] Original Issue [Premium/Discount]				
Less Allocable Share of Costs of Issuance ⁽¹⁾				
Plus Funds on hand from Prior Successor Agency Bonds				
TOTAL SOURCES:	\$	\$	\$	\$
<u>Uses:</u>				
Deposit to 2014A Escrow Fund	\$			
Deposit to 2014D Escrow Fund				
Deposit to 2014E Escrow Fund				
Deposit to 2014 Housing Bonds Escrow Fund				
Deposit to 2024 Series A Subaccount of the Reserve Account ⁽²⁾				
Deposit to 2024 Series E Subaccount of the Reserve Account ⁽³⁾				
Allocable Share of Costs of Issuance ⁽¹⁾				
TOTAL USES:	\$			\$

⁽¹⁾ Includes allocable share of Underwriter's Discount, Bond Counsel and Disclosure Counsel fees, printing, rating agency fees and expenses, fees of the Municipal Advisor, fees of the Fiscal Consultant, [Policy premium], and other issuance costs of the Successor Agency Bonds. For the 2024 Series D Bonds and the 2024 Housing Bonds, costs of issuance also include premiums on the 2024 Series D Reserve Insurance Policy and 2024 Housing Bonds Reserve Insurance Policy.

⁽²⁾ To satisfy the Reserve Requirement for the 2024 Series A Bonds as of the Closing Date.

⁽³⁾ To satisfy the Reserve Requirement for the 2024 Series E Bonds, which together with amounts on deposit in the Reserve Subaccount for the 2015 Series E Bonds, is an amount sufficient to satisfy the 2015 Series E Bonds and 2024 Series E Bonds Reserve Requirements on a combined basis, as of the Closing Date.

ANNUAL DEBT SERVICE REQUIREMENTS OF THE BONDS

The following table provides the annual debt service requirements of the Bonds, assuming no optional redemption.

Period Ending (October 1)	<u>Principal</u>	<u>Interest</u>	<u>Total</u>⁽¹⁾
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Total	\$	\$	\$
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⁽¹⁾ Bond year basis.
Source: The Underwriter.

**AGGREGATE
ESTIMATED DEBT SERVICE COVERAGE**

<u>Period</u> <u>Ending</u> <u>October 1</u>	<u>2024</u> <u>Series A</u> <u>Bonds</u> <u>Debt Service</u>	<u>2024</u> <u>Series D Bonds</u> <u>Debt Service</u>	<u>2024</u> <u>Series E Bonds</u> <u>Debt Service</u>	<u>2024</u> <u>Housing Bonds</u> <u>Debt Service</u>	<u>Total</u> <u>Revenues</u>	<u>Bond</u> <u>Debt Service⁽¹⁾</u>	<u>2024 Debt</u> <u>Service</u> <u>Coverage</u>
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Total

⁽¹⁾ Bond debt service is on a bond year basis.
Source: The Underwriter.

THE BONDS

General

The Bonds will be dated as of the date of original delivery (the “Closing Date”), will bear interest at the rates per annum and will mature on the dates and in the amounts set forth on the inside cover page hereof. The Bonds will be issued in fully registered form, without coupons, in the denomination of \$5,000 each or any integral multiple thereof. 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 of each year, commencing October 1, 2024 (each an “Interest Payment Date”).

Interest on the Bonds shall be payable on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owner at the address of such Owner as it appears on the Registration Books as of the preceding Record Date; provided however, that payment of interest may be by wire transfer to an account in the United States of America to any Owner of Bonds in the aggregate amount of \$1,000,000 or more who shall furnish written instructions to the Trustee before the applicable Record Date. Any such written instructions shall remain in effect until rescinded in writing by the Owner. Principal of and premium (if any) on any Bond shall be paid upon presentation and surrender thereof, at maturity or the prior redemption thereof, at the Trust Office and shall be payable in lawful money of the United States of America.

Each Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) unless it is authenticated on or before September 15, 2024, in which event it shall bear interest from the Closing Date; provided, however, that if, as of the date of authentication of any Bond, interest thereon is in default, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Notwithstanding the foregoing, while the Bonds are held in the book-entry only system of DTC, all such payments of principal, interest and premium, if any, will be made to Cede & Co. as the registered owner of the Bonds, for subsequent disbursement to Participants and beneficial owners. See APPENDIX E - “DTC AND THE BOOK-ENTRY SYSTEM.”

Redemption of the Bonds

Optional Redemption. The Bonds maturing on or before October 1, 20[] are not subject to optional redemption prior to maturity. The Bonds maturing on or after October 1, 20__ are subject to redemption at the option of the Authority (which may be at the direction 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 Authority (based on the maturities of the Successor Agency Bonds being redeemed) and by lot within a maturity from any available source of funds at a redemption price equal to the principle amount of the Bonds to be redeemed together with accrued interest thereon to the date fixed for redemption, without premium.

Under the Indenture, the Authority is required to ensure that the Bonds to be optionally redeemed shall be selected for redemption based on the Successor Agency Bonds, if any, being concurrently optionally redeemed, and in a manner that does not adversely affect the Authority’s ability to pay debt service on the Bonds in a timely manner.

Mandatory Redemption Upon Acceleration of Successor Agency Bonds. The Bonds shall also be subject to mandatory redemption in whole or in part among maturities on a pro rata basis and by lot within a maturity, on any date, from amounts credited towards the payment of principal of any Successor Agency Bonds coming due and payable solely by reason of acceleration of such Successor Agency Bonds pursuant to the Successor Agency

Bonds Indenture, at a redemption price equal to the principal amount of the Bonds to be redeemed, without premium, together with accrued interest thereon to the redemption date. The Bonds shall be subject to such redemption solely from amounts credited towards the payment of any Successor Agency Bonds which has become due and payable by reason of acceleration, and shall not be subject to redemption from any amounts credited towards the payment of matured principal which has become due and payable. See “CERTAIN RISKS OF BOND OWNERS - Mandatory Redemption on Acceleration of Successor Agency Bonds on Default” herein.

Notice of Redemption; Rescission

The Trustee, on behalf and at the expense of the Authority, shall send (by first class mail, or, with respect to notices to be sent to DTC or its nominee, the Information Services or the Securities Depository by a transmission method that is acceptable to such entity) notice of any redemption to the Insurer, if applicable, and to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and to the Securities Depositories (as defined under the Indenture) and to one or more Information Services (as defined under the Indenture), at least twenty (20) but not more than sixty (60) days prior to the date fixed for redemption; provided, however, that neither failure to receive any such notice so mailed nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the date of the notice, the redemption date, the redemption place and the redemption price and shall designate the CUSIP numbers, the Bond numbers and the maturity or maturities (in the event of redemption of all of the Bonds of such maturity or maturities in whole) of the Bonds to be redeemed, and shall require that such Bonds be then surrendered at the Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

The Authority shall have the right to rescind any notice of optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of optional redemption shall 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 shall not constitute an Event of Default under the Indenture. The Authority and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall send notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, 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.

Effect of Redemption

From and after the date fixed for redemption, if funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption shall have been duly deposited with the Trustee, such Bonds so called shall 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 shall accrue thereon from and after the redemption date specified in such notice. All Bonds redeemed or purchased pursuant to the Indenture shall be canceled by the Trustee.

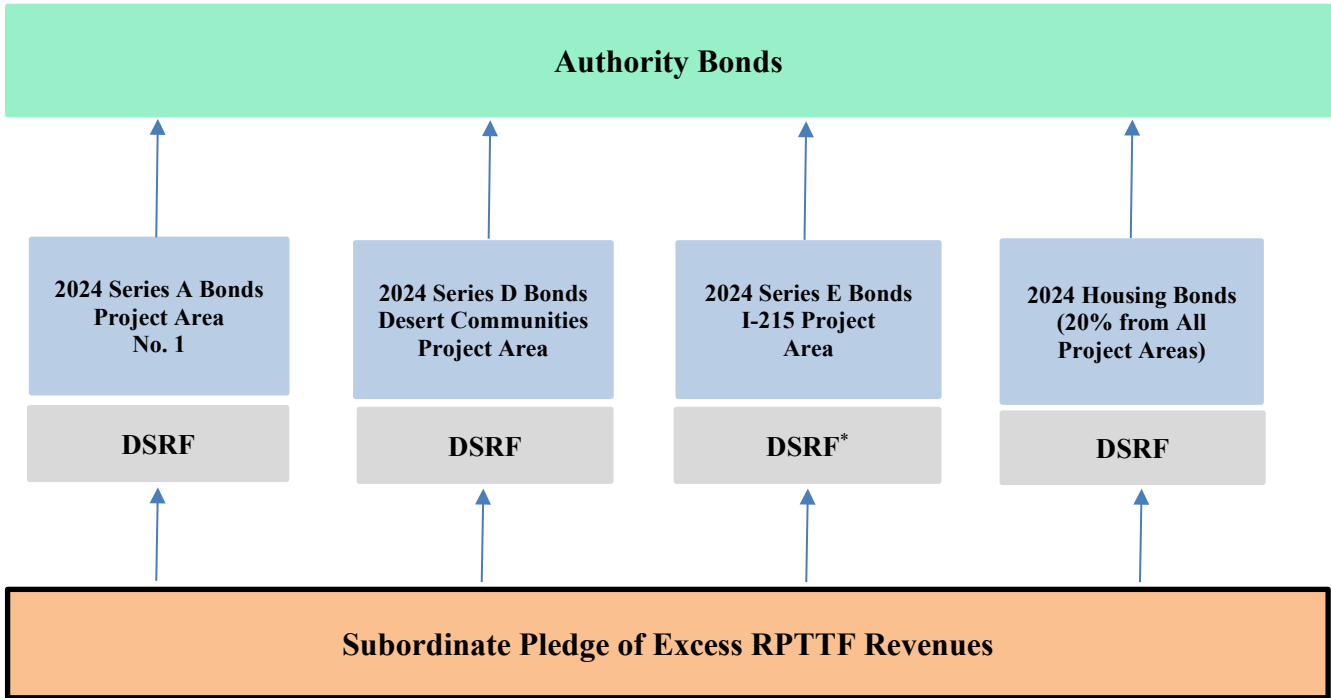
SECURITY FOR THE BONDS

Special Obligations

The Bonds are special obligations of the Authority and, as and to the extent set forth in the Indenture, are payable solely from the Revenues and certain other moneys and securities held by the Trustee as provided in the Indenture. All of the Bonds are equally secured by a pledge of, and charge and lien upon, all of the Revenues and such other moneys and securities, and the Revenues and such other moneys and securities constitute a trust fund

for the security and payment of the principal of and interest on the Bonds. The full faith and credit of the Authority is not pledged for the payment of the principal of or interest or redemption premiums (if any) on the Bonds. The Bonds are not secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the Authority or any of its income or receipts, except the Revenues and such other moneys and securities as provided in the Indenture.

The diagram below illustrates the pledge of Revenues and the flow of funds with respect to the Successor Agency Bonds to the Authority Bonds.



* The Debt Service Reserve Fund for the 2024 Series E Bonds is to be calculated on a combined basis with the 2015 Series E Bonds.

Pledge of Revenues

Subject to the provisions of the Indenture relating to the payment and reimbursement of fees, charges and expenses of the Trustee and indemnification of the Trustee, the Bonds shall be secured by a first lien on and pledge of all of the Revenues and a pledge of all of the moneys in the Revenue Fund, the Interest Account and the Principal Account (which funds and accounts are established under the Indenture), including all amounts derived from the investment of such moneys. The Bonds shall be equally secured by a pledge, charge, and lien upon the Revenues and such moneys without priority for number, date of Bonds, date of execution or date of delivery; and the payment of the interest on and principal of the Bonds and any premiums upon the redemption of any thereof shall be and are secured by an exclusive pledge, charge, and lien upon the Revenues and such moneys. So long as any of the Bonds are Outstanding, the Revenues and such moneys shall not be used for any other purpose; except that out of the Revenues there may be apportioned such sums, for such purposes, as are expressly permitted by the Indenture.

The Indenture defines “Revenues” to mean (a) all amounts payable by the Successor Agency to the Authority or the Trustee pursuant to the Successor Agency Bonds, other than (i) administrative fees and expenses and indemnity against claims payable to the Authority and the Trustee and (ii) arbitrage rebate amounts payable to the United States of America; (b) any proceeds of Bonds originally deposited with the Trustee and all moneys deposited and held from time to time by the Trustee in the funds and accounts established thereunder; (c)

investment income with respect to any moneys held by the Trustee in the funds and accounts established thereunder; and (d) any other investment income received under the Indenture.

Upon the occurrence of an Event of Default hereunder, but only upon an Event of Default, the Trustee shall have a first lien with right of payment prior to payment of any Bond upon the amounts held under the Indenture for the foregoing fees, charges and expenses incurred by it respectively.

The Authority transfers in trust and assigns to the Trustee, for the benefit of the Owners from time to time of the Bonds and the Insurer, all of the Revenues and all of the right, title, and interest of the Authority in the Successor Agency Bonds. The Trustee shall be entitled to and shall receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee. The Trustee also shall, [with the consent or at the direction of the Insurer] and subject to the provisions of the Indenture, be entitled to and shall take all steps, actions and proceedings reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority and all of the obligations of the Successor Agency under the Successor Agency Bonds.

Receipt, Deposit and Application of Revenues

All Revenues described in clause (a) of the above definition thereof shall be promptly deposited by the Trustee upon receipt thereof in a special fund designated as the "Revenue Fund" which the Trustee shall establish, maintain and hold in trust under the Indenture.

Three (3) Business Days prior to each Interest Payment Date, or as soon thereafter as the Trustee receives payments of debt service on the Successor Agency Bonds, the Trustee shall transfer from the Revenue Fund and deposit into the following respective accounts (each of which the Trustee shall establish and maintain within the Revenue Fund), the following amounts in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

Interest Account. Not less than three (3) Business Days prior to each Interest Payment Date, or as soon thereafter as the Trustee receives payments of debt service on the Successor Agency Bonds, the Trustee shall deposit in the Interest Account an amount required to cause the aggregate amount on deposit in the Interest Account to equal the amount of interest becoming due and payable on such Interest Payment Date on all Outstanding Bonds. No deposit need be made into the Interest Account if the amount contained therein is at least equal to the interest becoming due and payable upon all Outstanding Bonds on the next succeeding Interest Payment Date. 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 as it shall become due and payable (including accrued interest on any Bonds redeemed prior to maturity). All amounts on deposit in the Interest Account on the first day of any Bond Year, to the extent not required to pay any interest then having come due and payable on the Outstanding Bonds, shall be withdrawn therefrom by the Trustee and transferred to the Successor Agency to be used for any lawful purpose of the Successor Agency.

Principal Account. Not less than three (3) Business Days prior to each Interest Payment Date, or as soon thereafter as the Trustee receives debt service on the Successor Agency Bonds, on which the principal of the Bonds shall be payable, the Trustee shall deposit in the Principal Account an amount required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the Bonds coming due and payable on such Interest Payment Date, or the redemption price of the Bonds required to be redeemed on such Interest Payment Date pursuant to the optional and mandatory sinking fund redemption provisions of the Indenture. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of (i) paying the principal of the Serial Bonds at the maturity thereof, or (ii) paying the principal of the Term Bonds upon the mandatory sinking fund redemption pursuant to the Indenture or upon the maturity thereof, or (iii)

paying the redemption price of Bonds upon the redemption thereof pursuant to the optional redemption provisions of the Indenture. All amounts on deposit in the Principal Account on the first day of any Bond Year, to the extent not required to pay the principal of any Outstanding Bonds then having come due and payable, shall be withdrawn therefrom and transferred to the Successor Agency to be used for any lawful purpose of the Successor Agency. See APPENDIX D - "SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS."

No Reserve Fund for the Bonds

The Authority has not created a debt service reserve under the Indenture for the Bonds. The Successor Agency has created separate reserve subaccounts under the Successor Agency Bonds Indentures for each series of Successor Agency Bonds. See "SECURITY FOR THE SUCCESSOR AGENCY BONDS – Funds and Accounts Under Successor Agency Bonds Indentures," for a description of such reserve subaccounts.

Additional Bonds

The Authority has covenanted in the Indenture not to issue additional bonds or obligations secured from Revenues, except that the Authority may issue refunding bonds payable out of the Revenues that refund the Bonds in whole or in part so long as the aggregate debt service payable on the refunding bonds is less than the aggregate debt service on the Bonds refunded.

SECURITY FOR THE SUCCESSOR AGENCY BONDS

Tax Increment Financing Generally

Prior to the Dissolution Act, the Redevelopment Law authorized the financing of redevelopment projects through the use of tax increment revenues. This financing mechanism provides that the taxable valuation of the property within a project area on the property tax roll last equalized prior to the effective date of the ordinance that adopts the redevelopment plan becomes the base year valuation. Thereafter, the increase in taxable valuation becomes the increment upon which taxes are levied and allocated to the applicable agency. Redevelopment agencies have no authority to levy property taxes, but must instead look to this allocation of tax increment revenues to finance their activities.

Under the Redevelopment Law and Section 16 of Article XVI of the State Constitution, taxes on all taxable property in a project area levied by or for the benefit of the State, any city, county, city and county, district or other public corporation (the "Taxing Agencies") when collected are divided as follows:

- (i) An amount each year equal to the amount that would have been produced by the then current tax rates applied to the assessed valuation of such property within the project area last equalized prior to the effective date of the ordinance approving the redevelopment plan, plus the portion of the levied taxes in excess of the foregoing amount sufficient to pay debt service on any voter-approved bonded indebtedness of the respective Taxing Agencies incurred for the acquisition or improvement of real property and approved on or after January 1, 1989, is paid into the funds of the respective Taxing Agencies; and
- (ii) That portion of the levied taxes in excess of the amount described in paragraph (i) is deposited into a special fund of the applicable redevelopment agency to pay the principal of and interest on loans, moneys advanced to, or indebtedness incurred by, such agency to finance or refinance activities in or related to such project area.

That portion of the levied taxes described in paragraph (ii) 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. In addition, Section 34183 of the Dissolution Act effectively eliminates the "on and after January 1, 1989" reference from paragraph (i) above. Additionally, effective

September 22, 2015, debt service override revenues approved by the voters for the purpose of supporting pension programs, capital projects, or programs related to the State Water Project, that are not pledged to or needed for debt service on successor agency obligations are allocated and paid to the entity that levies the override and will not be deposited into the Redevelopment Property Tax Trust Fund unless otherwise pledged to the payment of debt service on bonds. No such overrides have been or are pledged to the Bonds. See “LIMITATIONS ON TAX REVENUES – Proposition 87” for further information regarding voter approved debt service overrides.

Pledge Under Successor Agency Bonds Indentures

Pledge of Tax Revenues for Non-Housing Successor Agency Bonds. Contemporaneous with the issuance of the Bonds by the Authority, the Successor Agency will issue the Non-Housing Successor Agency Bonds. As further described below, each series of Non-Housing Successor Agency Bonds will be secured by a separate pledge of, security interest in and lien on Tax Revenues generated within the Project Area to which such series of bonds relates and certain funds and accounts established and held by the Successor Agency or the Successor Agency Bonds Trustee. The Non-Housing Successor Agency Bonds will be secured on a parity with all other Parity Debt, as applicable, and any other Parity Debt hereafter issued, as applicable. Tax revenues generated from all five of the Successor Agency’s project areas are available to pay debt service on all refunding bonds issued by the Successor Agency, including the Successor Agency Bonds, on a parity basis to the extent such tax revenues constitute Residual RPTTF. See “– Residual RPTTF Parity Pledge for All Successor Agency Bonds.”

The 2024 Series A Bonds and all other Project Area No. 1 Parity Debt will be secured by a pledge of, security interest in and lien on Tax Revenues (as defined in the Successor Agency Bonds Indenture relating to such bonds), and certain funds and accounts established and held by the Successor Agency or the Successor Agency Bonds Trustee pursuant to the Successor Agency Bonds Indenture for such bonds. Such Tax Revenues generally consist of tax increment revenues from the Successor Agency’s Project Area No. 1, less Project Area No. 1’s Pro Rata Share of Housing Debt Service (as defined below), and are sometimes referred to herein as the “Project Area No. 1 Tax Revenues.”

The 2024 Series D Bonds and all other Desert Communities Parity Debt will be secured by a pledge of, security interest in and lien on Tax Revenues (as defined in the Successor Agency Bonds Indenture relating to such bonds), and certain funds and accounts established and held by the Successor Agency or the Successor Agency Bonds Trustee pursuant to the Successor Agency Bonds Indenture for such bonds. Such Tax Revenues generally consist of tax increment revenues from the Successor Agency’s Desert Communities Project Area, less the Desert Communities Project Area’s Pro Rata Share of Housing Debt Service (as defined below), and are sometimes referred to herein as the “Desert Communities Project Area Tax Revenues.”

The 2024 Series E Bonds and all other Interstate 215 Parity Debt will be secured by a pledge of, security interest in and lien on Tax Revenues (as defined in the Successor Agency Bonds Indenture relating to such bonds), and certain funds and accounts established and held by the Successor Agency or the Successor Agency Bonds Trustee pursuant to the Successor Agency Bonds Indenture for such bonds. Such Tax Revenues generally consist of tax increment revenues from the Successor Agency’s Interstate 215 Corridor Project Area, less Interstate 215 Corridor Project Area’s Pro Rata Share of Housing Debt Service (as defined below), and are sometimes referred to herein as the “Interstate 215 Corridor Project Area Tax Revenues.”

As used herein, with respect to any series of Non-Housing Successor Agency Bonds, “Tax Revenues” means all taxes annually allocated and paid to the Successor Agency with respect to the Project Area to which such series of bonds relates following the Closing Date, pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Redevelopment Law and Section 16 of Article XVI of the Constitution of the State and other applicable State laws and as provided in the Redevelopment Plan, including all payments, subventions and reimbursements (if any) to the Successor Agency specifically attributable to *ad valorem* taxes lost by reason of tax exemptions and tax rate limitations (but excluding payments to the Successor Agency with respect to personal property within such Project Area pursuant to Section 16110 *et seq.* of the California Government Code); and

including that portion of such taxes (if any) otherwise required by Section 33334.2 of the Redevelopment Law to be deposited in the Low and Moderate Income Housing Fund, but only to the extent necessary to repay that portion of the proceeds of the Successor Agency Bonds and any Parity Debt of such Successor Agency Bonds (including applicable reserves and financing costs) used to finance or refinance the increasing or improving of the supply of low and moderate income housing within or of benefit to such Project Area, but excluding all other amounts of such taxes required to be deposited into the Low and Moderate Income Housing Fund and excluding investment earnings. Pursuant to the Dissolution Act, a portion of such taxes are no longer required to be deposited into the Low and Moderate Income Housing Fund pursuant to Sections 33334.2, 33334.3 and 33334.6 of the Redevelopment Law (the “Prior Housing Deposit”), and, accordingly, such taxes shall exclude only the amount of the Prior Housing Deposit required to pay the Pro Rata Share of Housing Debt Service (as defined below). Tax Revenues do not include amounts payable by the Successor Agency under agreements entered into pursuant to Section 33401 of the Redevelopment Law, and amounts payable by the Successor Agency pursuant to Sections 33607.5 and 33607.7 of the Redevelopment Law (except and to the extent that any amounts so payable are payable on a basis subordinate to the payment of such Non-Housing Successor Agency Bonds and any Parity Debt of such Non-Housing Successor Agency Bonds).

As used herein, with respect to any series of Non-Housing Successor Agency Bonds, “Pro Rata Share of Housing Debt Service” means an amount equal to the percentage of debt service on Housing Bonds in the then current Bond Year, calculated by dividing the gross amount of taxes collected by the County for the Successor Agency pursuant to Section 34183 of the Dissolution Act and the Redevelopment Plan with respect to the Project Area to which such series of Non-Housing Successor Agency Bonds relates in the last completed Fiscal Year by the sum of (i) the gross amount of taxes collected by the County for the Successor Agency pursuant to Section 34183 of the Dissolution Act and the Redevelopment Plan with respect to such Project Area in the last completed Fiscal Year, plus (ii) the gross amount of taxes collected by the County for the Successor Agency pursuant to Section 34183 of the Dissolution Act and the redevelopment plans for all of the other project areas of the Former Agency in the last completed Fiscal Year. For the purpose of this calculation, the gross amount of taxes collected refers to taxes deposited by the County into the Redevelopment Property Tax Trust Fund prior to deducting pass through payment obligations or administrative fees charged by the County or the State of California.

In addition, each series of Non-Housing Successor Agency Bonds and their respective Parity Debt, are, subject to the provisions of the Successor Agency Bonds Indentures for such bonds regarding the application of funds upon acceleration, be secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Sinking Account, the Redemption Account and the Reserve Account established under the respective Successor Agency Bonds Indentures for such bonds. Such pledge, security interest in and lien shall be for the equal security of the applicable series of Outstanding Successor Agency Bonds and the applicable Parity Debt without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. See “Funds and Accounts Under Successor Agency Bonds Indentures – *Flow of Funds Under Successor Agency Bonds Indentures* - Special Fund; Deposit of Tax Revenues.”

Additionally, the 2024 Series E Bonds and the 2015 Series E Bonds shall be secured by a pledge of, security interest in, and lien on all of the moneys on deposit in the 2024 Series E Subaccount of the Reserve Account and the 2015 Series E Subaccount of the Reserve Account. The pledge, security interest in, and lien on the 2024 Series E Subaccount of the Reserve Account and the 2015 Series E Subaccount of the Reserve Account shall be for the equal security of the Outstanding 2015 Series E Bonds and the Outstanding 2024 Series E Bonds without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. See “– Funds and Accounts Under Successor Agency Bonds Indentures – Debt Service Funds; Transfer of Amounts to Trustee – Reserve Accounts” and “– Debt Service Reserve Accounts.”

See Tables 10, 19 and 28 herein showing the projected Project Area No. 1 Tax Revenues, Desert Communities Project Area Tax Revenues and Interstate 215 Corridor Project Area Tax Revenues, and debt service coverage on the applicable series of Non-Housing Successor Agency Bonds. See also APPENDIX A - “REPORT OF FISCAL CONSULTANT” herein.

Pledge of Housing Tax Revenues for 2024 Housing Bonds. Under the Tax-Exempt Housing Bonds Indenture, the 2024 Housing Bonds shall be secured on a parity with all other Housing Parity Debt by a first pledge of and lien on all of the Housing Tax Revenues in the Special Fund and all moneys in the 2024 Series A Housing Subaccount of the Reserve Account established under the Tax-Exempt Housing Bonds Indenture and any other Housing Parity Debt hereafter issued that the Successor Agency elects to be secured by the 2024 Series A Subaccount.

“Housing Tax Revenues” is defined in the Tax-Exempt Housing Bonds Indenture to mean that portion of “Tax Revenues” (as defined therein) required by Section 33334.3 of the Redevelopment Law to be deposited in the Successor Agency’s Low and Moderate Income Housing Fund. Since, pursuant to the Dissolution Act, Housing Tax Revenues are no longer required to be deposited in the Low and Moderate Income Housing Fund, but pursuant to the Dissolution Act are deposited in the Redevelopment Property Tax Trust Fund, Housing Tax Revenues shall include amounts deposited in the Redevelopment Property Tax Trust Fund that, but for the Dissolution Act, would have been deposited in the Low and Moderate Income Housing Fund.

“Tax Revenues” is defined in the Tax-Exempt Housing Bonds Indenture to mean all taxes pledged and annually allocated within the Plan Limitations (as defined therein), following the Closing Date, and paid to the Successor Agency with respect to all five of the project areas of the Successor Agency pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Redevelopment Law and Section 16 of Article XVI of the Constitution of the State, or pursuant to other applicable State laws, and as provided in the Redevelopment Plan (as defined therein), and all payments, subventions and reimbursements, if any, to the Successor Agency specifically attributable to *ad valorem* taxes lost by reason of tax exemptions and tax rate limitations, but excluding (i) amounts payable by the State to the Agency under and pursuant to Chapter 1.5 of Part 1 of Division 4 of Title 2 (commencing with Section 16110) of the California Government Code, and (ii) amounts payable by the Successor Agency pursuant to Sections 33607.5 and 33607.7 of the Redevelopment Law.

See Table 29 herein showing the projected Housing Tax Revenues, and debt service coverage on the 2024 Housing Bonds. See also APPENDIX A - “REPORT OF FISCAL CONSULTANT” herein.

Residual RPTTF Parity Pledge for All Successor Agency Bonds. The Dissolution Act authorizes bonds issued by successor agencies to former redevelopment agencies in California, including the Successor Agency Bonds, to be secured by a pledge of moneys deposited from time to time in a Redevelopment Property Tax Trust Fund held by a county auditor-controller with respect to a successor agency which are equivalent to the tax increment revenues that were formerly allocated under the Redevelopment Law to the redevelopment agency and formerly authorized under the Redevelopment Law to be used for the financing of redevelopment projects, less amounts deducted pursuant to Section 34183(a) of the Dissolution Act for permitted administrative costs of the county auditor-controller. Successor agencies have no power to levy property taxes and must look specifically to the allocation of taxes.

Pursuant to the Successor Agency Bonds Indentures, the Successor Agency Bonds shall be also equally secured by the pledge and lien created with respect to the Successor Agency Bonds by Section 34177.5(g) of the California Health and Safety Code on moneys deposited or available for deposit from time to time in the Redevelopment Property Tax Trust Fund, provided, however, that such pledge and lien shall only be with respect to the amounts on deposit in the Redevelopment Property Tax Trust Fund after amounts on deposit therein have been set aside and reserved, in the manner required in the applicable indentures or other relevant documents, to pay (i) debt service on the other bonds of the Former Agency and the Successor Agency, including bonds issued for the benefit of other project areas of the Former Agency and bonds secured by the amounts required, prior to the Dissolution Act, to be deposited in the former low and moderate income housing fund of the Former Agency and (ii) amounts due pursuant to tax sharing agreements, owner participation agreements, development agreements and other similar agreements that are senior to the payment of the debt service on the Successor Agency Bonds and the bonds described in (i) above. Each series of Successor Agency Bonds is secured by the pledge and lien created with respect to the Successor Agency Bonds by Section 34177.5(g) of the California Health and Safety Code on moneys deposited or available for deposit from time to time in the Redevelopment

Property Tax Trust Fund to the extent set forth in the foregoing sentence on a parity basis with all refunding bonds issued by the Successor Agency, unless otherwise specified in connection with the issuance of such refunding bonds. The moneys deposited or available for deposit from time to time in the Redevelopment Property Tax Trust Fund after amounts on deposit therein have been set aside and reserved, in the manner required in the applicable indentures or other relevant documents, to pay the items described in clauses (i) and (ii) above are sometimes referred to herein as “Residual RPTTF.”

No Cross-Collateralization. Each series of Non-Housing Successor Agency Bonds is a separate and distinct obligation secured by “Tax Revenues” generated in the Project Area to which such series of bonds relates, and the 2024 Housing Bonds are separate and distinct obligations secured by Housing Tax Revenues. “Tax Revenues” from a Project Area may only be used to pay debt service on the series of Non-Housing Successor Agency Bonds issued for such Project Area and its applicable Parity Debt, and Housing Tax Revenues may only be used to pay debt service on the 2024 Housing Bonds and Housing Bonds Parity Debt. Tax revenues generated from all five of the Successor Agency’s project areas are available to pay debt service on all refunding bonds issued by the Successor Agency, including the Successor Agency Bonds, on a parity basis to the extent such tax revenues constitute Residual RPTTF. See “SECURITY FOR THE SUCCESSOR AGENCY BONDS – Pledge Under Successor Agency Bonds Indentures – Residual RPTTF Parity Pledge for All Successor Agency Bonds.”

Limited Obligation. The Successor Agency Bonds are not a debt of the County, the State or any of their political subdivisions except the Successor Agency, and none of the County, the State or any of their political subdivisions except the Successor Agency is liable therefor. The Successor Agency Bonds do not constitute indebtedness in contravention 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 Successor Agency Bonds; but nothing contained in the Successor Agency Bonds Indentures relieves any such member, officer, agent or employee from the performance of any official duty provided by law.

Except for the Tax Revenues, Housing Tax Revenues, and Residual RPTTF pledged to a particular series of Successor Agency Bonds and the funds and accounts pledged therefor under the Successor Agency Bonds Indenture, no funds of the Successor Agency are pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the Successor Agency Bonds.

Low and Moderate Income Housing Set-Aside

Prior to the Dissolution Act, the Redevelopment Law required generally that redevelopment agencies set aside in a low and moderate income housing fund (the “Low and Moderate Income Housing Fund”) not less than 20% of all tax revenues allocated to agencies from redevelopment project areas adopted after December 31, 1976, for authorized housing purposes. Prior to the passage of the Dissolution Act, the Former Agency issued several series of bonds, and after such passage the Successor Agency issued several series of refunding bonds, including the 2014 Housing Bonds, secured by revenues previously required to be deposited to the Low and Moderate Income Housing Fund (the “Housing Bonds”). This 20% set-aside requirement was eliminated by the Dissolution Act; however, the Housing Parity Bonds have a prior lien on the former Housing Set-Aside to pay debt service on the Housing Parity Bonds.

The Successor Agency had, as of July 1, 2024, \$137,236,535 total principal Housing Bonds outstanding secured by Housing Tax Revenues, including the 2014 Housing Bonds. For purposes of the Housing Tax Revenue projection, the Housing Parity Bonds’ debt service has been allocated proportionately to each of the Successor Agency’s project areas based on each project area’s Pro Rata Share of Housing Debt Service. See Tables 9, 18, and 27 herein; See also APPENDIX A - “REPORT OF FISCAL CONSULTANT” herein. In addition, Housing Tax Revenues are calculated exclusive of the County property tax administration fee and pass-through payments for each of the Successor Agency’s five project areas, including the Project Areas per Sections 33334.2 and 33670 of the California Health and Safety Code. See, “SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY – Allocation of Former Low and Moderate Income Housing Set-Aside.” With respect to each series of

Non-Housing Successor Agency Bonds, amounts in excess of their respective Pro Rata Share of Housing Debt Service constitute “Tax Revenues” within the meaning of the Successor Agency Bonds Indentures.

Tax Sharing Agreements

The Successor Agency has entered into tax-sharing agreements with taxing entities and school districts with respect to the portions of the Project Areas that were adopted prior to 1994 (the “Pass-Through Agreements”). The Successor Agency’s obligations to make pass-through payments under the Pass-Through Agreements are senior to the payment of debt service on the Non-Housing Successor Agency Bonds. As noted above, Housing Tax Revenues are calculated exclusive of the county property tax administration fee and pass-through payments for each of the Successor Agency’s project areas, including the Project Areas per Sections 33334.2 and 33670 of the California Health and Safety Code (i.e. pass-through payments under the Pass-Through Agreements are not taken into account in calculating Housing Tax Revenues). See APPENDIX A - “REPORT OF FISCAL CONSULTANT – Fiscal Agreements” and “SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY – Pass-Through Agreements.”

Assembly Bill 1290

Assembly Bill 1290 (being Chapter 942, Statutes of 1993) (“AB 1290”) was adopted by the California Legislature and became law on January 1, 1994. The enactment of AB 1290 created several significant changes in the Redevelopment Law, including time limitations for redevelopment agencies to incur and repay loans, advances and indebtedness that are repayable from tax increment revenues.

AB 1290 also established a statutory formula for sharing tax increment for project areas established, or amended in certain respects, on or after January 1, 1994, which applies to tax increment revenues net of the housing set-aside. The first 25% of net tax increment generated by the increase in assessed value after the establishment of the project area or the effective date of the amendment is required to be paid to affected taxing entities. In addition, beginning in the 11th year of collecting tax increment, an additional 21% of the increment generated by increases in assessed value after the tenth year must be so paid. Finally, beginning in the 31st year of collecting tax increment, an additional 14% of the increment generated by increases in assessed value after the 30th year must be so paid. Under the Redevelopment Law, the County is considered a taxing entity and may elect to receive its share of the required tier 1 payments. The County may not, however, receive any share of the tier 2 and tier 3 payments. The County has elected to receive its share of all tier 1 payment amounts. See “SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY – Pass-Through Agreements,” and “–Statutory Tax Sharing Payments.”

The tax sharing payments described above are required to be made prior to payment of debt service on bonds or loans secured by tax increment from project areas which are subject to AB 1290. The provisions of Section 33607.5(e) of the Redevelopment Law and Section 34177.5(c) of the Dissolution Act, however, set forth a process pursuant to which such pass-through payments may be subordinated to debt service on newly-issued bonds or loans, including the Non-Housing Successor Agency Bonds. **Accordingly, the Successor Agency took action to subordinate the pass-through payments to payment of debt service on the Non-Housing Successor Agency Bonds per the provisions of Section 34177.5(c) pursuant to letters to the taxing agencies within the Project Areas notifying them of its intent to do so. All such taxing entities have either approved such subordination or were deemed to have approved such subordination by not acting within 45 days after receipt of the Successor Agency’s notice. Therefore, the Successor Agency obtained subordination of AB 1290 statutory pass-through payments as of [May 31, 2024], making all AB 1290 statutory pass-through payments subordinate to the payment of debt service on the Non-Housing Successor Agency Bonds.**

As previously described, Housing Tax Revenues are calculated exclusive of the county property tax administration fee and pass-through payments for each of the Successor Agency’s project areas, including the Project Areas per Sections 33334.2 and 33670 of the California Health and Safety Code (i.e., pass-through payments under the pass-through agreements are not taken into account in calculating Housing Tax Revenues).

See “SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY – Pass-Through Agreements,” and “– Statutory Tax Sharing Payments,” for a further discussion of existing pass-through obligations of the Successor Agency.

Allocation of Taxes Subsequent to the Dissolution Act

The Dissolution Act requires the County Auditor-Controller to determine the amount of property taxes that would have been allocated to the Former Agency (pursuant to subdivision (b) of Section 16 of Article XVI of the State Constitution) had the Former Agency not been dissolved pursuant to the operation of ABX1 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. 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 legal effect as if the bonds had been issued prior to the effective date of Assembly Bill No. X1 26 (“ABX1 26”), in full conformity with the applicable provisions of the Redevelopment Law that existed prior to that date so that property tax revenues (formerly tax increment revenues) are paid to the Successor Agency in such amounts and on such dates to ensure the timely payment of debt service on the Successor Agency Bonds. Pursuant to the Dissolution Act, the Successor Agency has covenanted to take all actions necessary to ensure that the Successor Agency Bonds will be included in the Successor Agency’s Recognized Obligation Payment Schedules as prepared from time to time under the Dissolution Act.

Taxes levied on the property within the Project Areas on that portion of the taxable valuation over and above the taxable valuation of the applicable base year property tax roll within the Project Areas, to the extent they constitute tax increment revenues, less administrative costs, as described herein, will be deposited in the Redevelopment Property Tax Trust Fund for transfer by the County Auditor-Controller to the Successor Agency’s Redevelopment Obligation Retirement Fund on January 2 and June 1 of each year to the extent required for payments listed in the Successor Agency’s Recognized Obligation Payment Schedule, including debt service on the Bonds, in accordance with the requirements of the Dissolution Act. See “–Recognized Obligation Payment Schedule” below.

Recognized Obligation Payment Schedule

The Dissolution Act requires that, not less than 90 days prior to each January 2 and June 1, successor agencies prepare, and submit to the successor agency’s Oversight Board and the DOF for approval, a Recognized Obligation Payment Schedule (the “Recognized Obligation Payment Schedule” or “ROPS”) 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. Additionally, pursuant to the Successor Agency Bonds Indentures, by no later than each December 1, commencing December 1, 2024, the Successor Agency Bonds Trustee is required to send a reminder to the Successor Agency of the deadline to submit for approval by the Oversight Board and DOF the ROPS for the following fiscal year by no later than the following February 1. The Successor Agency Bonds Trustee, however, has no obligation to confirm that the Successor Agency submitted any ROPS.

Submission of ROPS Schedule. Pursuant to SB 107, commencing on February 1, 2016, successor agencies were transitioned to an annual Recognized Obligation Payment Schedule process pursuant to which successor agencies are required to file Recognized Obligation Payment Schedules with the DOF and the County Auditor-Controller for approval each February 1 for the July 1 through June 30 period immediately following such February 1. On February 1, 2024, the Successor Agency filed its ROPS with the DOF and Oversight Board for ROPS due July 1, 2024 through June 30, 2025.

Commencing September 22, 2015, successor agencies which received a Finding of Completion and the concurrence of the DOF as to the items that qualify for payment, among other conditions, may at their option, 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 a Recognized Obligation Payment Schedule to the DOF or the Oversight Board. The County Auditor-Controller will 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 has not taken action to submit a Last and Final Recognized Obligation Payment Schedule and does not currently plan to submit a Last and Final Recognized Obligation Payment Schedule. The Successor Agency has covenanted to Assured Guaranty Municipal (“AGM”) and Build America Mutual Assurance Company (“BAM”), in connection with the issuance of certain other bonds of the Successor Agency in 2015 and 2016, that it will not submit a Last and Final Recognized Obligation Payment Schedule without the prior written consent of AGM or BAM, respectively.

As defined in the Dissolution Act, “enforceable obligation” includes bonds (including the Successor Agency Bonds), including the required debt service, reserve set-asides, and any other payments required under an indenture or similar documents governing the issuance of the outstanding bonds of the former redevelopment agency, as well as other obligations such as loans, judgments or settlements against the former redevelopment 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 ROPS 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 six-month period as provided in the Dissolution Act.

Successor Agency Covenants to Comply with ROPS. In the Successor Agency Bonds Indentures, the Successor Agency has covenanted to comply with the Redevelopment Law and the Dissolution Act. 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 Successor Agency Bonds Indentures. Further, it promises to take all actions required under the Dissolution Act to include scheduled debt service on the Successor Agency Bonds and any Parity Debt, all amounts required to be deposited into the respective Special Funds, as well as any amount required under such Successor Agency Bonds Indentures to replenish the Reserve Accounts and amounts required due to the Insurer with respect to the Policy for the Bonds and, as to the 2024 Series D Bonds and the 2024 Housing Bonds, the 2024 Series D Bonds Reserve Policy and the 2024 Housing Bonds Reserve Policy, respectively, in the ROPS so as to enable the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund on each January 2 and June 1 all amounts required to be deposited in the respective Special Funds and in the respective Parity Debt Special Funds (as defined in the Successor Agency Bonds Indentures) which amounts will be used to pay debt service on the Successor Agency Bonds and any Parity Debt and to pay any amounts due to the Insurer with respect to the Policy for the Bonds, and, as to the 2024 Series D Bonds and the 2024 Housing Bonds, the 2024 Series D Bonds Reserve Policy and the 2024 Housing Bonds Reserve Policy, respectively. These actions will include, without limitation, placing on the ROPS for approval by the Oversight Board and DOF, to the extent necessary, the amounts to be held by the Successor Agency in the Special Funds as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act, that are necessary to comply with the Successor Agency Bonds Indentures. The Successor Agency has also covenanted in the Successor Agency Bonds Indentures to calculate the amount of Tax Revenues, as described above, to ensure that Tax Revenues and Housing Tax Revenues are properly credited to and deposited in the Retirement Fund and the applicable Special Funds, as required by the Successor Agency Bonds Indentures.

In the event the provisions set forth in the Dissolution Act as of the Closing Date of the Successor Agency Bonds that relate to the filing of ROPS 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 Successor Agency Bonds and of Parity Bonds and, if the timing of distributions of the Redevelopment Property Tax Trust Fund is changed, the receipt of (i) Tax Revenues at such

times and in such amounts as to comply with the requirements of the Successor Agency Bonds Indenture relating to the Non-Housing Successor Agency Bonds by claiming and receiving all Tax Revenues for each Bond Year on January 2 of such Bond Year (to the extent Tax Revenues are available in such amounts) and, in the event such new procedures do not allow the Successor Agency to fully comply with the Successor Agency Bonds Indentures, (ii) not less than one half of debt service due during each Bond Year on all Outstanding Bonds prior to April 1 of such Bond Year, and (iii) the remainder of debt service due during such Bond Year on all Outstanding Bonds prior to the next succeeding October 1.

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 legal effect as if the bonds had been issued prior to the effective date of ABX1 26, in full conformity with the applicable provision of the Redevelopment Law that existed prior to that date, and will be included in the Successor Agency's ROPS.

Additionally, if an enforceable obligation provides for an irrevocable commitment of property tax revenue and where allocation of revenues is expected to occur over time, the Dissolution Act provides that a successor agency may petition the DOF to provide written confirmation that its determination of such enforceable obligation as approved in a ROPS is final and conclusive, and reflects the Department's approval of subsequent payments made pursuant to the enforceable obligation. If the confirmation is granted by the DOF, then the DOF's review of such payments in each future ROPS will be limited to confirming that they are required by the prior enforceable obligation.

The Successor Agency has no power to levy and collect property taxes, and any property tax limitation, legislative measure, voter initiative or provisions of additional sources of income to taxing agencies having the effect of reducing the property tax rate could reduce the amount of tax increment revenues that would otherwise be available to pay debt service on the Successor Agency Bonds. Likewise, broadened property tax exemptions could have a similar effect. See "BOND OWNERS' RISKS" and "LIMITATIONS ON TAX REVENUES."

Payments to Other Taxing Entities. Sections 33607.5 and 33607.7 of the Redevelopment Law required mandatory tax sharing applicable to redevelopment projects adopted after January 1, 1994, or amended thereafter in certain manners specified in such statutes (the "Statutory Pass-Through Amounts"). 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 Amounts and any tax sharing agreements entered before January 1, 1994, to the taxing entities for each six-month period before amounts are distributed by the County Auditor-Controller from the Redevelopment Property Tax Trust Fund to the Successor Agency's Redevelopment Obligation Retirement Fund each January 2 and June 1, unless (i) pass-through payment obligations have previously been made subordinate to debt service payments for the bonded indebtedness of the Former Agency, as succeeded by the Successor Agency (see below), (ii) the Successor Agency has reported, no later than the December 1 and May 1 preceding the 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 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, and (iii) the State Controller has concurred with the Successor Agency that there are insufficient funds for such purposes.

If the requirements stated 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 for such six-month period. 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 (as defined in the Dissolution Act). 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 the administrative costs allowance in order

to fund the enforceable obligations. Finally, funds required for servicing bond debt may be deducted from the amounts to be distributed for contractual or statutory tax sharing amounts, but only to the extent such payments are subordinate to the payment of debt service on enforceable obligations, in order to be paid to the Successor Agency for enforceable obligations, and only after the amounts described in the previous two sentences have been exhausted. **[The Successor Agency has subordinated all of the statutory pass-through amounts to the payments of debt service on the Non-Housing Successor Agency Bonds and Parity Debt. The payments required to be made under the Pass-Through Agreements, however, are senior to the payment of debt service on the Successor Agency Bonds and Parity Debt. Housing Tax Revenues are calculated exclusive of the County property tax administration fee and pass-through payments for each of the Successor Agency’s project areas, including the Project Areas, per Sections 33334.2 and 33670 of the California Health and Safety Code.** Accordingly, the Successor Agency neither obtained nor requested the subordination of statutory pass-through payments as to the 2024 Housing Bonds.]

The Successor Agency believes but cannot guarantee that this process prescribed by the Dissolution Act of administering the tax increment revenues and the statutory tax sharing amounts will effectively result in adequate Tax Revenues and Housing Tax Revenues for the payment of principal and interest on the respective Successor Agency Bonds when due. See “Recognized Obligation Payment Schedule,” above. See the projected debt service coverage for each series of the Successor Agency Bonds herein for additional information regarding the Statutory Tax Sharing Payments applicable to the Successor Agency and the revenues derived from the related Project Area. 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 to pay the principal of and interest on the Successor Agency Bonds. See “CERTAIN RISKS OF BOND OWNERS” HEREIN.

The Successor Agency Bonds are not a debt of the County, the State or any of its political subdivisions (except the Successor Agency), and none of the County, the State or any of its political subdivisions (except the Successor Agency) is liable therefor. The Successor Agency Bonds do not constitute indebtedness in contravention of any constitutional or statutory debt limitation or restriction.

Funds and Accounts Under Successor Agency Bonds Indentures

General. Each of the Successor Agency Bonds Indentures establish the following funds and accounts therein:

1. A Special Fund;
2. A Debt Service Fund, and within such fund the following accounts:
 - (a) An Interest Account;
 - (b) A Principal Account;
 - (c) A Sinking Account;
 - (d) A Reserve Account; and
 - (e) A Redemption Account.

Flow of Funds Under Successor Agency Bonds Indentures. The flow of funds under the Successor Agency Bonds Indentures is summarized below.

Special Fund; Deposit of Tax Revenues. Each Successor Agency Bonds Indenture establishes a special fund known as the “Special Fund,” which is held by the Successor Agency. Under each Successor Agency Bonds Indenture, the Successor Agency is required to transfer all of the Tax Revenues or Housing Tax Revenues, as applicable, received in any Bond Year ratably to the Parity Debt Special Funds (as defined under the applicable

Successor Agency Bonds Indenture) and to the applicable Special Fund promptly upon receipt thereof by the Successor Agency, until such time during such Bond Year as the amounts (i) on deposit in the applicable Special Fund equal the aggregate amounts required to be transferred in such Bond Year into the applicable Interest Account, the applicable Principal Account, the applicable Sinking Account, the applicable Reserve Account and the applicable Redemption Account in such Bond Year, and (ii) on deposit in the applicable Parity Debt Special Funds equal the aggregate amounts required to be transferred in such Bond Year pursuant to the applicable Parity Debt Instrument. If the amount of Tax Revenues or Housing Tax Revenues, as applicable, available in any Bond Year shall be insufficient to deposit the full amount required to be deposited pursuant to subsections (i) and (ii), of this paragraph, then the Successor Agency shall transfer such Tax Revenues or Housing Tax Revenues, as applicable, for deposit ratably based on the full amounts required to be so deposited.

Under each Successor Agency Bonds Indenture for the Non-Housing Successor Agency Bonds, all Tax Revenues received by the Successor Agency during any Bond Year in excess of (i) the amount required to be deposited as described in the preceding paragraph and (ii) amounts due and payable to the Insurer provided for in the preceding paragraph shall be released from the pledge, security interest and lien under the Successor Agency Bonds Indentures for the security of the applicable Successor Agency Bonds and any additional applicable Parity Debt and may be applied by the Successor Agency for any lawful purpose of the Successor Agency, including but not limited to the payment of applicable Subordinate Debt, or the payment of any rebate amounts due and owing to the United States of America. With respect to each series of Non-Housing Successor Agency Bonds, prior to the payment in full of the principal of and interest and redemption premium (if any) on such Non-Housing Successor Agency Bonds and the payment in full of all other amounts payable under the Successor Agency Bonds Indentures applicable thereto, and under any Parity Debt Instrument (as defined in the Successor Agency Bonds Indentures for such Non-Housing Successor Agency Bonds), the Successor Agency shall not have any beneficial right or interest in the moneys on deposit in the Debt Service Fund established for such Non-Housing Successor Agency Bonds, except as may be provided in the applicable Successor Agency Bonds Indenture and in any applicable Parity Debt Instrument.

Under the Tax-Exempt Housing Bonds Indenture, all Housing Tax Revenues received by the Successor Agency during any Bond Year in excess of the amount required to be deposited in the Special Fund thereunder during such Bond Year pursuant to the second preceding paragraph and any Parity Debt Instrument (as defined therein) shall be released from the pledge and lien thereunder for the security of the 2024 Housing Bonds, shall be deposited in the unrestricted accounts of the Low and Moderate Income Housing Fund and may be applied by the Successor Agency for any lawful purpose of the Low and Moderate Income Housing Fund. Prior to the payment in full of the principal of and interest on the 2024 Housing Bonds, and the payment in full of all other amounts payable thereunder and under any Parity Debt Instrument (as defined in the Tax-Exempt Housing Bonds Indenture), the Successor Agency shall not have any beneficial right or interest in the moneys on deposit in the Special Fund established under the Tax-Exempt Housing Bonds Indenture, except as may be provided therein. If the amount of Housing Tax Revenues available in any Bond Year shall be insufficient to make all of the transfers and deposits required thereunder, then the Successor Agency shall transfer and deposit such Housing Tax Revenues with respect to the 2024 Housing Bonds and any Housing Parity Debt ratably based on the full amounts required to be so transferred and deposited.

In the Successor Agency Bonds Indentures, the Successor Agency acknowledges that, due to the passage of the Dissolution Act, it will need to take certain actions to ensure that it requests sufficient Tax Revenues and Housing Tax Revenues, as applicable, to make the deposits, as and when required to be made, into the Special Funds pursuant to the Successor Agency Bonds Indentures, and in order to insure the payment of debt service on the Successor Agency Bonds on a timely basis. The Successor Agency covenants that it will take all such actions as required to make the deposits as and when required to be made into the Special Funds pursuant to the Successor Agency Bonds Indentures, and to make the timely payment of debt service on the Successor Agency Bonds. The Successor Agency further acknowledges that the provisions of the Dissolution Act require that it establish the Retirement Fund, into which all Tax Revenues and Housing Tax Revenues are required to be deposited. The Successor Agency has heretofore established the Retirement Fund as required by Section 34170.5(a) of the California Health and Safety Code, and covenants that it shall continue to hold and maintain the Retirement Fund

so long as any of the Successor Agency Bonds are Outstanding. The Successor Agency agrees in the Successor Agency Bonds Indentures that it will hold the Special Funds and, with respect to the Non-Housing Successor Agency Bonds, the respective Parity Debt Special Funds as accounts within the Retirement Fund and will continue to deposit all Tax Revenues and Housing Tax Revenues, as and when received, into such funds in order to ensure that all Tax Revenues and Housing Tax Revenues are available for the payment of debt service on the Successor Agency Bonds and Parity Debt, as applicable, on a timely basis, including all amounts due to the Insurer.

Debt Service Funds; Transfer of Amounts to Trustee. Pursuant to the Successor Agency Bonds Indentures, moneys in the applicable Special Fund shall be transferred by the Successor Agency to the Successor Agency Bonds Trustee in the following amounts, at the following times, and into the following respective special accounts within the applicable Debt Service Fund to pay debt service on the applicable series of Successor Agency Bonds and any Parity Debt of such Successor Agency Bonds not otherwise provided for in an applicable Parity Debt Instrument, in the following order of priority:

(a) Interest Accounts. As to the Non-Housing Successor Agency Bonds, on or before the sixth (6th) Business Day, and as to the 2024 Housing Bonds, on or before the fourth (4th) Business Day, preceding each date on which interest on the applicable series of Successor Agency Bonds becomes due and payable, the Successor Agency shall withdraw from the applicable Special Fund and transfer to the Successor Agency Bonds Trustee for deposit in the applicable Interest Account an amount which, when added to the amount then on deposit in the applicable Interest Account, will be equal to the aggregate amount of the interest becoming due and payable on the applicable series of Outstanding Successor Agency Bonds on such date. The Successor Agency Bonds Indentures for the Non-Housing Successor Agency Bonds further provide that no such transfer and deposit need be made to the applicable Interest Account if the amount contained therein is at least equal to the interest to become due on the Interest Payment Date upon all of the applicable Successor Agency Bonds Outstanding. All moneys in the respective Interest Accounts shall be used and withdrawn by the Successor Agency Bonds Trustee solely for the purpose of paying the interest on the applicable series of Successor Agency Bonds as it shall become due and payable (including accrued interest on any Successor Agency Bonds of such series purchased or redeemed prior to maturity pursuant to the Successor Agency Bonds Indentures).

(b) Principal Accounts. As to the Non-Housing Successor Agency Bonds, on or before the sixth (6th) Business Day, and as to the 2024 Housing Bonds, on or before the fourth (4th) Business Day, preceding each date on which principal of the applicable series of Successor Agency Bonds becomes due and payable at maturity, the Successor Agency shall withdraw from the applicable Special Fund and transfer to the Successor Agency Bonds Trustee for deposit in the applicable Principal Account an amount which, when added to the amount then on deposit in the applicable Principal Account, will be equal to the amount of principal coming due and payable on such date on the applicable series of Outstanding Successor Agency Bonds. All moneys in the Principal Accounts shall be used and withdrawn by the Successor Agency Bonds Trustee solely for the purpose of paying the principal of the applicable series of Successor Agency Bonds upon the maturity thereof.

(c) Sinking Accounts. As to the Non-Housing Successor Agency Bonds, on or before the sixth (6th) Business Day, and as to the 2024 Housing Bonds, on or before the fourth (4th) Business Day, preceding each October 1 on which any Outstanding Successor Agency Bonds issued as Term Bonds (as defined in the Successor Agency Bonds Indentures) (the "Successor Agency Term Bonds") become subject to mandatory redemption, or otherwise for purchases of Successor Agency Term Bonds, the Successor Agency shall withdraw from the applicable Special Fund and transfer to the Successor Agency Bonds Trustee for deposit in the applicable Sinking Account an amount which, when added to the amount then contained in the applicable Sinking Account, will be equal to the aggregate principal amount of the applicable Successor Agency Term Bonds required to be redeemed on such October 1. All moneys on deposit in the applicable Sinking Account shall be used and withdrawn by the Successor Agency Bonds Trustee for the sole purpose of paying the principal of the applicable Successor Agency Term Bonds as it shall become due and payable upon redemption or purchase.

(d) Reserve Accounts. Under each Successor Agency Bonds Indenture, a separate account within the Debt Service Fund thereunder will be established by the Successor Agency Bonds Trustee known as the “Reserve Account” (each a “Reserve Account” and collectively, the “Reserve Accounts”) and a subaccount therein (each a “Reserve Subaccount” and collectively, the “Reserve Subaccounts”).

Amounts on deposit in the 2024 Series A Subaccount of the Reserve Account, the 2024 Series D Subaccount of the Reserve Account, and 2024 Series A Housing Bonds Subaccount of the Reserve Account will be available to pay debt service only on the 2024 Series A Bonds, the 2024 Series D Bonds, and the 2024 Housing Bonds, respectively, and any Parity Debt thereof that the Successor Agency elects to be secured by such Reserve Subaccount. Amounts on deposit in the 2024 Series E Subaccount of the Reserve Account and the 2015 Series E Subaccount of the Reserve Account will be available to pay debt service only on the 2024 Series E Bonds, the 2015 Series E Bonds and any other Parity Debt that the Successor Agency elects to be secured by the 2024 Series E Subaccount of the Reserve Account.

See “– Debt Service Reserve Accounts” for further information regarding the Reserve Accounts. In the event that the Successor Agency elects to secure additional Parity Debt with a Reserve Subaccount, the Successor Agency shall establish subaccounts within the applicable Reserve Account as needed.

(e) Redemption Accounts. On or before the Business Day preceding any date on which Successor Agency Bonds are subject to redemption, other than mandatory Sinking Account redemption of Successor Agency Term Bonds, the Successor Agency shall transfer to the applicable Redemption Account the amounts required to pay the principal of and premium, if any, on the applicable Successor Agency Term Bonds to be so redeemed on such redemption date to the Successor Agency Bonds Trustee.

See APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS” for a further summary of the flow of funds under the Successor Agency Bonds Indentures.

Debt Service Reserve Accounts

General. In order to further secure the payment of principal of and interest on the Successor Agency Bonds, the Successor Agency will establish the respective Reserve Accounts and Reserve Subaccounts therein for each series. On the Closing Date, the Successor Agency will:

- (i) deposit \$[_____], using a portion of the proceeds of the 2024 Series A Bonds, in the 2024 Series A Subaccount of the Reserve Account, which deposit will equal the “Reserve Requirement” for the 2024 Series A Bonds as of the Closing Date;
- (ii) use a portion of the proceeds of the 2024 Series D Bonds to purchase the 2024 Series D Bonds Reserve Policy in the initial stated amount of \$[_____], for the credit to the 2024 Series D Subaccount of the Reserve Account, which stated amount will equal the “Reserve Requirement” for the 2024 Series D Bonds as of the Closing Date;
- (iii) deposit \$[_____], using a portion of the proceeds of the 2024 Series E Bonds, in the 2024 Series E Subaccount of the Reserve Account. As of the Closing Date, the balance in the 2015 Series E Bonds Reserve Subaccount will be \$[___], which, together with the deposit described in the previous sentence, will equal the “Reserve Requirement” for the 2024 Series E Bonds and the 2015 Series E Bonds, on a combined basis, as of the Closing Date; and
- (iv) use a portion of the proceeds of the 2024 Housing Bonds to purchase the 2024 Housing Bonds Reserve Policy in the initial stated amount of \$[_____], for the credit to the 2024 Series A Housing Subaccount of the Reserve Account, which stated amount will equal the “Reserve Requirement” for the 2024 Housing Bonds as of the Closing Date.

Amounts on deposit in the 2024 Series A Subaccount of the Reserve Account, the 2024 Series D Subaccount of the Reserve Account, and 2024 Series A Housing Subaccount of the Reserve Account will be available to pay debt service only on the 2024 Series A Bonds, the 2024 Series D Bonds and the 2024 Housing Bonds, respectively, and any Parity Debt thereof issued that the Successor Agency elects to be secured by any such Reserve Subaccount. Amounts on deposit in the 2024 Series E Subaccount of the Reserve Account and the 2015 Series E Subaccount of the Reserve Account will be available to pay debt service only on the 2024 Series E Bonds, the 2015 Series E Bonds, and any other Parity Debt that the Successor Agency elects to be secured by such subaccounts. Amounts drawn on the 2024 Series D Bonds Reserve Policy and the 2024 Housing Bonds Reserve Policy will be available to pay debt service only on the 2024 Series D Bonds and the 2024 Housing Bonds, respectively.

Definition of Reserve Requirement. Under the Successor Agency Bonds Indentures, the term “Reserve Requirement” is generally defined to mean, with respect to a series of Successor Agency Bonds or any Parity Debt of such Successor Agency Bonds as of any calculation date, the least of (i) ten percent (10%) of the original principal amount of such Successor Agency Bonds or such Parity Debt, as applicable, provided that if the original issue discount of such Successor Agency Bonds or such Parity Debt exceeds 2% of such original principal amount, then initially ten percent (10%) of the original principal amount of, less original issue discount on, such Successor Agency Bonds or such Parity Debt, but excluding from such calculation any proceeds of such Parity Debt deposited in an escrow described in the definitions of Annual Debt Service and Maximum Annual Debt Service, (ii) Maximum Annual Debt Service with respect to such Successor Agency Bonds or such Parity Debt, as applicable, or (iii) 125% of average Annual Debt Service on such Successor Agency Bonds or such Parity Debt, as applicable; provided further that the Successor Agency may meet all or a portion of the applicable Reserve Requirement by depositing a Qualified Reserve Account Credit Instrument meeting the requirements of the Successor Agency Bonds Indenture for such Successor Agency Bonds. The calculation of the Reserve Requirement with respect to a series of Successor Agency Bonds may, at the option of the Successor Agency, be made with respect to such Successor Agency Bonds and any Parity Debt of such Successor Agency Bonds, on a combined basis, as provided in the applicable Successor Agency Bonds Indenture, provided that the Successor Agency Bonds Trustee shall establish separate subaccounts for the proceeds of the Successor Agency Bonds and any such Parity Debt to enable the Successor Agency Bonds Trustee to track the investment of the proceeds of such Successor Agency Bonds and such Parity Debt on an individual basis.

The “Reserve Requirement” for the (i) 2024 Series A Bonds, (ii) 2024 Series D Bonds, and (iii) 2024 Housing Bonds, as of the Closing Date, will be calculated on a stand-alone basis without regard to any other bonds. The “Reserve Requirement” for the 2024 Series E Bonds will be calculated on a combined basis with the 2015 Series E Bonds.

Qualified Reserve Account Credit Instruments. The Successor Agency has the right, with the prior written consent of the Insurer, at any time to request the release of funds by the Successor Agency Bonds Trustee from each Reserve Account, in whole or in part, by tendering to the Successor Agency Bonds Trustee a Qualified Reserve Account Credit Instrument, and satisfying certain other conditions set forth in the Successor Agency Bonds Indentures.

Each of the Successor Agency Bonds Indentures defines the term “Qualified Reserve Account Credit Instrument” to mean an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company and deposited with the Successor Agency Bonds Trustee pursuant to the Successor Agency Bonds Indentures, provided that all of the following requirements are met by the Successor Agency at the time of delivery thereof to the Successor Agency Bonds Trustee: (a) S&P or Moody’s have assigned a long-term credit rating to such bank or insurance company is “AAA” or “Aaa,” respectively; (b) such letter of credit or surety bond has a term of at least twelve (12) months; (c) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to which funds are proposed to be released pursuant to the Successor Agency Bonds Indentures; (d) the Successor Agency Bonds Trustee is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Interest Account, the Principal Account or the Sinking Account for the purpose of

making payments required pursuant to the Successor Agency Bonds Indentures; and (e) prior written notice is given to the Insurer before the effective date of any such Qualified Reserve Account Credit Instrument. Notwithstanding the foregoing, in the event of the issuance of Parity Debt (the “Refunding Parity Debt”) to refund existing Parity Debt (the “Refunded Parity Debt”) that has a Qualified Reserve Account Credit Instrument (the “Existing Qualified Reserve Account Credit Instrument”) on deposit in the Reserve Account (or in any subaccount therein) established with respect to such Refunded Parity Debt, any irrevocable standby or direct-pay letter of credit or surety bond proposed to be deposited in the Reserve Account or any subaccount thereof, or into another reserve account, to satisfy the Reserve Requirement with respect to the Refunding Parity Debt issued on or after October 1, 2014, shall only need to be rated no lower than the higher of (i) the current long term credit rating assigned by S&P or Moody’s to the bank or insurance company that issued the Existing Qualified Reserve Account Credit Instrument or (ii) “A” or “A2,” respectively, by S&P or Moody’s.

See APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS” for a further summary of the provisions relating to the Reserve Accounts and Reserve Subaccounts established under the Successor Agency Bonds Indentures.

Reserve Accounts for Existing Parity Debt. The Successor Agency previously caused the Successor Agency Bonds Trustee to deposit cash or a Qualified Reserve Account Credit Instruments in the reserve accounts for existing Parity Debt to satisfy their applicable Reserve Requirement.

The reserve policies credited to, and amounts on deposit in, the respective reserve subaccounts established for existing Parity Debt are not available to pay debt service on any of the Successor Agency Bonds, other than with respect to the 2024 Series E Bonds and the 2015 Series E Bonds as previously described. Likewise, other than with respect to the 2024 Series E Subaccount of the Reserve Account and the 2015 Series E Subaccount which are available to pay debt service on the 2024 Series E Bonds, the 2015 Series E Bonds, and any other Parity Debt that the Successor Agency elects to be secured by such Reserve Subaccounts as previously described, each Reserve Subaccount for the Successor Agency Bonds is available to pay debt service only on the series of Successor Agency Bonds secured thereby and are not available to pay debt service on any other bonds. As discussed above, however, the Reserve Subaccounts for a series of Successor Agency Bonds may secure any Parity Debt of such Successor Agency Bonds that the Successor Agency elects to be secured by such subaccount.

If circumstances should ever cause a Qualified Reserve Account Credit Instrument to be canceled or discharged, such cancellation or discharge could be determined to create a deficiency in the portion of Reserve Requirement previously satisfied by such Qualified Reserve Account Credit Instrument. Under the Successor Agency Bonds Indentures, in the event that the amount on deposit in a Reserve Account is less than the applicable Reserve Requirement, the Successor Agency is required to transfer to the Successor Agency Bonds Trustee an amount of available Tax Revenues or Housing Tax Revenues, as applicable, sufficient to maintain the amount in such Reserve Account at the applicable Reserve Requirement and request ROPS to fix it. Should the amount of Tax Revenues or Housing Tax Revenues, as applicable, then available to maintain a Reserve Account at the applicable Reserve Requirement be insufficient for such purpose, such insufficiency would not result in an event of default under the Successor Agency Bonds Indentures, but the requirement of the Successor Agency to transfer available Tax Revenues or Housing Tax Revenues, as applicable to the Successor Agency Bonds Trustee would continue. No assurance can be given that there would ever be available Tax Revenues or Housing Tax Revenues, as applicable, sufficient for such purpose.

[Municipal Bond Debt Service Reserve Insurance Policy]

Concurrently with the issuance of the Bonds, the Insurer will issue its Reserve Policies for the 2024 Series D Bonds and the 2024 Housing Bonds. The Reserve Policies are being issued in amounts that will equal the applicable Reserve Requirement.

The Insurer is also issuing the Policy for the Insured Bonds. Information regarding the Insurer is discussed herein under “BOND INSURANCE POLICY.”]

Rating agencies have previously downgraded or withdrawn the ratings on the claims-paying ability and financial strength of providers of the Qualified Reserve Account Credit Instruments. Deterioration in the financial condition of a provider of the Qualified Reserve Account Credit Instrument or a failure to honor a draw by this provider under its Qualified Reserve Account Credit Instrument could occur. The Successor Agency is not required under the Successor Agency Bonds Indentures to replace a Qualified Reserve Account Credit Instrument with cash or a replacement instrument in the event the ratings of its provider decline or are withdrawn. The Successor Agency currently has no plans to replace any such Qualified Reserve Account Credit Instruments with other instruments or cash.

Amounts on deposit in a Reserve Subaccount are available to pay debt service only on the series of Successor Agency Bonds secured thereby and any other Parity Debt hereafter issued that the Successor Agency elects to be secured by such Reserve Subaccount. Amounts drawn on the 2024 Series D Bonds Reserve Policy and the 2024 Housing Bonds Reserve Policy will be available to pay debt service only on the 2024 Series D Bonds and the 2024 Housing Bonds, respectively.

Additional Successor Agency Parity Debt

Under each Successor Agency Bonds Indenture, the Successor Agency has covenanted to not issue any obligations payable from Tax Revenues and Housing Tax Revenues, as applicable, on a senior basis to the Successor Agency Bonds and the Successor Agency Parity Bonds. The Successor Agency may issue or incur additional Parity Debt as to each series of Successor Agency Bonds, however, solely for the purpose of refunding such Successor Agency Bonds and any Parity Debt of such Successor Agency Bonds provided that such refunding bonds generate debt service savings, subject to the satisfaction of the conditions precedent in the Successor Agency Bonds Indentures, which include the following:

(a) No Event of Default shall have occurred and be continuing, and the Successor Agency shall otherwise be in compliance with all covenants set forth in the applicable Successor Agency Bonds Indenture.

(b) The Tax Revenues or Housing Tax Revenues, as applicable, for each succeeding Fiscal Year based on the most recent assessed valuation of property in the Project Area (as defined in the applicable Successor Agency Bonds Indenture) as evidenced in written documentation from an appropriate official of the County or a written report of an Independent Redevelopment Consultant plus any Additional Revenues (as defined in the applicable Successor Agency Bonds Indenture) shall be at least equal to the Applicable Coverage Requirement (defined below) of Annual Debt Service on the applicable series of Successor Agency Bonds and Parity Debt of such Successor Agency Bonds which will be outstanding immediately following the issuance of such additional Parity Debt for each applicable succeeding Bond Year. "Applicable Coverage Requirement" as used above means, (i) with respect to each series of Non-Housing Successor Agency Bonds, one hundred twenty-five percent (125%), and (ii) with respect to the 2024 Housing Bonds, one hundred and twenty percent (120%).

The Successor Agency Bonds Indenture for the 2024 Series E Bonds provides that in determining the amount of Tax Revenues (which is defined in the Successor Agency Bonds Indenture by reference to the Interstate 215 Corridor Project Area) for any future Fiscal Year, if any single property owner owns property within the Interstate 215 Corridor Project Area with an assessed value totaling more than five percent (5%) of the total assessed value in the Interstate 215 Corridor Project Area, the Successor Agency shall disregard the assessed value in excess of five percent (5%) of the total assessed value in determining the Tax Revenues.

The Tax-Exempt Housing Bonds Indenture provides that in determining the amount of Housing Tax Revenues (which are defined in the Tax-Exempt Housing Bonds Indenture by reference to all of the Successor Agency's five project areas) for any future Fiscal Year, if any single property owner owns property within the Project Area (which is defined in such indenture as all of the Successor Agency's five

project areas) with an assessed value totaling more than six and one-half percent (6.5%) of the total assessed value in the Project Area. the Successor Agency shall disregard the assessed value in excess of six and one-half percent (6.5%) of the total assessed value in the determining Tax Revenues.

(c) The Successor Agency shall fund a reserve account relating to such additional Parity Debt in an amount equal to the Reserve Requirement.

On the Closing Date, the Successor Agency will be in compliance with such requirements. See Appendix D – “SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS.”

Events of Default

Each of the Successor Agency Bonds Indentures provide that the following events shall constitute an Event of Default under the Successor Agency Bonds Indentures:

(a) Failure to pay any installment of the principal of the applicable series of Successor Agency Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by acceleration, or otherwise.

(b) Failure to pay any installment of interest on the applicable series of Successor Agency Bonds when and as the same shall become due and payable.

(c) Failure by the Successor Agency to observe and perform any of the other covenants, agreements or conditions on its part in such Successor Agency Bonds Indenture or in the applicable series of Successor Agency Bonds contained, if such failure shall have continued for the period of time specified in such Successor Agency Bonds Indenture, after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the Successor Agency by the Successor Agency Bonds Trustee or the Insurer; provided, however, if in the reasonable opinion of the Successor Agency the failure stated in the notice can be corrected, but not within the period of time specified in such Successor Agency Bonds Indenture, such failure shall not constitute an Event of Default if corrective action is instituted by the Successor Agency with the prior written consent of the Insurer within such period of time specified in such Successor Agency Bonds Indenture and the Successor Agency shall thereafter diligently and in good faith cure such failure in a reasonable period of time.

(d) The Successor Agency shall commence a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

An Event of Default under a Successor Agency Bonds Indenture in and of itself will not trigger an Event of Default under any other Successor Agency Bonds Indenture.

Each of the Successor Agency Bonds Indentures provide that, subject in all respects to the provisions of the Successor Agency Bonds Indentures, if an Event of Default has occurred and is continuing, the Successor Agency Bonds Trustee may (with the prior written consent of the Insurer), or if requested in writing by the Insurer, or, with the prior written consent of the Insurer, the Owners of a majority of the principal amount of the applicable series of Successor Agency Bonds then Outstanding the Successor Agency Bonds Trustee shall, among other things, declare the principal of the applicable series of Successor Agency Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything in such Successor Agency Bonds Indenture or in the applicable series of Successor Agency Bonds to the contrary notwithstanding. See Appendix D – “SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS.”

BOND INSURANCE POLICY

[TO COME]

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY

The Successor Agency

The Former Agency was established pursuant to the Redevelopment Law and was activated by the Board of Supervisors of the County (the “Board”) on August 6, 1985, by Ordinance No. 612, at which time the Board declared itself to be the governing board (the “Board of Directors”) of the Former Agency. The Former Agency was charged with the authority and responsibility of redeveloping and upgrading blighted areas of the County. The Former Agency was a separate public body and exercised governmental functions in planning and carrying out redevelopment projects. Subject to requirements and certain limitations in the Redevelopment Law, the Former Agency was charged to build public improvements, facilitate the development of on and off-site improvements for private development projects, acquire and re-sell property, and provide services of special benefit to the Project Areas.

AB IX 26. As a result of AB IX 26 and the decision of the California Supreme Court in the California Redevelopment Association 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 and also to satisfy “enforceable obligations” of the former redevelopment agency.

On January 10, 2012, the County Board of Supervisors accepted designation as the Successor Agency pursuant to Resolution No. 2012-034 and Section 34171(j) of the Dissolution Act. On June 27, 2012, AB IX 26 was amended by AB 1484, which clarified that successor agencies are separate political entities and that the successor agency succeeds to the organizational status of the former redevelopment agency but without any legal authority to participate in redevelopment activities except to complete the work related to an approved enforceable obligation. The Dissolution Act expressly clarifies that the County and the Successor Agency are separate public entities. None of the liabilities of the Former Agency are transferred to the County by the virtue of the County’s election to serve as the Successor Agency.

The present members of the Board of Supervisors and their terms of office are shown below:

<u>Member</u>	<u>Term Expires</u>
Kevin Jeffries	January 2025
V. Manuel Perez	January 2026
Chuck Washington	January 2025
Karen Spiegel	January 2026
Yxstian Gutierrez	January 2026

As discussed below, many actions of the Successor Agency are subject to approval by an “oversight board” and the review or approval by the California Department of Finance, including the issuance of bonds such as the Successor Agency Bonds.

Oversight Board

The Countywide Oversight Board for the County of Riverside (the “Oversight Board”) is governed by a seven-member governing board, with one County Supervisor, one member appointed from the public, one member from the largest employee organization, one member appointed by the Independent Special District Committee, one member appointed by California Community Colleges, one member appointed by the City Selection Committee, and one member appointed by the County Office of Education.

The Oversight Board has fiduciary responsibility to the holders of enforceable obligations and the taxing entities that benefit from the distributions of property tax and other revenue. The Oversight Board will oversee the “winding down” process of all Redevelopment Agencies in the County and meets on an as-needed basis throughout the year. For example, the establishment of each ROPS must be approved by the Oversight Board

prior to its submittal to the Department of Finance. The issuance of bonds, such as the Successor Agency Bonds, is subject to the approval of the Oversight Board. All actions of the Oversight Board are subject to review by the DOF. Certain Successor Agency matters are also subject to review by the County Auditor-Controller and the State Controller.

Pass-Through Agreements

Under redevelopment law existing at the time of a redevelopment agency's plan adoption, taxing jurisdictions that would experience a fiscal burden due to the existence of the redevelopment plan could enter into fiscal agreements with redevelopment agencies to alleviate that burden. Such agreements, known as Section 33401 fiscal, or pass-through, agreements, generally provide for redevelopment agencies to pay to a taxing entity some or all of that entity's share of the tax increment received by the Successor Agency. Taxing entities could separately receive their share of the growth in valuation due to inflation, known as Section 33676 or the 2% payments. All such payments are made from the portion of tax increment revenue previously dedicated to redevelopment activities and not from the portion of tax increment previously revenue dedication to housing production.

The Successor Agency reports that it has a uniform set of agreements with non-school taxing entities regarding payments under Section 33401. Under these agreements, the Successor Agency passes through to the taxing entities 100% of the tax increment that the entities would otherwise receive. The County itself does not receive pass-through payments for its General Fund or for county fire or library districts under these agreements. The Section 33401 fiscal agreements contain no clauses allowing the Successor Agency to subordinate payments to the taxing entities to debt service payments. **Therefore, all pass-through payments made under these agreements are senior to the payment of debt service on the Successor Agency Bonds.**

The Successor Agency has a similarly uniform set of agreements with school jurisdictions. Under the school pass-through agreements, the school districts receive 29.62% of the tax increment that each district would normally receive. The Successor Agency has no resolutions in effect with taxing entities under Section 33676.

All Section 33401 pass-through payments are calculated and made by the Auditor-Controller on the Successor Agency's behalf. See APPENDIX A – "REPORT OF FISCAL CONSULTANT."

Statutory Tax Sharing Payments

The sub-areas added to the project areas after January 1, 1994 are subject to the special requirements of AB1290, which replaced tax increment caps and negotiated fiscal agreements with finite plan durations and statutory payments to taxing entities, among other requirements. The redevelopment plans were subsequently brought into conformance with plan duration and other provisions of AB1290. The California Legislature enacted Senate Bill 1045, Chapter 260, Statutes 2003, effective September 1, 2003 ("SB 1045") and Senate Bill 1096, Chapter 211, Statutes of 2004 ("SB 1096"). SB 1045 and AB 1096 provide, among other things, that the Redevelopment Plan for project areas may be amended to add up to three years on to the effectiveness of the Redevelopment Plan and on to the period for collection of tax increment revenues and the repayment of debt. Pursuant to the authorization contained in SB 1045, the Board of Supervisors adopted Ordinance No. 835 on November 30, 2004, (effective December 30, 2004) eliminating the time limitations on incurring debt. As a result, the project areas are subject to statutory tax sharing payments. Those taxing entities that have entered into negotiated tax sharing agreements continue to receive tax sharing payments in accordance with the terms of those agreements. The taxing entities without tax sharing agreements will receive their proportionate share of the statutory payments described below.

The payments to those taxing entities that do not have tax sharing agreements in place are made in accordance with the three-tiered formula for statutory tax sharing payments required as outlined in Section 33607.7 of the Redevelopment Law. These taxing entities receive their proportional shares of a tax sharing amount that is defined as being 25% of the revenue derived from the difference in assessed value in the current year and the assessed value in the adjusted base year and net of the 20% housing set-aside requirement.

Under Section 34177.5(c) of the Dissolution Act, the Successor Agency may subordinate the statutory pass-through payments to the repayment of indebtedness. **The Successor Agency has subordinated the statutory pass-through payments to the payment of debt service on the Non-Housing Successor Agency Bonds.**

Property Taxes and Inflation Rates

The taxable values of property are established each year on the January 1 property tax lien date. Real property values reflect the reported assessed values for secured and unsecured land and improvements. The base year value of a parcel is the value established as the full market value upon a parcel’s sale, improvement or other reassessment. Article XIII A of the California Constitution (Proposition 13) provides that a parcel’s base year value is established when locally assessed real property undergoes a change in ownership or when new construction occurs. Following the year a parcel’s base year value is first enrolled, the parcel’s value is factored annually for inflation. The term base year value does not, in this instance, refer to the base year value of the Project Area. Pursuant to Article XIII A, Section 2(b) of the State Constitution and California Revenue and Taxation Code Section 51, the percentage increase in the parcel’s value cannot exceed 2% of the prior year’s value.

Secured property includes property on which any property tax levied by a county becomes a lien on that property. Unsecured property typically includes value for tenant improvements, fixtures, inventory and personal 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 secured property owned by the taxpayer. The taxes levied on unsecured property are levied at the previous year’s secured property tax rate. Utility property assessed by the State Board of Equalization (the “BOE”) may be revalued annually and such assessments are not subject to the inflation limitations established by Proposition 13. The taxable value of Personal Property is also established on the lien dates and is not subject to the annual 2% limit of locally assessed real property.

Each year the BOE 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. Until 2010-11 the annual adjustment never resulted in a reduction to the base year values of individual parcels; however, the factor that was applied to real property assessed values for the January 1, 2010 assessment date was a -0.237%, and this resulted in a reductions to the adjusted base year value of parcels. The changes in the California Consumer Price Index (CCPI) 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 six prior fiscal years, and the next fiscal year.

Historical Inflation Adjustment Factors

<u>Fiscal Year</u>	<u>Inflation Adj. Factor</u>
2018-19	2.000%
2019-20	2.000
2020-21	2.000
2021-22	1.010
2022-23	2.000
2023-24	2.000
2024-25 ⁽¹⁾	2.000

⁽¹⁾ Estimated.

Source: State of California Board of Equalization.

Supplemental Assessment Revenues

Chapter 498 of the Statutes of 1983 provides for the reassessment of property upon 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.

Since 1984-85, revenues derived from Supplemental Assessments have been allocated to redevelopment agencies and taxing entities in the same manner as regularly collected property taxes. The receipt of Supplemental Assessment Revenues by taxing entities typically follows the change of ownership by a year or more. The County Auditor-Controller applies any tax refunds paid to property owners in the project areas against the Successor Agency's allocation of supplemental assessment revenue. The Successor Agency has not included revenues resulting from Supplemental Assessments in its projections.

Property Taxes; Teeter Plan

The County is utilizing a mechanism for the distribution of tax increment revenue to the former redevelopment agencies that has a similar effect on the Successor Agency's tax increment revenues as the procedure known as the Teeter Plan (Section 4701 *et seq.* of the California Revenue and Taxation Code). The Teeter Plan allows counties to distribute secured property tax revenue to participating jurisdictions without regard to delinquencies by maintaining a reserve fund to cover delinquencies and allocating revenue based on the original secured roll, retaining all delinquent tax payments and penalties. Under the mechanism used by the County to distribute tax increment revenue to the former redevelopment agencies, the County pays one-half of the taxes from the net taxable assessed valuation appearing on the equalized roll to each agency's RPTTF on January 2 and the other one-half on June 1; delinquencies are not deducted from the Redevelopment Property Tax Trust Fund revenue, and delinquent tax payments and defaulted tax redemptions, penalties and interest are not added to Redevelopment Property Tax Trust Fund revenue. Consequently, the Successor Agency is currently not affected by delinquent tax payments. The County could, however, change this policy in the future and begin making deductions for such delinquencies, adjustments, refunds and corrections from tax increment revenues allocated in the Successor Agency. There is no indication of any intention to change the current mechanism or if another tax increment distribution mechanism would replace it, however, the Authority is unaware of any plans by the County to change the current mechanism.

Financial Statements

The Successor Agency currently maintains separate audited financial statements. The Successor Agency's audited financial statements for the fiscal year ended June 30, 2023, are included as Appendix C to this Official Statement. The Successor Agency has not requested nor did the Successor Agency obtain permission from its Auditor to include the audited financial statement as an appendix to this Official Statement. Accordingly, the auditor has not performed any post audit review of the financial conditions and operations of the Successor Agency.

Allocation of Former Low and Moderate Income Housing Set-Aside

The projections of tax increment revenues and the respective tax revenues pledged as security for the Successor Agency Bonds are shown under the discussion of each project area. The portion of tax increment that would have been deposited in the Former Agency's Low and Moderate Income Housing Set-Aside is pledged to the payment of debt service on the 2024 Housing Bonds and Housing Parity Debt as previously described.

As previously described, each of the five project areas are responsible for its Pro Rata Share of Housing Debt Service. Reductions in the assessed value in a project area can have the result of increasing the Pro Rata Share of Housing Debt Service that is taken into account when determining "Tax Revenues" pledged to a particular series of Non-Housing Successor Agency Bonds, and thereby reduce such "Tax Revenues" available to pay debt service on such Non-Housing Successor Agency Bonds. A large energy facility accounts for a large portion of the assessed value in its Mid-County Redevelopment Project Area and is assessed by the State Board

of Equalization rather than the County Assessor. Owned by Competitive Power Ventures, GE Energy Financial Services and Diamond Generating Corp., the facility, CPV Sentinel, is an 800-megawatt electric generating facility capable of operating on both gas and liquid fuels. This project has a 10-year Power Purchase Agreement with Southern California Edison to provide “peaking power” during periods of high demand. It is located in the Amendment 2 sub-area of the Mid-County Redevelopment Project Area. The State Board of Equalization has provided an assessed value of the facility which amounts to 19.1% of the Mid-County Redevelopment Project Area total assessed value in fiscal year 2023-24. This energy facility has had large reductions in assessed value as directed by the State Board of Equalization. A significant decrease in the assessed value of such a large property owner could result in reducing tax increment in the Mid-County Redevelopment Project Area

Plan Limitations

In 1993, the California Legislature enacted AB 1290. Among the changes to the Redevelopment Law accomplished by AB 1290 was a provision which limits the period of time for incurring and repaying loans, advances and indebtedness which are payable from tax increment revenues. In general, a redevelopment plan may terminate not more than 40 years following the date of original adoption, and loans, advances, and indebtedness may be repaid during a period extending not more than 10 years following the date of termination of the redevelopment plan.

The sub-areas added to project areas after January 1, 1994 are subject to the special requirements of AB1290, which replaced tax increment caps and negotiated fiscal agreements with finite plan durations and statutory payments to taxing entities, among other requirements. The Redevelopment Plans were subsequently brought into conformance with plan duration and other provisions of AB1290. The California Legislature enacted Senate Bill 1045, Chapter 260, Statutes 2003, effective September 1, 2003 (“SB 1045”) and Senate Bill 1096, Chapter 211, Statutes of 2004 (“SB 1096”). SB 1045 and AB 1096 provide, among other things, that the Redevelopment Plan for the Project Area may be amended to add up to three years to the effectiveness of the Redevelopment Plan and to the period for collection of tax increment revenues and the repayment of debt. Pursuant to the authorization contained in SB 1045, the Board of Supervisors adopted Ordinance No. 835 on November 30, 2004, (effective December 30, 2004) eliminating the time limitations on incurring debt. As a result, the project areas are subject to statutory tax sharing payments. Those taxing entities that have entered into negotiated tax sharing agreements continue to receive tax sharing payments in accordance with the terms of those agreements. The taxing entities without tax sharing agreements will receive their proportionate share of the statutory payments described below.

SB 107 clarifies that former tax increment limits set forth in redevelopment plans such as the Redevelopment Plan no longer apply for purposes of paying approved enforceable obligations such as the Successor Agency Bonds.

Other Project Areas

There are a total of five redevelopment project areas administered by the Successor Agency. Each series of Non-Housing Successor Agency Bonds is a separate and distinct obligation secured by “Tax Revenues” generated in the Project Area to which such series of bonds relates, and the 2024 Housing Bonds are separate and distinct obligations secured by Housing Tax Revenues. “Tax Revenues” from a Project Area may only be used to pay debt service on the series of Non-Housing Successor Agency Bonds issued for such Project Area. Tax revenues generated from all five of the Successor Agency’s project areas are available to pay debt service on all refunding bonds issued by the Successor Agency, including the Successor Agency Bonds, on a parity basis to the extent such tax revenues constitute Residual RPTTF. See “SECURITY FOR THE SUCCESSOR AGENCY BONDS – Pledge Under Successor Agency Bonds Indentures – *Residual RPTTF Parity Pledge for All Successor Agency Bonds.*”

Pursuant to Section 34177.5(g) of the Dissolution Act and the Successor Agency Bonds Indentures, however, the Successor Agency Bonds are secured by a pledge and lien on Residual RPTTF on a parity basis with

all refunding bonds of the Successor Agency. Residual RPTTF as used herein generally consists of all moneys deposited or available for deposit from time to time in the Redevelopment Property Tax Trust Fund after amounts on deposit therein have been set aside and reserved, in the manner required in the applicable indentures or other relevant documents to pay (i) debt service on the other bonds of the Former Agency and the Successor Agency, including bonds issued for the benefit of other project areas of the Former Agency and bonds secured by the amounts required, prior to the Dissolution Act, to be deposited in the former low and moderate income housing fund of the Former Agency and (ii) amounts due pursuant to tax sharing agreements, owner participation agreements, development agreements and other similar agreements that are senior to the payment of the debt service on the Successor Agency Bonds and the bonds described in (i) above. See “SECURITY FOR THE SUCCESSOR AGENCY BONDS – Pledge of Revenues Under Successor Agency Bonds Indentures – *Residual RPTTF Parity Pledge for All Successor Agency Bonds*” herein.

As of July 1, 2024, the total principal amount outstanding of non-housing bonds of the Successor Agency was \$399,199,687 and the total principal amount outstanding of housing bonds of the Successor Agency was \$137,236,535. These amounts include accreted interest payable according to the audit report. The total annual amount of tax increment for all project areas in 2023-24 is \$196,496,479, and payments on all obligations of the Successor Agency were \$45,003,994 with a residual balance of \$94,847,443.

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The table below sets forth the residual tax revenues which were used to pay enforceable obligations or distributed to taxing entities for each fiscal year since Fiscal Year 2011-12.

TABLE 1
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
All Redevelopment Project Area
Historical Residual Redevelopment Property Tax Trust Fund Revenues⁽¹⁾

Fiscal Year	ROPS Filed	Property Tax Deposits (RPTTF) (A)	County Administrative Distributions (B)	Pass-through Distributions (C)	Available for Enforceable Obligations (D = A-B-C)	Administrative Obligations (E)	Debt Service and Non-Administrative Obligations (F)	Excess RPTTF Revenue (G=D-E-F)	Ratio of Excess RPTTF Revenue to Debt Service and Non-Admin Obligations (H=G/F)
2011-12	I and II	\$ 90,463,742	\$1,138,494	\$21,804,232	\$ 67,521,016	\$ -	\$67,521,016	\$ -	-
2012-13	III and 13-14A	90,395,395	1,238,003	23,104,432	66,052,960	1,877,232	62,037,174	2,138,554	0.03
2013-14	13-14B and 14-15A	104,936,072	1,208,571	35,115,754	68,611,747	1,806,322	38,618,640	28,186,785	0.73
2014-15	14-15B and 15-16A	99,237,213	1,261,498	23,393,003	74,582,712	990,527	52,094,610	21,497,575	0.41
2015-16	15-16B and 16-17A	106,533,956	1,156,480	25,016,039	80,361,437	1,475,572	42,775,024	36,110,841	0.84
2016-17	16-17B and 17-18A	116,177,983	1,409,304	28,496,459	86,272,220	1,586,206	54,362,336	30,323,678	0.56
2017-18	17-18B and 18-19A	125,353,938	1,337,922	31,534,660	92,481,356	1,294,212	57,481,509	33,705,635	0.59
2018-19	18-19B and 19-20A	132,943,900	1,246,628	33,894,783	97,802,489	2,041,416	49,918,678	45,842,395	0.92
2019-20	19-20B and 20-21A	142,663,682	1,309,930	37,180,250	104,173,503	1,384,801	41,315,989	61,472,713	1.49
2020-21	20-21B and 21-22A	159,294,771	1,934,429	42,748,063	114,612,279	1,254,959	45,863,279	67,494,041	1.47
2021-22	21-22B and 22-23A	166,062,579	1,550,771	44,899,839	119,611,970	1,483,820	46,381,300	71,746,850	1.55
2022-23	22-23B and 23-24A	196,496,479	1,487,153	53,803,037	141,206,288	1,354,851	45,003,994	94,847,443	2.11

⁽¹⁾ RPTTF deposits include interest, supplemental revenue, debt service levy and other revenue. Debt service levy collections included in Property Tax Deposits for Fiscal Year 2013-14 and later are offset by matching Pass-through Distributions. Administrative Obligations include the Successor Agency's statutorily-permitted administrative costs.
Source: Riverside County Auditor Controller.

As the Successor Agency continues to wind down its affairs pursuant to the Dissolution Act, residual Redevelopment Property Tax Trust Fund revenues are expected to increase as enforceable obligations are retired.

REDEVELOPMENT PROJECT AREA NO. 1

General

The Riverside County Board of Supervisors (the “Board”) approved Project Area No. 1 on December 23, 1986, pursuant to Ordinance No. 635. Project Area No. 1 is located in the southwestern region of the County and consists of four sub-areas, totaling approximately 4,651 acres. The original Project Area contains sub-areas in the communities of Home Gardens and Murrieta. The Board approved Amendment No. 1 to the Project Area on July 20, 1999, pursuant to Ordinance No. 793, which included a new sub-area in the communities of Lakeland Village and Wildomar. A second amendment to the Project Area was approved on December 14, 1999, pursuant to Ordinance No. 800. This amendment allowed for the creation of another new sub-area in the El Cerrito/Temescal Canyon area.

Home Gardens. The first sub-area encompasses approximately 150 acres and is located in the unincorporated area of Home Gardens, situated between the cities of Riverside and Corona. The area is comprised of commercial and industrial land uses and has easy access to both State Route 91 and Interstate 15. A small portion of the sub-area was annexed into the city of Corona and includes a small industrial park.

Murrieta. The second sub-area consists of approximately 200 acres within the city of Murrieta and is located between the cities of Lake Elsinore and Temecula. The sub-area was formed in 1986 and was subsequently included as part of the incorporation of the City of Murrieta in July, 1991. The Murrieta Sub-Area is located within the historic core of the city and remains mostly rural in nature with large residential lots, limited commercial, office and industrial development and several public facilities. The junction of Interstates 15 and 215 is approximately 1.5 miles southeast of the sub-area, making it a convenient location for businesses.

Lakeland Village/Wildomar. The third sub-area is located adjacent to the cities of Lake Elsinore and Wildomar. It is approximately 2,859 acres in size and consists of four non-contiguous areas in the communities of Lakeland Village, Sedco Hills and Cleveland Ridge. A portion of the sub-area is located within the City of Wildomar which incorporated in 2008. Because the sub-area is adjacent to Lake Elsinore and the Cleveland National Forest, it has significant recreational potential.

El Cerrito/Temescal Canyon. The fourth sub-area includes approximately 1,442 acres of land on both sides of the 15 Freeway near the City of Corona. The El Cerrito Sub-Area is located north of Cajalco Road and the Temescal Canyon Sub-Area is located south of Weirick Road.

Largest Taxpayers in the Project Area No. 1

The following Table 2 shows the ten largest taxpayers in Project Area No. 1. The Fiscal Consultant has identified the location by Sub-Area for each of the largest property tax payers in the table below. For a brief description of the three largest property tax payers in the Project Area No. 1, as well as the locations by Sub-Area, see APPENDIX A - “REPORT OF FISCAL CONSULTANT – Ten Largest Assesseees.”

**TABLE 2
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
Redevelopment Project Area No. 1
10 Largest Property Owners by Assessed Value
(Fiscal Year 2023-24)**

<u>Property Owner</u>	<u>Secured and Utility</u>	<u>Unsecured</u>	<u>Total</u>	<u>% of Total Valuation</u>	<u>% of Incremental Valuation</u>	<u>Sub-Area</u>
CASTLE & COOKE CORONA CROSSINGS	\$ 205,033,694	\$ -	\$ 205,033,694	8.3%	10.0%	El Cerrito/Temescal
CICF II - CA4M01	66,810,000	-	66,810,000	2.7	3.3	Home Gardens
17 LONGITUDE	63,772,045	-	63,772,045	2.6	3.1	El Cerrito/Temescal
FIVE DEGREES	46,514,103	-	46,514,103	1.9	2.3	El Cerrito/Temescal
CPT CONDOR LONGITUDE	31,956,457	-	31,956,457	1.3	1.6	El Cerrito/Temescal
LBA RV CO XX	26,010,000	-	26,010,000	1.0	1.3	Home Gardens
ANAISA	24,306,030	-	24,306,030	1.0	1.2	Home Gardens
NP TEMESCAL	23,750,000	-	23,750,000	1.0	1.2	El Cerrito/Temescal
TARGET CORPORATION	21,925,025	-	21,925,025	0.9	1.1	El Cerrito/Temescal
2 LATITUDE WAY	21,726,000	-	9,641,825	0.7	0.5	El Cerrito/Temescal
Total, Top Ten:	<u>\$ 531,803,354</u>	<u>\$ -</u>	<u>\$ 531,803,354</u>	<u>21.4%</u>	<u>26.0%</u>	
Total, Top Twenty:	<u>651,942,229</u>	<u>46,232,305</u>	<u>698,174,534</u>	<u>28.1%</u>	<u>34.1%</u>	
Total, Top Hundred:	<u>951,329,791</u>	<u>87,583,313</u>	<u>1,038,913,104</u>	<u>41.8%</u>	<u>50.7%</u>	
Totals for the Area:	<u>\$2,340,447,740</u>	<u>\$142,961,630</u>	<u>\$2,483,409,370</u>	<u>100.0%</u>		

Source: County Assessor, Fiscal Consultant.

The ten largest property owners in Project Area No. 1 account for 21.4% of total valuation for the Project Area and 26.0% of incremental valuation. Castle & Cooke Corona Crossings is a regional retail center near Interstate 15 in the El Cerrito/Temescal sub-area comprised of 27 parcels. CICF II - CA4M01 owns two light industrial properties on Fleetwood Way in the Home Gardens sub-area. 17 Longitude is the owner of a light industrial property on Longitude Way in the El Cerrito/Temescal sub-area. Five Degrees owns five light industrial properties in the El Cerrito/Temescal sub-area. CPT Condor Longitude owns a light industrial property on Longitude Way in the El Cerrito/Temescal sub-area.

Project Area No. 1 Indebtedness

In addition to the 2024 Series A Bonds, the Successor Agency currently has the following outstanding indebtedness for Project Area No. 1 (see APPENDIX C “AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2023” hereto for additional information relating to the payment of indebtedness of the Successor Agency):

A description of outstanding indebtedness of the Successor Agency for Project Area No. 1 as of July 1, 2024, is as follows:

**TABLE 3
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
Redevelopment Project Area No. 1
Summary of Outstanding Debt
(As of July 1, 2024)**

	Balance <u>July 1, 2024</u>
Bonds:	
2014 Series A Bonds ⁽¹⁾	\$14,245,000
Project Area No. 1 2015 Tax Allocation Refunding Bonds, Series A	16,570,000
Project Area No. 1 2016 Tax Allocation Refunding Bonds, Series A	12,510,000
Total	\$[43,325,000]

⁽¹⁾ Bonds to be refunded.
Source: County of Riverside.

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Assessed Valuation

Project Area No. 1 experienced year-over-year increases in incremental value of 5.57% for 2020-21. Values increased for 2021-22 by 4.61% and for Fiscal Year 2022-23 by 12.38%. Values increased by 13.41% in 2023-24. The base year value is 17.90% of the total taxable value in Project Area No. 1 for 2023-24. Table 4 sets forth Project Area No. 1 assessed valuation for the five most recent fiscal years.

TABLE 4
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
Redevelopment Project Area No. 1
Historical Assessed Values
(Fiscal Years 2019-20 through 2023-24)

<u>Roll</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Secured					
- Land	\$ 588,670,421	\$ 611,103,907	\$ 631,674,230	\$ 681,983,333	\$ 768,240,876
- Improvements	1,125,751,954	1,198,613,045	1,260,748,664	1,444,610,628	1,627,521,354
- Personal Property	3,148,402	3,839,808	3,896,246	1,774,390	2,180,276
AB 1290- Exemptions	<u>(52,955,121)</u>	<u>(54,220,747)</u>	<u>(54,566,629)</u>	<u>(55,571,885)</u>	<u>(58,258,460)</u>
Secured Total	\$1,664,615,656	\$1,759,336,013	\$1,841,752,511	\$2,072,796,466	\$2,339,684,046
Unsecured					
- Land	\$ -	\$ 1,316	\$ 1,316	\$ 1,410	\$ -
- Improvements	49,943,602	50,842,996	51,806,390	57,223,274	63,014,053
- Personal Property	48,688,898	51,272,740	53,813,221	59,076,865	79,982,739
- Exemptions	<u>(51,585)</u>	<u>(51,585)</u>	<u>(35,041)</u>	<u>(33,643)</u>	<u>(35,162)</u>
Unsecured Total	\$ 98,580,915	\$ 102,065,467	\$ 105,585,886	\$ 116,267,906	\$ 142,961,630
Utility					
- Land	\$ 1,314,900	\$ 1,314,900	\$ 1,314,900	\$ 763,694	\$ 763,694
- Improvements	0	0	0	0	0
- Personal Property	0	0	0	0	0
- Exemptions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Utility Total	\$ 1,314,900	\$ 1,314,900	\$ 1,314,900	\$ 763,694	\$ 763,694
Totals:	\$1,764,511,471	\$1,862,716,380	\$1,948,653,297	\$2,189,828,066	\$2,483,409,370
Percentage Change	4.95%	5.57%	4.61%	12.38%	13.41%
Plus: HOPTR AV ⁽¹⁾	\$ 13,763,993	\$ 13,449,355	\$ 13,201,679	\$ 12,871,523	\$ 12,482,572
Less: Base AV	446,601,282	446,601,282	446,561,282	446,561,282	446,561,282
Incremental AV:	\$1,331,674,182	\$1,429,564,453	\$1,515,293,694	\$1,756,138,307	\$2,049,330,660
Incremental Revenue (1%)	\$ 13,316,742	\$ 14,295,645	\$ 15,152,937	\$ 17,561,383	\$ 20,493,307

⁽¹⁾ The Homeowner's Property Tax Relief exemption, reimbursed by the State.
Source: County Assessor, Fiscal Consultant.

Proposition 8 Assessment Reductions and Restorations

Proposition 8 amended the Revenue and Taxation Code to allow for reduction of a property's taxable value when the property's market value drops below the inflation adjusted base value for that property. Once reduced, the Riverside County Office of the Assessor (the "Assessor") is required to revalue the property each year and enroll the lesser of the current market value of the property or its original inflation adjusted base value. If a property that has been reduced in value under Proposition 8 is sold, its value is reset based upon the sales price and this new value is no longer subject to annual revaluation under Proposition 8.

The Assessor annually reports on the number of assessments by city and unincorporated area subject to Proposition 8 reductions, and the amount of Proposition 8 reductions (these figures are reported by tax rate district rather than by sub-area and include areas outside of Project Area No. 1). The Assessor reports 2,438 properties reduced through Proposition 8 in Fiscal Year 2023-24 in the principal tax rate districts within Project Area No. 1 with \$283,133,979 in reduced valuation. This compares to 4,070 properties and \$447,191,211 in Proposition 8 reductions in Fiscal Year 2022-23 and 7,668 properties and \$904,325,252 in Proposition 8 reductions in Fiscal Year 2021-22. While these figures include properties outside of Project Area No. 1, they indicate that Proposition 8 reductions have substantially decreased in value between Fiscal Year 2021-22 and Fiscal Year 2023-24. Additionally, based upon a sampling of individual parcels in Project Area No. 1, the Fiscal Consultant concluded that it is likely that a substantial portion of the increase in assessed valuation of Project Area No. 1 is due to the sale of property and new construction. The Assessor does not indicate on the rolls whether or when an individual parcel is subject to a Proposition 8 reduction.

Assessed Valuation Appeals

Pursuant to California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board.

After the applicant and the assessor have presented their arguments, the Appeals Board makes a final decision on the proper assessed value. The Appeals Board may rule in the assessor's favor, in the applicant's favor, or the Board may set their own opinion of the proper assessed value, which may be more or less than either the assessor's opinion or the applicant's opinion. Any reduction in the assessment ultimately granted applies to the year for which application is made and during which the written application was filed. The assessed value may be increased to its pre reduction level for fiscal years following the year for which the reduction application is filed if the real estate market recovers.

Appeals for reduction in the "base year" value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

Most of the appeals filed in Project Area No. 1 are based on Section 51 of the Revenue and Taxation Code which requires that for each lien date the value of real property shall be the lesser of its base year value annually adjusted by the inflation factor pursuant to Article XIII A of the State Constitution or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. Significant reductions have taken place in some counties due to declining real estate values. Reductions made 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 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 it 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 once again is subject to the annual inflationary factor growth rate allowed under Article XIII A.

There are currently 28 pending appeals within Project Area No. 1. In order to estimate the potential reduction in assessed value that may occur as a result of these pending appeals, the fiscal consultant reviewed the historical averages for the number of appeals allowed and the amount of assessed value removed and then applied those averages to the currently pending appeals and estimated the number of pending appeals that may be allowed and the amount of assessed value that may be removed as a result of the pending appeals.

Three of Project Area No. 1's top ten taxpayers have pending appeals of their assessed value as shown in Table 5. The estimated impact of value losses resulting from these pending appeals has not been incorporated into the projected revenues of Project Area No. 1. See "ESTIMATED REVENUES AND BOND RETIREMENT," herein.

**TABLE 5
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
Redevelopment Project Area No. 1
Assessment Appeals by Large Taxpayers**

<u>Roll Year</u>	<u>Owner Name</u>	<u>Status</u>	<u>County Valuation</u>	<u>Applicant Opinion of Value</u>	<u>Valuation After Appeal</u>
2023-24	17 LONGITUDE	1 Pending	\$63,772,045	\$ 48,101,898	\$ TBD
2022-23	CASTLE & COOKE CORONA CROSSINGS	1 Pending	22,511,435	6,920,700	TBD
2022-23	TARGET CORPORATION	1 Pending	19,560,946	950,000	TBD
2021-22	TARGET CORPORATION	1 Pending	19,177,399	855,000	TBD
2021-22	CASTLE & COOKE CORONA CROSSINGS	1 Resolved	9,021,586	6,134,201	9,021,586
2020-21	TARGET CORPORATION	1 Pending	18,980,760	20,045,760	TBD
2020-21	CASTLE & COOKE CORONA CROSSINGS	11 Resolved	24,467,702	89,370,081	24,467,702
2020-21	LBA RV CO XX	1 Resolved	20,151,344	10,075,672	20,151,344
2019-20	TARGET CORPORATION	1 Pending	18,608,589	990,000	TBD
2019-20	CASTLE & COOKE CORONA CROSSINGS	5 Resolved	80,720,510	59,017,060	80,720,510
2019-20	LBA RV CO XX	1 Resolved	19,756,220	9,878,110	19,756,220
2018-19	CASTLE & COOKE CORONA CROSSINGS	4 Resolved	57,153,609	46,842,272	57,153,609
2018-19	TARGET CORPORATION	3 Resolved	54,731,148	57,716,148	54,731,148

Source: Riverside County Assessor.

The following Table 6 shows the amount of assessed value that is presently under appeal within Project Area No. 1 and the estimated reduction of value that has been factored into the projections for 2023-24. The assessment appeals data below reflects appeals filed for Fiscal Years 2013-14 through 2022-23. To provide some indication of the proportion of valuation upheld on appeal, the table below provides information on resolved appeals filed in previous years in Project Area No. 1. Overall, the 208 appeals settled in Project Area No. 1 during the Fiscal Year 2013-14 to Fiscal Year 2022-23 period resulted in reductions in valuation of \$32.9 million out of \$798.5 million in enrolled valuation subject to appeals, or around 4.1%. The overall retention rate has been estimated by the Fiscal Consultant to be approximately 95.9% of the original valuation.

Applying the 95.9% retention rate for resolved appeals to the \$142.2 million in total valuation for parcels with appeals pending indicates a potential valuation reduction of \$5.9 million or approximately \$59,000 in tax revenue. If the full amount of disputed valuation were granted, the reduction in valuation would be approximately

\$827,000 in tax revenue. As noted below under “-Project Area No. 1 Estimated Revenues and Bond Retirement,” no assumptions are made regarding any potential appeal-related adjustments to Project Area No. 1 valuation.

TABLE 6
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
Redevelopment Project Area No. 1
Assessment Appeals⁽¹⁾

<u>Roll Year</u>	<u>Status</u>	<u>Number of Appeals</u>	<u>County Valuation</u>	<u>Applicant Opinion of Value</u>	<u>Valuation After Appeal</u>	<u>Retention Rate⁽²⁾</u>
2022-23	Resolved	2	\$ 7,691,707	\$ 6,919,200	\$ 7,691,707	0%
2022-23	Pending	11	56,684,034	23,532,960	TBD	TBD
2021-22	Resolved	7	22,304,815	22,673,543	22,304,815	100%
2021-22	Pending	2	19,343,940	1,145,000	TBD	TBD
2020-21	Resolved	25	87,521,857	138,831,367	87,521,857	100%
2020-21	Pending	6	20,766,908	21,045,760	TBD	TBD
2019-20	Resolved	21	150,072,840	114,685,994	155,002,883	103%
2019-20	Pending	5	20,229,433	1,790,000	TBD	TBD
2018-19	Resolved	21	153,813,639	144,436,381	153,185,807	100%
2018-19	Pending	2	25,015,207	12,000,000	TBD	TBD
2017-18	Resolved	16	81,704,617	46,821,282	82,544,757	101%
2017-18	Pending	2	145,670	-	TBD	-
2016-17	Resolved	23	60,725,686	37,937,815	59,321,978	98%
2016-17	Pending	-	-	-	-	-
2015-16	Resolved	24	55,866,788	20,603,827	38,154,380	68%
2015-16	Pending	-	-	-	-	TBD
2014-15	Resolved	30	72,043,992	31,512,896	71,503,738	99%
2014-15	Pending	-	-	-	-	-
2013-14	Resolved	39	106,724,903	48,417,217	88,332,000	83%
2013-14	Pending	-	-	-	-	-
All Years	Resolved	208	\$798,470,844	\$612,839,522	\$ 765,563,922	96%
All Years	Pending	28	142,185,192	59,513,720	TBD	TBD

⁽¹⁾ Data is current as of November 2, 2023.

⁽²⁾ Expressed as a percentage. Retention Rate is the proportion of value retained after resolution of an appeal. The rate is calculated by dividing the “Valuation After Appeal” into the “County Valuation.” For withdrawn and denied appeals, the “Valuation After Appeal” is the original County valuation. Valuations are those shown on appeal filings as reported by the County Assessor.

Source: Riverside County Assessor; Fiscal Consultant.

Property Value by Land Use

Taxable values in Project Area No. 1 are diversified with residential property values (single-family, condominiums, and other residential combined) making up 50.8% of all value. Industrial uses account for 24.0% of Project Area No. 1 taxable values, and commercial uses account for 11.8%. Together, these land use categories account for 86.6% of all taxable value in the project area.

The following Table 7 illustrates the land use of property within Project Area No. 1 and its assessed value.

TABLE 7
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
Redevelopment Project Area No. 1
Land Use Statistics
(Fiscal Year 2023-24)

<u>Land Use</u>	<u>Secured AV⁽¹⁾</u>	<u>% of AV</u>	<u>Number of Parcels</u>	<u>% of Parcels</u>	<u>Acres⁽²⁾</u>	<u>% of Acres</u>
Secured						
Agricultural	\$ 1,172,169	0.0%	3	0.0%	35	0.8%
Commercial	292,302,250	11.8	197	2.7	260	5.6
Industrial	595,814,609	24.0	110	1.5	284	6.1
Single-Family Residential	820,928,218	33.1	3,211	43.5	1,124	24.2
Condominiums	6,297,926	0.3	14	0.2	-	0.0
Other Residential	430,896,360	17.4	2,540	34.4	1,490	32.0
Vacant	122,034,736	4.9	690	9.3	919	19.8
Other	71,112,427	2.9	256	3.5	539	11.6
Unsecured	142,093,234	5.7	357	4.8	-	-
Utility	759,923	0.0	3	0.0	-	-
Total	\$2,483,409,370	100.0%	7,381	100.0%	4,651	100.0%

⁽¹⁾ Valuations include homeowner's exemptions, which are restored by the Auditor prior to the calculation of tax increment.

⁽²⁾ Acreage is estimated using tax roll data and information provided by the Successor Agency.

Source: County Assessor, Fiscal Consultant.

Volatility Ratio

Under the provisions of the redevelopment plan and redevelopment law in effect prior to January 1, 1994, redevelopment project areas generally contained a tax increment cap, or a limitation on the total amount of tax increment that may be collected within that redevelopment project area over the area's life, along with a time limit on the collection of tax increment and on the issuance of debt. With the passage of SB107 in 2015, tax increment caps, along with other plan limits, no longer apply to the repayment of the Successor Agency's obligations. The following Table 8 is a summary of Project Area No. 1 and its Sub-Areas.

TABLE 8
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
Summary of Redevelopment Project Area No. 1
and Sub-Areas

<u>Project Area No. 1</u>	<u>Date of Adoption</u>	<u>Ordinance Number</u>	<u>Acreage</u>	<u>% of Project Area Tax Increment</u>	<u>% of all Tax Increment</u>	<u>Volatility Ratio⁽¹⁾</u>
Home Gardens, Murrieta	12/23/86	635	350	16.4%	1.5%	0.07
Lakeland	7/20/99	793	2,859	38.6	3.6	0.29
El Cerrito/Temescal	12/14/99	800	1,442	45.1	4.2	0.10
Total			4,651	100.0%	9.4%	0.18

⁽¹⁾ The Volatility Ratio is calculated by dividing the base year assessed valuation by the current year assessed valuation. The volatility ratio for the Project Area is 0.18%.

Source: Fiscal Consultant.

The volatility ratio shown in Table 8 is the proportion of total assessed valuation accounted for by the base year valuation, and reflects the degree of exposure of tax increment to changes in total valuation. A high volatility ratio indicates that a small percentage change in overall assessed valuation would cause a disproportionately large percentage change in tax increment, while a low volatility ratio suggests that a percentage change in overall assessed valuation would cause a similar percentage change in tax increment. Recently-formed redevelopment areas tend to have a high volatility ratio as their total assessed valuation remains close to the base year valuation; their volatility ratio tends to decrease as assessed valuation grows. The volatility ratio for Project Area No. 1 is 0.18%

Project Area No. 1 Estimated Revenues and Bond Retirement

The Successor Agency has retained Urban Analytics, LLC, San Francisco, California (the “Fiscal Consultant”), to analyze Project Area No. 1 and to project future tax increment revenues for Project Area No. 1. The Fiscal Consultant’s report is included as Appendix A and should be read in its entirety.

For purposes of projecting Project Area No. 1 Tax Revenues, the Fiscal Consultant has made the following assumptions:

- (1) The Fiscal Consultant assumed that the tax rate in Project Area No. 1 is 1%, with no tax rate overrides. For purposes of projecting Project Area No. 1 Tax Revenues, plan limitations are not taken into account.
- (2) County administrative fee is estimated to be 1.00% of tax increment revenue in Project Area No. 1.
- (3) Tax increment revenue is projected to increase at a 2% annual growth rate from Fiscal Year 2024-25 forward.
- (4) Tax increment revenues do not include any adjustment for delinquencies, refunds or rebates. See “Property Taxes; Teeter Plan,” herein.
- (5) Net tax increment deducts a Pro Rata Share of Housing Debt Service allocated based on Project Area No. 1 tax increment, but does not include a deduction of any other amounts that, prior to dissolution, were required to be deposited in the Former Agency’s Low and Moderate Income Housing Fund. The 20% low and moderate housing set aside was eliminated with the Dissolution Act. Were the set asides still in effect, the amount of tax increment deposited in the low and moderate income Housing Fund would have been 20% of the gross tax increment less the County Administration fee. The Pro Rata Share of Housing Debt Service has not been reduced to reflect any anticipated savings from the refunding of the 2014 Housing Bonds.
- (6) Projections assume that statutory tax sharing payments are subordinate to debt service.
- (7) Projections do not take into consideration any changes in assessed valuation due to new construction, property sales, Proposition 8 reductions or assessment appeals.
- (8) Contractual pass-through payments are senior to the 2024 Series A Bonds according to agreements described under “SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY – Pass-Through Agreements,” herein.

Actual levels of future tax increment revenues will depend upon the rate of growth in tax increment resulting from new development, change of ownership and inflation, and changes in tax rates, and may differ from the projections presented herein. See the Report of Fiscal Consultant attached hereto as Appendix A.

TABLE 9
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
Redevelopment Project Area No. 1
Estimated Project Area No. 1 Tax Revenues⁽¹⁾
Fiscal Years 2024-25 through 2044-45

Fiscal Year	Gross Tax Increment A	Project Area Share of Housing Debt Service B	Senior Pass- Through Payments C	County Administration Fee D	Project Area No. 1 Tax Revenues E = A- (B+C+D))
2024-25	\$21,075,597	\$(1,142,121)	\$ (759,664)	\$(193,515)	\$18,980,297
2025-26	21,555,150	(1,142,439)	(773,650)	(197,918)	19,441,143
2026-27	22,044,294	(1,143,255)	(787,916)	(202,409)	19,910,715
2027-28	22,543,221	(1,131,562)	(802,467)	(206,991)	20,402,202
2028-29	23,052,127	(1,132,653)	(817,309)	(211,663)	20,890,502
2029-30	23,571,210	(1,133,565)	(832,447)	(216,429)	21,388,768
2030-31	24,100,675	(1,133,281)	(847,889)	(221,291)	21,898,214
2031-32	24,640,730	(1,134,851)	(863,639)	(226,250)	22,415,990
2032-33	25,191,586	(1,134,761)	(879,705)	(231,308)	22,945,813
2033-34	25,753,459	(1,146,484)	(896,091)	(236,467)	23,474,416
2034-35	26,326,569	(1,147,531)	(912,806)	(241,729)	24,024,503
2035-36	26,911,141	(1,148,027)	(929,855)	(247,097)	24,586,164
2036-37	27,507,405	(1,148,234)	(947,244)	(252,571)	25,159,355
2037-38	28,115,594	(708,906)	(964,982)	(258,156)	26,183,551
2038-39	28,735,947	(689,010)	(983,074)	(263,852)	26,800,012
2039-40	29,368,707	(649,043)	(1,001,528)	(269,662)	27,448,474
2040-41	30,014,122	(466,803)	(1,020,351)	(275,588)	28,251,380
2041-42	30,672,446	(466,826)	(1,039,551)	(281,633)	28,884,436
2042-43	31,343,936	-	(1,059,135)	(287,798)	29,997,003
2043-44	32,028,856	-	(1,079,110)	(294,087)	30,655,659
2044-45	32,727,474	-	(1,099,485)	(300,502)	31,327,487

⁽¹⁾ See prior page for assumptions used in projections.
Source: County of Riverside; Fiscal Consultant.

The following Table 10 projects debt service coverage for the 2024 Series A Bonds and outstanding Project Area No. 1 Parity Bonds based only on Project Area No. 1 Tax Revenues.

TABLE 10
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
Redevelopment Project Area No. 1
Estimated Debt Service Coverage
Fiscal Years 2024-25 through 2044-45

<u>Fiscal Year</u>	<u>Project Area No. 1 Tax Revenues</u> ⁽¹⁾⁽²⁾	<u>Outstanding Project Area No. 1 Parity Bonds Debt Service</u> ⁽³⁾⁽⁴⁾	<u>2024 Series A Bonds Debt Service</u> ⁽⁴⁾	<u>Total Debt Service</u> ⁽⁴⁾	<u>Debt Service Coverage</u>
2024-25	18,980,297				
2025-26	19,441,143				
2026-27	19,910,715				
2027-28	20,402,202				
2028-29	20,890,502				
2029-30	21,388,768				
2030-31	21,898,214				
2031-32	22,415,990				
2032-33	22,945,813				
2033-34	23,474,416				
2034-35	24,024,503				
2035-36	24,586,164				
2036-37	25,159,355				
2037-38	26,183,551				
2038-39	26,800,012				
2039-40	27,448,474				
2040-41	28,251,380				
2041-42	28,884,436				
2042-43	29,997,003				
2043-44	30,655,659				
2044-45	31,327,487				

(1) See Table 9 for details.

(2) Tax increment shown is from Project Area No. 1 only. Pursuant to Section 34177.5(g) of the Dissolution Act and the Successor Agency Bonds Indentures, however, the Successor Agency Bonds are secured by a pledge and lien on Residual RPTTF on a parity basis with all refunding bonds of the Successor Agency. See "SECURITY FOR THE SUCCESSOR AGENCY BONDS – Pledge Under Successor Agency Bonds Indenture – *Residual RPTTF Parity Pledge for All Successor Agency Bonds.*"

(3) Includes debt service on the 2015 Series A Bonds, 2016 Series A Bonds, and 2017 Series A Bonds; assumes refunding of the 2014 Series A Bonds.

(4) Debt Service is shown on a Bond Year basis; assumes issuance of 2024 Series A Bonds.

Source: Fiscal Consultant as to Net Tax Increment, Underwriter as to Debt Service Coverage.

DESERT COMMUNITIES REDEVELOPMENT PROJECT AREA

General

The Desert Communities Project Area originally contained two separate project areas known as Project Area No. 4-1986 and 4-1987. The Board approved the original boundaries of Project Area No. 4 on December 23, 1986 pursuant to Ordinance No. 638. Project Area No. 4-1987 was approved by the Board on December 1, 1987 pursuant to Ordinance No. 647. On July 20, 1999, the Board approved the merger of both project areas with the Airports-1988 Project Area. The Airports-1988 project area was approved by the Board on December 19, 1988, pursuant to Ordinance No. 668 and consists of six general aviation airports.

At the same time the merger was approved, the Board approved the addition of 408 acres of land to the Thousand Palms Sub-Area, which originally included approximately 285 acres in the community of Thousand Palms. Both the amendment and merger were approved via Ordinances Nos. 794 and 795, respectively. On January 13, 2009, Amendment No. 2 to the Desert Communities Project Area was adopted via Ordinance No. 886, and added 1,975 acres in the 100 Palms, Oasis, Mecca and North Shore communities to the Project Area. The Project Area consists of several Sub-Areas, encompassing approximately 29,668 total acres.

East Blythe. The East Blythe Sub-Area is comprised of 1,500 acres. A significant portion of the Sub-Area was annexed by the City of Blythe when it extended its city limits to the Colorado River. Approximately 90% of the Desert Communities Project Area Tax Revenues are currently generated in the East Blythe Sub-Area.

Desert Center. The Desert Center Sub-Area contains approximately 375 acres in two non-contiguous areas located along Ragsdale and Kaiser Roads, adjacent to the Lake Tamarisk area. The Lake Tamarisk area is made up of residential and recreational uses.

Mecca. The Mecca Sub-Area is comprised of 350 acres and is located in the eastern Coachella Valley. Redevelopment activities included the extension of water and sewer lines to the north of Mecca along Lincoln Street which allowed the development of affordable single-family housing projects and migrant farm worker housing.

North Shore. The North Shore Sub-Area is a small residential and retirement community located on the northern end of the Salton Sea and was originally comprised of 54 acres. Additional acreage was added to the North Shore Sub-Area in January 2009.

Palm Desert. The Palm Desert Sub-Area is located adjacent to the City of Palm Desert and is primarily commercial and residential in nature. The Sub-Area is approximately 86 acres in size.

Ripley. The Ripley Sub-Area is comprised of 830 acres and is located within a small, rural community that has low household incomes and high unemployment.

Thermal. The Thermal Sub-Area is comprised of 17,250 acres located in the eastern Coachella Valley, with approximately 1,600 acres of land located in the northeasterly portion of the Sub-Area being suitable for industrial development. The Sub-Area includes the 1,800 acre Jacqueline Cochran Regional Airport (formerly Desert Resorts Regional Airport and previously Thermal Airport), a large general aviation facility. The Thermal Sub-Area is at the confluence of the spheres of influence of Coachella, La Quinta, and Indio.

Thousand Palms. The Thousand Palms Sub-Area was originally 285 acres in size. In July of 1999, the Board approved an amendment to allow for the addition of new territory to the Sub-Area. The total acreage of the Sub-Area is 693 acres. The Sub-Area is adjacent to Interstate 10 north of the city of Rancho Mirage. The Coachella Valley Enterprise Zone extended into this area to encourage new businesses to the area through the provision of state tax credits.

100 Palms. The 100 Palms Sub-Area, was adopted in January 2009, and is located adjacent to the existing Thermal Sub-Area and Tribal lands. Land uses are represented by sporadic commercial and residential development, and vacant land.

Oasis. The Oasis Sub-Area was adopted in January 2009, and is located fairly close to the Salton Sea, and the area is also adjacent to Tribal lands, and can be characterized by sporadic commercial and residential development, as well as vacant land.

Airports. The Airports Sub-Area consists of six general aviation airports with a combined acreage of 6,366. The following is a brief description of each of the airports. All of the airports with the exception of Flabob Airport are owned by the County. It should be noted that the Jacqueline Cochran Regional Airport (formerly known as Desert Resorts Regional Airport, and previously Thermal Airport) is within the boundaries of the Thermal Sub-Area.

Blythe Airport. Blythe Airport is located in the Colorado River Valley in the easternmost part of the County. It is seven miles west of the city of Blythe along Interstate 10. The airport is owned by the County and leased to and operated by the city of Blythe.

Chiraco Summit Airport. Chiraco Summit Airport is located in the Coachella Valley and is immediately adjacent to Interstate 10. To the south of the airport are the Orocopia and Chocolate Mountains and the Salton Sea. To the north are the San Bernardino Mountains, Joshua Tree National Park and Eagle Mountain.

Desert Center Airport. Desert Center Airport is located north of Interstate 10 and east of State Highway 177. It is near the unincorporated communities of Desert Center and Lake Tamarisk.

Flabob Airport. Flabob Airport is located near the community of Rubidoux in the northwestern portion of the County. The airport is privately owned and operated.

French Valley Airport. French Valley Airport is located in the southwest portion of the County, adjacent to the communities of Temecula, Murrieta and Winchester. The airport is located adjacent to Highway 79 and is only minutes away from Interstates 15 and 215. The major runway was extended to enhance safety margins for aircraft utilizing the airport facility.

Hemet-Ryan Airport. Hemet-Ryan Airport is located in the San Jacinto Valley area of the County and provides convenient access to the mid-County region, including the cities of Hemet and San Jacinto and Diamond Valley Reservoir. Highways 74 and 79 provide easy access to the airport.

Largest Taxpayers in the Project Area

The following Table 11 shows the ten largest taxpayers in the Desert Communities Project Area. The Fiscal Consultant has identified the location by Sub-Area for each of the largest property tax payers in the table below. For a brief description of the three largest property tax payers in the Project Area, as well as the locations by Sub-Area, see APPENDIX A - "REPORT OF FISCAL CONSULTANT – Ten Largest Assessees."

TABLE 11
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
Desert Communities Redevelopment Project Area
10 Largest Property Owners by Assessed Value
(Fiscal Year 2023-24)

Property Owner	Secured and Utility ⁽¹⁾	Unsecured	Total	% of Total Assessed Value	% of Incremental Valuation	Sub-Area
JTM LAND CO	\$ 83,008,602	\$ -	\$ 83,008,602	1.9%	2.0%	Thermal
TOWER ENERGY GROUP	38,383,125	2,029,949	40,413,074	0.9	1.0	Thermal
CM WAVE DEV	36,879,108	-	36,879,108	0.8	0.9	Thermal
LUCKY STORES INC	27,180,711	-	27,180,711	0.6	0.6	Palm Desert Country Club
TOLL BROTHERS	26,958,104	-	26,958,104	0.6	0.6	Thermal
D R HORTON INC	19,411,272	-	19,411,272	0.4	0.5	Thermal
SUNRISE LQ ⁽²⁾	19,124,668	-	19,124,668	0.4	0.5	Thermal
HONZEL DEV	18,653,821	-	18,653,821	0.4	0.4	Thermal
NETJETS AVIATION INC	-	17,431,455	17,431,455	0.4	0.4	Thermal
BAGDASARIAN PACKING MECCA	16,765,798	-	16,765,798	0.4	0.4	Mecca
Total, Top Ten:	<u>\$ 286,365,209</u>	<u>\$ 19,461,404</u>	<u>\$ 305,826,613</u>	<u>7.0%</u>	<u>7.3%</u>	
Total, Top Twenty:	<u>399,160,900</u>	<u>22,435,478</u>	<u>421,596,378</u>	<u>9.6%</u>	<u>10.0%</u>	
Total, Top Hundred:	<u>783,557,102</u>	<u>73,129,419</u>	<u>856,686,521</u>	<u>19.5%</u>	<u>20.4%</u>	
Totals for the Area:	<u>\$4,285,416,377</u>	<u>\$114,784,504</u>	<u>\$4,400,200,881</u>	<u>100.0%</u>		

⁽¹⁾ Table excludes the DCPA (North Shore) and DCPA Amend 2 (100 Palms/Oasis) sub-areas that did not generate tax increment in FY 2023-24.

⁽²⁾ Owner has assessment appeals outstanding.

Source: County Assessor, Fiscal Consultant.

Successor Agency Indebtedness

In addition to the 2024 Series D Bonds, the Successor Agency currently has the following outstanding indebtedness for the Desert Communities Project Area (see APPENDIX C - “AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2023” hereto for additional information relating to the payment of indebtedness of the Successor Agency).

The following Table 12 provides a description of outstanding indebtedness of the Successor Agency for the Desert Communities Project Area, as of July 1, 2024.

**TABLE 12
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
Desert Communities Redevelopment Project Area
Summary of Outstanding Debt
(As of [July 1, 2024])**

	Balance as of <u>July 1, 2024</u>
Bonds:	
2014 Series D Bonds ⁽¹⁾	\$21,045,000
Desert Communities Redevelopment Project Area 2015 Tax Allocation Refunding Bonds, Series D	10,330,000
Desert Communities Redevelopment Project Area 2016 Tax Allocation Refunding Bonds, Series D	38,100,000
Desert Communities Redevelopment Project Area 2017 Tax Allocation Refunding Bonds, Series D	23,130,000
2020 Second Lien Tax Allocation Refunding Bonds, Series D ⁽²⁾	4,695,000
Total	\$97,300,000

⁽¹⁾ To be refunded.
⁽²⁾ Subordinate bonds.
Source: County of Riverside.

Assessed Valuation

The year-over-year changes in assessed valuation shown in the table below are not representative of actual valuation trends, as the assessed valuation of sub-areas generating negative tax increment in a given year are removed from the table, as described in the footnote below. The Desert Communities Project Area experienced year-over-year increases in incremental value of 4.91% for 2020-21. Values increased for 2021-22 by 5.80% and for Fiscal Year 2022-23 by 9.85%. Values increased by 12.00% in 2023-24. The base year value is 4.90% of the total taxable value in the Desert Communities Project Area for 2023-24. Table 13 sets forth Desert Communities Project Area’s assessed valuation for the five most recent fiscal years.

TABLE 13
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
Desert Communities Redevelopment Project Area
Historical Assessed Values
(Fiscal Years 2019-20 through 2023-24)

<u>Roll</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Secured ⁽¹⁾					
- Land	\$1,207,842,068	\$1,221,340,688	\$1,264,524,387	\$1,362,937,453	\$1,490,267,881
- Improvements	1,955,807,128	2,049,657,774	2,245,344,016	2,503,331,895	2,823,646,481
- Personal Property	5,242,538	8,088,816	9,648,618	9,349,932	9,983,560
- Exemptions	<u>(35,954,832)</u>	<u>(36,459,072)</u>	<u>(37,400,162)</u>	<u>(37,607,277)</u>	<u>(38,697,698)</u>
Secured Total	\$3,132,936,902	\$3,242,628,206	\$3,482,116,859	\$3,838,012,003	\$4,285,200,224
Unsecured					
- Land	\$ 23,464	\$ 24,388	\$ 23,848	\$ 25,540	\$ 108,260
- Improvements	28,406,771	77,867,554	28,723,409	26,309,367	35,813,443
- Personal Property	60,820,897	59,868,120	65,445,252	64,146,752	78,891,488
- Exemptions	<u>(53,035)</u>	<u>(43,804)</u>	<u>(35,274)</u>	<u>(28,687)</u>	<u>(28,687)</u>
Unsecured Total	\$ 89,198,097	\$ 137,716,258	\$ 94,157,235	\$ 90,452,972	\$ 114,784,504
Utility					
- Land	\$ 249,803	\$ 249,803	\$ 249,803	\$ 216,153	\$ 216,153
- Improvements	0	0	0	0	0
- Personal Property	0	0	0	0	0
- Exemptions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Utility Total	\$ 249,803	\$ 249,803	\$ 249,803	\$ 216,153	\$ 216,153
Totals:	\$3,222,384,802	\$3,380,594,267	\$3,576,523,897	\$3,928,681,128	\$4,400,200,881
Percentage Change	6.04%	4.91%	5.80%	9.85%	12.00%
Plus: HOPTR AV ⁽²⁾	11,486,344	11,339,174	11,172,735	11,110,754	11,210,411
Less: Base AV	215,826,617	215,826,617	215,826,383	215,826,617	215,826,617
Incremental AV	3,018,044,529	3,176,106,824	3,371,870,249	3,723,965,265	4,195,584,675
Incremental Revenue (1%)	\$ 30,180,445	\$ 31,761,068	\$ 33,718,702	\$ 37,239,653	\$ 41,955,847

⁽¹⁾ The table excludes sub-areas that did not generate tax increment in a given year which may vary year by year. Annual totals for all sub-areas are provided to allow for year-over-year comparisons with the same sub-areas.

⁽²⁾ The Homeowner's Property Tax Relief exemption, reimbursed by the State.

Source: Fiscal Consultant.

Proposition 8 Assessment Reductions And Restorations

Proposition 8 amended the Revenue and Taxation Code to allow for reduction of a property's taxable value when the property's market value drops below the inflation adjusted base value for that property. Once reduced, the Riverside County Office of the Assessor (the "Assessor") is required to revalue the property each year and enroll the lesser of the current market value of the property or its original inflation adjusted base value. If a property that has been reduced in value under Proposition 8 is sold, its value is reset based upon the sales price and this new value is no longer subject to annual revaluation under Proposition 8.

The Assessor annually reports on the number of assessments by city and unincorporated area subject to Proposition 8 reductions, and the amount of Proposition 8 reductions (these figures are reported by tax rate district rather than by sub-area and include areas outside of the Desert Communities Project Area). The Assessor reports 45,747 properties reduced through Proposition 8 in Fiscal Year 2023-24 in the principal tax rate districts within the Desert Communities Project Area with \$1,135,610,268 in reduced valuation. This compares to 50,714 properties and \$1,371,257,453 in Proposition 8 reductions in Fiscal Year 2022-23 and 71,756 properties and \$2,489,976,441 in Proposition 8 reductions in Fiscal Year 2021-22. While these figures include properties outside of the Desert Communities Project Area, they indicate that Proposition 8 reductions have significantly decreased in value for Fiscal Years 2021-22 to 2023-24. Additionally, based upon a sampling of individual parcels in the project area, the Fiscal Consultant concluded that it is likely that a substantial portion of the increase in secured assessed valuation of the Desert Communities Project Area is due to property sales and new construction. The Assessor does not indicate on the rolls that parcels are subject to Proposition 8.

Assessed Valuation Appeals

There are currently 445 pending appeals within the Desert Communities Project Area. In order to estimate the potential reduction in assessed value that may occur as a result of these pending appeals, the fiscal consultant reviewed the historical averages for the number of appeals allowed and the amount of assessed value removed and then applied those averages to the currently pending appeals and estimated the number of pending appeals that may be allowed and the amount of assessed value that may be removed as a result of the pending appeals.

One of the Desert Communities Project Area's top ten taxpayers has appealed their assessed value as shown in Table 14, below. The estimated impact of value losses resulting from these pending appeals has not been incorporated into the projected revenues of the Project Area. See "DESERT COMMUNITIES PROJECT AREA – Desert Communities Project Area Estimated Revenues and Bond Retirement," herein.

**TABLE 14
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
Desert Communities Redevelopment Project Area
Assessment Appeals by Large Taxpayers**

<u>Roll Year</u>	<u>Owner Name⁽¹⁾</u>	<u>Status</u>	<u>County Valuation</u>	<u>Applicant Opinion of Value</u>	<u>Valuation After Appeal</u>
2022-23	SUNRISE LQ	46 Pending	\$14,343,121	\$ 3,544,472	TBD
2021-22	SUNRISE LQ	105 Pending	20,156,549	4,469,446	TBD
2020-21	SUNRISE LQ	114 Pending	46,781,890	9,965,505	TBD
2019-20	SUNRISE LQ	121 Resolved	62,807,582	26,747,935	\$62,807,582

⁽¹⁾ Table excludes the DCPA (North Shore) and DCPA Amend 2 (100 Palms/Oasis) sub-areas that did not generate tax increment in FY 2023-24.
Source: Riverside County Assessor.

The following Table 15 shows the amount of assessed value that is presently under appeal within the Desert Communities Project Area and the estimated reduction of value that has been factored into the projections for Fiscal Year 2022-23. The assessment appeals data below reflects appeals filed for Fiscal Years 2013-14 through 2022-23. The disputed amounts will be resolved in the appeals process and some portion of those amounts may be adjusted. To provide some indication of the proportion of valuation upheld on appeal, Table 15 (below) provides information on resolved appeals filed in previous years in the Desert Communities Project Area. Overall, the 559 appeals settled in the Desert Communities Project Area during the Fiscal Year 2013-14 to Fiscal Year 2022-23 period resulted in reductions in valuation of \$8.5 million out of \$609.1 million in enrolled valuation subject to appeals, or around 1.4%. The overall retention rate has been calculated by the Fiscal Consultant to be approximately 98.6% of the original valuation.

Applying the 98.6% retention rate for resolved appeals to the \$297.2 million in total valuation for parcels with appeals pending indicates a potential valuation reduction of \$4.1 million or approximately \$41,400 in tax revenue. If the full amount of disputed valuation were granted, the reduction in valuation would be approximately \$1.7 million in tax revenue. As both estimates include properties with appeals in multiple years, it is not necessarily an indication of equivalent resolution as to assessed valuation of such properties in subsequent years, and no assumptions are made regarding any potential appeal-related adjustments to assessed value.

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**TABLE 15
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
Desert Communities Redevelopment Project Area
Assessment Appeals⁽¹⁾**

<u>Roll Year</u>	<u>Status</u>	<u>Number of Appeals</u>	<u>County Valuation</u>	<u>Applicant Opinion of Value</u>	<u>Valuation After Appeal</u>	<u>Retention Rate⁽²⁾</u>
2022-23	Resolved	12	\$ 37,070,457	\$22,160,975	\$37,070,457	100%
2022-23	Pending	85	106,349,305	60,010,336	TBD	TBD
2021-22	Resolved	24	52,646,887	36,116,992	52,205,745	99%
2021-22	Pending	121	72,885,412	31,167,569	TBD	TBD
2020-21	Resolved	41	55,832,405	41,022,513	53,891,656	97%
2020-21	Pending	129	67,934,722	18,695,216	TBD	TBD
2019-20	Resolved	172	128,665,100	75,394,938	126,734,979	98%
2019-20	Pending	28	10,559,443	3,131,795	TBD	TBD
2018-19	Resolved	47	58,042,774	36,238,990	57,085,157	98%
2018-19	Pending	79	35,469,794	13,527,389	TBD	TBD
2017-18	Resolved	44	46,310,309	37,477,722	45,618,597	99%
2017-18	Pending	2	3,891,536	511,000	TBD	TBD
2016-17	Resolved	48	50,211,320	31,238,497	50,169,320	100%
2016-17	Pending	1	152,914	80,000	TBD	TBD
2015-16	Resolved	46	51,704,075	25,576,950	51,324,575	99%
2015-16	Pending	-	-	-	-	-
2014-15	Resolved	59	63,388,309	41,100,822	63,093,805	100%
2014-15	Pending	-	-	-	-	-
2013-14	Resolved	66	65,181,546	34,274,478	63,375,115	97%
2013-14	Pending	-	-	-	-	-
All Years	Resolved	<u>559</u>	<u>\$609,053,182</u>	<u>\$380,602,877</u>	<u>\$600,569,406</u>	<u>99%</u>
All Years	Pending	<u>445</u>	<u>\$297,243,126</u>	<u>\$127,123,305</u>	<u>TBD</u>	<u>TBD</u>

⁽¹⁾ Data is current as of November 2, 2023.

⁽²⁾ Expressed as a percentage. Retention Rate is the proportion of value retained after resolution of an appeal. The rate is calculated by dividing the "Valuation After Appeal" into the "County Valuation." For withdrawn and denied appeals, the "Valuation After Appeal" is the original County valuation. Valuations are those shown on appeal filings as reported by the County Assessor

Source: Riverside County Assessor; Fiscal Consultant.

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Property Value by Land Use

Taxable values in the Desert Communities Project Area are diversified with residential property valued (single-family, condominiums, and other residential combined) making up 70.7% of all value. Industrial uses account for 4.9% of the Desert Communities Project Area taxable values, agricultural uses account for 7.5%, and commercial uses account for 4.5%. Together, these land use categories account for 87.6% of all taxable value in the Desert Communities Project Area.

The following Table 16 illustrates the land use of property within the entire Desert Communities Project Area and its assessed value. The table below represents assessed values of the secured roll only.

TABLE 16
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
Desert Communities Redevelopment Project Area
Land Use Statistics
(Fiscal Year 2023-24)

<u>Land Use</u>	<u>Secured AV⁽¹⁾</u>	<u>% of AV</u>	<u>Number of Parcels</u>	<u>% of Parcels</u>	<u>Acres⁽²⁾</u>	<u>% of Acres</u>
Secured						
Agricultural	\$ 328,637,803	7.5%	447	4.4%	4,652	16.9%
Commercial	196,015,749	4.5	164	1.6	266	1.0
Industrial	216,635,090	4.9	421	4.2	14,613	53.0
Single-Family Residential	2,921,368,168	66.4	4,567	45.4	610	2.2
Condominiums	3,414,556	0.1	2	0.0	-	0.0
Other Residential	183,417,974	4.2	1,966	19.6	862	3.1
Vacant	119,267,445	2.7	785	7.8	1,462	5.3
Other ⁽³⁾	230,456,121	5.2	863	8.6	5,126	18.6
Unsecured	200,776,766	4.6	827	8.2	-	-
Utility	211,210	0.0	9	0.1	-	-
Total	\$ 4,400,200,881	100.0%	10,051	100.0%	27,590	100.0%

⁽¹⁾ Valuations include homeowner's exemptions, which are restored by the Auditor prior to the calculation of tax increment.

⁽²⁾ Acreage is estimated using tax roll data and information provided by the Successor Agency.

⁽³⁾ Includes land for airports in Desert Communities Project Area.

Source: County Assessor, Fiscal Consultant.

Volatility Ratio

The volatility ratio proportion of total assessed valuation accounted for by the base year valuation, and reflects the degree of exposure of tax increment to changes in total valuation. A high volatility ratio indicates that a small percentage change in overall assessed valuation would cause a disproportionately large percentage change in tax increment, while a low volatility ratio suggests that a percentage change in overall assessed valuation would cause a similar percentage change in tax increment. Recently-formed redevelopment areas tend to have a high volatility ratio as their total assessed valuation remains close to the base year valuation; their volatility ratio tends to decrease as assessed valuation grows. The volatility ratio for the Desert Communities Project Area is 0.05%.

The following Table 17 is a summary of the Desert Communities Project Area and its Sub-Areas.

TABLE 17
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
Summary of Desert Communities Project Area
and Sub-Areas

<u>Project Area No. 1</u>	<u>Date of Adoption</u>	<u>Ordinance Number</u>	<u>Acreage</u>	<u>% of Project Area Tax Increment</u>	<u>% of all Tax Increment</u>	<u>Volatility Ratio⁽¹⁾</u>
East Blythe, Mecca, North Shore ⁽²⁾ , Palm Desert Country Club, Ripley, Thermal Thousand Palms	12/23/86	638	20,155	90.2%	17.4%	0.03
Thousand Palms Amendment	12/23/86	638	285	2.2%	0.4%	0.09
Desert Center	7/20/99	794	408	5.8%	1.1%	0.20
Airports (Blythe, Chiriaco, Desert Center, Flabob, French Valley, Hemet-Ryan)	12/22/87	647	376	0.2%	0.0%	0.37
Amendment 2 (100 Palms, Oasis, Mecca) ⁽²⁾	12/19/88	668	6,366	1.6%	0.3%	0.15
Totals	1/13/09	886	<u>2,078</u>	<u>0.0%</u>	<u>0.0%</u>	<u>(NA)</u>
			29,668	100.0%	19.3%	0.05

⁽¹⁾ The Volatility Ratio is calculated by dividing the base year assessed valuation by the current year assessed valuation. The volatility ratio for the Project Area is 0.05%.

⁽²⁾ Fiscal Year 2023-24 assessed value is less than the base year value for the sub-area; consequently, the Successor Agency receives no tax increment from this sub-area and the sub-area is excluded from the tables in this Official Statement.

Source: Fiscal Consultant.

Desert Communities Project Area Estimated Revenues And Bond Retirement

The Successor Agency has retained Urban Analytics, LLC, San Francisco, California (the “Fiscal Consultant”), to analyze the Desert Communities Project Area and to project future tax increment revenues for the Desert Communities Project Area. The Fiscal Consultant’s report is included as Appendix A and should be read in its entirety.

For purposes of projecting Desert Communities Project Area Tax Revenues, the Fiscal Consultant has made the following assumptions:

(1) The Fiscal Consultant assumed that the tax rate in the Desert Communities Project Area is 1% with no tax rate overrides. For purposes of projecting Desert Communities Project Area Tax Revenues, plan limitations are not taken into account.

(2) County administrative fee is estimated to be 1.00% of tax increment revenue in the Project Area.

(3) Tax increment revenue is projected to increase at an annual growth rate of 2.00% for Fiscal Year 2024-25 forward. Table 18 excludes North Shore and 100 Palms/Oasis Sub-Areas, which do not generate tax increment. Unitary tax revenue is projected to remain constant. Unsecured property and personal property assessed values are projected to remain constant throughout.

(4) Tax increment revenues do not include any adjustment for delinquencies, refunds, or rebates. See “Property Taxes; Teeter Plan,” herein.

(5) Net tax increment deducts a Pro Rata Share of Housing Debt Service allocated based on the Desert Communities Project Area’s tax increment, but does not include a deduction of any other amounts that, prior to dissolution, were required to be deposited in the Former Agency’s Low and Moderate Income Housing Fund. The 20% low and moderate housing set aside was eliminated with the Dissolution Act. Were the set aside still in effect, the amount of tax increment deposited in the low and moderate income Housing Fund would have been 20% of the gross tax increment less the County Administration fee. The projection of the Pro Rata Share of Housing Debt Service does not assume any savings from a proposed or ongoing refunding of the outstanding Housing Bonds.

(6) Projections assume that statutory tax sharing payments are subordinate to debt service.

(7) Projections do not take into consideration any changes in assessed valuation due to new construction, property sales, Proposition 8 reductions or assessment appeals.

(8) Contractual pass through payments are senior to the 2024 Series D Bonds according to agreements described under “SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY – Pass-Through Agreements,” herein.

Actual levels of future tax increment revenues will depend upon the rate of growth in tax increment resulting from new development, change of ownership and inflation, and changes in tax rates, and may differ from the projections presented herein. See the Fiscal Consultant’s Report attached hereto as Appendix A.

TABLE 18
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
Desert Communities Redevelopment Project Area
Estimated Desert Communities Project Area Tax Revenues⁽¹⁾
Fiscal Years 2023-24 through 2044-45

Fiscal Year	Gross Tax Increment (A)	Project Area Share of Housing Debt Service (B)	Senior Pass-Through Payments (C)	County Administration Fee (D)	Desert Communities Project Area Tax Revenues (E= A- (B+C+D))
2023-24	\$42,185,431	\$(2,335,926)	\$(10,670,878)	\$(387,344)	\$28,791,284
2024-25	43,042,760	(2,332,558)	(10,885,574)	(395,216)	29,429,412
2025-26	43,917,235	(2,327,646)	(11,104,564)	(403,245)	30,081,779
2026-27	44,809,200	(2,323,881)	(11,327,934)	(411,435)	30,745,949
2027-28	45,719,004	(2,294,876)	(11,555,771)	(419,789)	31,448,568
2028-29	46,647,004	(2,291,973)	(11,788,165)	(428,310)	32,138,555
2029-30	47,593,564	(2,288,826)	(12,025,207)	(437,001)	32,842,529
2030-31	48,559,056	(2,283,383)	(12,266,990)	(445,866)	33,562,816
2031-32	49,543,857	(2,281,788)	(12,513,609)	(454,909)	34,293,552
2032-33	50,548,354	(2,276,962)	(12,765,159)	(464,132)	35,042,101
2033-34	51,572,941	(2,295,908)	(13,021,741)	(473,540)	35,781,752
2034-35	52,618,020	(2,293,531)	(13,283,455)	(483,136)	36,557,899
2035-36	53,684,000	(2,290,154)	(13,550,402)	(492,923)	37,350,521
2036-37	54,771,300	(2,286,304)	(13,822,689)	(502,907)	38,159,401
2037-38	55,880,346	(1,408,965)	(14,100,422)	(513,090)	39,857,870
2038-39	57,011,573	(1,366,982)	(14,383,709)	(523,477)	40,737,406
2039-40	58,165,425	(1,285,445)	(14,672,661)	(534,072)	41,673,247
2040-41	59,342,353	(922,939)	(14,967,393)	(544,878)	42,907,143
2041-42	60,542,820	(921,445)	(15,268,020)	(555,901)	43,797,455
2042-43	61,767,297	-	(15,574,659)	(567,144)	45,625,494
2043-44	63,016,263	-	(15,887,431)	(578,612)	46,550,220
2044-45	64,290,208	-	(16,206,458)	(590,309)	47,493,441

⁽¹⁾ See prior page for assumptions used in projections; Table 18 excludes the DCPA (North Shore) and DCPA (100 Palms/Oasis) sub-areas which did not generate tax increment in Fiscal Year 2023-24.
Source: Fiscal Consultant.

The following Table 19 projects debt service coverage for the 2024 Series D Bonds and the outstanding Desert Communities Project Area Parity Bonds, as well as coverage taking into account the 2020 Series D Subordinate Bonds, based only on projected Desert Communities Project Area Tax Revenues.

TABLE 19
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
Desert Communities Redevelopment Project Area
Estimated Debt Service Coverage
Fiscal Years 2023-24 through 2044-45

<u>Fiscal Year</u>	<u>Desert Communities Project Area Tax Revenues⁽¹⁾⁽²⁾</u>	<u>Outstanding Desert Communities Parity Bonds Debt Service⁽³⁾⁽⁴⁾</u>	<u>2024 Series D Bonds Debt Service⁽⁴⁾</u>	<u>Total Senior Parity Bonds Debt Service Coverage</u>	<u>Subordinate Debt Service⁽⁴⁾</u>	<u>Total Debt Service⁽⁴⁾⁽⁵⁾</u>	<u>Total Debt Service Coverage</u>
2023-24	\$28,791,284	\$	\$		\$	\$	
2024-25	29,429,412						
2025-26	30,081,779						
2026-27	30,745,949						
2027-28	31,448,568						
2028-29	32,138,555						
2029-30	32,842,529						
2030-31	33,562,816						
2031-32	34,293,552						
2032-33	35,042,101						
2033-34	35,781,752						
2034-35	36,557,899						
2035-36	37,350,521						
2036-37	38,159,401						
2037-38	39,857,870						
2038-39	40,737,406						
2039-40	41,673,247						
2040-41	42,907,143						
2041-42	43,797,455						
2042-43	45,625,494						
2043-44	46,550,220						
2044-45	47,493,441						

(1) See Table 18 for details.

(2) Tax Increment shown for projecting coverage relates only to the Desert Communities Project Area. Pursuant to Section 34177.5(g) of the Dissolution Act and the Successor Agency Bonds Indentures, however, the Successor Agency Bonds are secured by a pledge and lien on Residual RPTTF on a parity basis with all refunding bonds of the Successor Agency. See "SECURITY FOR THE SUCCESSOR AGENCY BONDS – Pledge Under Successor Agency Bonds Indentures – Residual RPTTF Party Pledge for All Successor Agency Bonds."

(3) Includes debt service on 2015 Series D Bonds 2016 Series D Bonds, and 2017 Series D Bonds; assumes refunding of the 2014 Series D Bonds.

(4) Debt service is shown on a Bond Year basis.

(5) Includes debt service for 2020 Series D Subordinate Bonds.

Source: Fiscal Consultant, as to Net Tax Increment, Underwriter as to coverage of debt service.

INTERSTATE 215 CORRIDOR REDEVELOPMENT PROJECT AREA

General

The Interstate 215 Corridor Project Area was originally comprised of two project areas: Project Areas Nos. 5-1986 and 5-1987. The Board approved Project Area No. 5 on December 23, 1986 via Ordinance No. 639, and it included five sub-areas: Calimesa, Highgrove, Lakeview, Mead Valley and Romoland. In November of 1998, the Board approved an amendment to the Project Area to include additional territory in the Highgrove Sub-Area. Approximately 843 acres were added immediately adjacent to the existing project area. Project Area No. 5-1987 consisted of one sub-area in the community of Mead Valley and was approved by the Board on December 1, 1987 via Ordinance No. 648. The Project Area was amended to include additional territory on June 27, 1989 via Ordinance No. 715.

Both project areas were amended and merged on July 25, 2002 via Ordinance No. 821 and 822, respectively. Approximately 1,392 acres were added to the Romoland Sub-Area. The Mead Valley Sub-Area was also expanded and included the addition of 3,200 acres. The amended areas of both sub-areas are contiguous with the existing sub-area boundaries.

In 2006, Amendment No. 1a and Amendment No. 1b were adopted in the Project Area. Amendment No. 1a was adopted on May 16, 2006, and added approximately 2,820 acres of territory in the communities of Lakeview/Nuevo to the Interstate 215. Amendment No. 1b was adopted on May 2, 2006, and added 3,289 acres of additional territory in the communities of Sun City/Quail Valley into the Project Area. The total acreage for the Project Area is 21,695 acres.

Calimesa. The Calimesa Sub-Area is comprised of 170 acres located along Interstate 10 between Sandalwood drive and County Line Road. The Sub-Area primarily consists of commercial and light industrial uses. A number of residences can be found along the east and northeast parts of the area. This Sub-Area was transferred to the City of Calimesa in 1999.

Highgrove. The original Sub-Area contained 275 acres. On November 24, 1998, the Board approved an amendment to the Project Area to add approximately 843 acres to the Highgrove Sub-Area for a total of 1,118 acres. The area is characterized by older residential, neighborhood commercial and industrial development. Commercial development is primarily service-oriented serving the local community as well as the nearby cities of Riverside and Grand Terrace. Industrial development in the area began as a conglomeration of citrus packing facilities serving the citrus farms located at the east end of the community. Today many of these facilities have been converted into a variety of light manufacturing plants since the citrus industry has declined in the region. The Highgrove Sub-Area also includes Hunter park, one of the most prosperous industrial areas in Riverside County which is home to University of California, Riverside Technical Research Park.

Lakeview. The community of Lakeview is bisected by the Ramona Expressway and lies east of the City of Perris, west of the cities of Hemet and San Jacinto, and east of Lake Perris State Recreation Area and consists of 1,869 acres. The Sub-Area includes about 100 acres characterized by older commercial and industrial uses. The community is nestled in a generally flat rural setting and ringed by the Lakeview Mountains to the southeast and the Bernasconi Hills to the northwest.

Mead Valley. The Sub-Area includes 6,563 acres along Interstate 215 between the cities of Riverside and Perris. The Sub-Area is bisected by Cajalco Road which is the major east-west arterial roadway through the community. The Sub-Area primarily consists of large-lot residential development and industrial and commercial properties.

Romoland. The Romoland Sub-Area contains 1,939 acres located east of the City of Perris. As mentioned above, approximately 1,392 acres were added to the existing Project Area of 547 acres. The community offers prime freeway frontage with access and visibility from both Highway 74 and Interstate 215, and provides a good

location for commercial and industrial uses. Romoland is characterized by older commercial and lower-income housing in the core of the community. Southern California Edison and Eastern Municipal Water District have regional facilities in the area. Portions of the sub-area are within the boundaries of the City of Menifee.

Lakeview/Nuevo. In 2006, the Successor Agency amended the area and added 2,821 acres of land in the communities of Lakeview and Nuevo. The amendment area is primarily developed with single family residential homes and a small commercial area in the Nuevo area.

Sun City/Quail Valley. The amendment area is composed of two sub-areas consisting of 3,289 acres in two non-contiguous areas in the Sun City and Quail Valley areas. The Quail Valley area consists of 2,039 acres and is located west of Interstate 215 and lies along Goetz Road between McCall Boulevard and Newport Road. It is primarily residential in nature with some small commercial uses. The Sun City Sub-Area consists of 1,250 acres and lies both east and west of Interstate 215 from Ethanac Road to just south of McCall Boulevard. The area is characterized by a large commercial area in the core of Sun City, commercial areas along Interstate 215 and both residential and industrial uses in the surrounding areas. Portions of the sub-area are located within the boundaries of the City of Menifee.

Highway 74. The amendment area was added in 2010 and consists of 5,865 acres.

Largest Taxpayers in the Project Area

The Fiscal Consultant has identified the location by Sub-Area for each of the largest property tax payers in the table below. For a brief description of the three largest property tax payers in the Project Area, as well as the locations by Sub-Area, see APPENDIX A - "REPORT OF FISCAL CONSULTANT – Ten Largest Assesseees."

The largest property taxpayer as shown in the table below for the Interstate 215 Corridor Project Area, Knox Logistics, owns a warehouse and distribution center in the Mead Valley 1990 Annex sub-area. The following Table 20 shows the ten largest property owners within the Interstate 215 Corridor Project Area.

TABLE 20
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
Interstate 215 Corridor Redevelopment Project Area
10 Largest Property Owners by Assessed Value
(Fiscal Year 2023-24)

Property Owner	Secured and Utility⁽¹⁾	Unsecured	Total	% of Total Assessed Value	% of Incremental Valuation	Sub-Area
KNOX LOGISTICS	\$ 669,611,349	\$ -	\$669,611,349	9.6%	12.0%	Mead Valley 1990 Annex
MAJESTIC FREEWAY BUSINESS CENTER	161,360,603	-	161,360,603	2.3	2.9	Highgrove Amendment 1
IPT RIVERSIDE LOGISTICS CENTER I	112,252,279	-	112,252,279	1.6	2.0	Mead Valley 2003 Annex
1001 COLUMBIA PT	110,466,422	-	110,466,422	1.6	2.0	Mead Valley 1990 Annex
BR US HOLDINGS III	93,840,000	-	93,840,000	1.4	1.7	Mead Valley
HARVILL BUSINESS CENTER	86,752,447	-	86,752,447	1.2	1.6	Mead Valley 1987
HARVILL AVENUE ASSOC	58,650,000	-	58,650,000	0.8	1.1	Mead Valley
CRP/DP RIVERSIDE OWNER	43,751,000	-	43,751,000	0.6	0.8	Highgrove Amendment 1
AIREF HARVILL DAYTONA BP	42,180,860	-	42,180,860	0.6	0.8	Mead Valley
EXETER 20388 HARVILL	41,616,000	-	41,616,000	0.6	0.7	Mead Valley
Total, Top Ten:	<u>\$1,420,480,960</u>	<u>\$ -</u>	<u>\$1,420,480,960</u>	<u>20.5%</u>	<u>25.5%</u>	
Total, Top Twenty:	<u>\$1,693,374,937</u>	<u>47,401,987</u>	<u>\$1,740,776,924</u>	<u>25.1%</u>	<u>31.3%</u>	
Total, Top Hundred:	<u>\$2,462,251,247</u>	<u>269,520,979</u>	<u>\$2,731,772,226</u>	<u>39.3%</u>	<u>49.1%</u>	
Totals for the Area:	<u>\$6,525,598,172</u>	<u>\$ 418,555,562</u>	<u>\$6,944,153,734</u>	<u>100.0%</u>		

⁽¹⁾ Has one or more appeals pending on assessed valuation. See, “- Assessed Valuation Appeals.”
Source: County Assessor, Fiscal Consultant.

Successor Agency Indebtedness

In addition to the 2024 Series E Bonds, the Successor Agency currently has the following outstanding indebtedness for the Interstate 215 Corridor Project Area (see APPENDIX C - “AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2023” hereto for additional information relating to the payment of indebtedness of the Successor Agency).

The following Table 21 provides a description of outstanding indebtedness of the Successor Agency for the Interstate 215 Corridor Project Area, as of July 1, 2024.

**TABLE 21
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
Interstate 215 Corridor Redevelopment Project Area
Summary of Outstanding Debt
(As of July 1, 2024)**

	Balance as of <u>July 1, 2024</u>
Bonds:	
2011 Second Lien Tax Allocation Bonds, Series E ⁽²⁾	\$ 1,359,720
2014 Series E Bonds ⁽¹⁾	12,655,000
Interstate 215 Corridor Redevelopment Project Area 2015 Tax Allocation Refunding Bonds, Series E	13,325,000
Interstate 215 Corridor Redevelopment Project Area 2016 Tax Allocation Refunding Bonds, Series E	16,635,000
Interstate 215 Corridor Redevelopment Project Area 2017 Tax Allocation Refunding Bonds, Series E	42,345,000
2020 Second Lien Tax Allocation Refunding Bonds, Series E ⁽²⁾	7,605,000
Total	\$[93,924,720]

⁽¹⁾ To be refunded.
⁽²⁾ Subordinate bonds.
 Source: County of Riverside.

Assessed Valuation

The year-over-year changes in assessed valuation shown in the table below are not representative of actual valuation trends, as the assessed valuation of sub-areas generating negative tax increment in a given year are removed from the table, as described in the footnote below. The Interstate 215 Corridor Project Area experienced year-over-year increases in incremental value of 10.28% for 2020-21. Values increased for 2021-22 by 11.17% and for Fiscal Year 2022-23 by 19.58%. Values increased by 24.67% in 2023-24. The base year value is 20.0% of the total taxable value in the Interstate 215 Corridor Project Area for 2023-24. Table 22 sets forth Interstate 215 Corridor Project Area’s assessed valuation for the five most recent fiscal years.

TABLE 22
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
Interstate 215 Corridor Redevelopment Project Area
Historical Assessed Values
(Fiscal Years 2019-20 through 2023-24)

<u>Roll</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Secured					
-Land	\$1,450,290,924	\$1,569,823,199	\$1,761,561,585	\$1,983,724,780	\$2,283,465,630
-Improvements	2,168,755,967	2,448,874,051	2,724,898,922	3,343,289,821	4,343,865,732
-Personal Property	4,257,439	4,371,064	3,933,857	5,088,531	5,148,269
-Exemptions	<u>(111,111,640)</u>	<u>(114,856,578)</u>	<u>(116,826,142)</u>	<u>(118,391,602)</u>	<u>(107,146,011)</u>
Secured Total	\$3,512,192,690	\$3,908,211,736	\$4,373,568,222	\$5,213,711,530	\$6,525,333,620
Unsecured					
-Land	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
-Improvements	127,004,681	137,104,456	135,476,093	168,959,215	190,600,918
-Personal Property	146,472,697	144,689,747	148,801,495	187,182,055	228,093,725
-Exemptions	<u>(115,597)</u>	<u>(79,128)</u>	<u>(79,151)</u>	<u>(207,563)</u>	<u>(139,081)</u>
Unsecured Total	\$ 273,361,781	\$ 281,715,075	\$ 284,198,437	\$ 355,933,707	\$ 418,555,562
Utility					
-Land	\$ 4,645,164	\$ 155,326	\$ 155,326	\$264,552	\$264,552
-Improvements	9,310,162	0	0	0	0
-Personal Property	0	0	0	0	0
-Exemptions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Utility Total ⁽²⁾	\$ 13,955,326	\$ 155,326	\$ 155,326	\$ 264,552	\$ 264,552
Totals, All Sub-Areas ⁽¹⁾	\$3,799,509,797	\$4,190,082,137	\$4,657,921,985	\$5,569,909,789	\$6,944,153,734
Percentage Change	3.06%	10.28%	11.17%	19.58%	24.67%
Plus: HOPTR AV ⁽²⁾	\$ 29,158,026	\$ 28,437,376	\$ 28,372,311	\$ 28,607,415	\$ 29,026,240
Less: Base AV	<u>1,408,197,360</u>	<u>1,408,197,360</u>	<u>1,408,197,360</u>	<u>1,408,197,360</u>	<u>1,408,197,360</u>
Incremental AV	\$2,420,470,463	\$2,810,322,153	\$3,278,096,936	\$4,190,319,844	\$5,564,982,614
Incremental Revenue (1%)	\$ 24,204,705	\$ 28,103,222	\$ 32,780,969	\$ 41,903,198	\$ 55,649,826

⁽¹⁾ The table excludes sub-areas that did not generate tax increment in a given year. These excluded areas may vary by year.

⁽²⁾ The Homeowner's Property Tax Relief exemption, reimbursed by the state.

Source: County Assessor, Fiscal Consultant.

Proposition 8 Assessment Reductions And Restorations

Proposition 8 amended the Revenue and Taxation Code to allow for reduction of a property's taxable value when the property's market value drops below the inflation adjusted base value for that property. Once reduced, the Riverside County Office of the Assessor (the "Assessor") is required to revalue the property each year and enroll the lesser of the current market value of the property or its original inflation adjusted base value. If a property that has been reduced in value under Proposition 8 is sold, its value is reset based upon the sales price and this new value is no longer subject to annual revaluation under Proposition 8.

The Assessor annually reports on the number of assessments by city and unincorporated area subject to Proposition 8 reductions, and the amount of Proposition 8 reductions (these figures are reported by tax rate district rather than by sub-area and include areas outside of the Interstate 215 Corridor Project Area). The Assessor reports 3,210 properties reduced through Proposition 8 in Fiscal Year 2023-24 in the principal tax rate districts within the Interstate 215 Corridor Project Area with \$382,345,218 in reduced valuation. This compares to 5,039 properties and \$536,739,168 in Proposition 8 reductions in Fiscal Year 2022-23 and 9,811 properties and \$1,054,527,185 in Proposition 8 reductions in Fiscal Year 2021-22. While these figures include properties outside of the Interstate 215 Corridor Project Area, they indicate that Proposition 8 reductions have decreased in value between Fiscal Year 2021-22 and Fiscal Year 2023-24. Additionally, based upon a sampling of individual parcels in the Interstate 215 Corridor Project Area, the Fiscal Consultant concluded that it is likely that a substantial portion of the increase in assessed valuation of the Interstate 215 Corridor Project Area is due to the sale of

property and new construction. The assessor does not indicate on the rolls whether or when an individual parcel is subject to a Proposition 8 reduction.

Assessed Valuation Appeals

Pursuant to California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board.

After the applicant and the assessor have presented their arguments, the Appeals Board makes a final decision on the proper assessed value. The Appeals Board may rule in the assessor's favor, in the applicant's favor, or the Board may set their own opinion of the proper assessed value, which may be more or less than either the assessor's opinion or the applicant's opinion. Any reduction in the assessment ultimately granted applies to the year for which application is made and during which the written application was filed. The assessed value may be increased to its pre reduction level for fiscal years following the year for which the reduction application is filed if the real estate market recovers.

Appeals for reduction in the "base year" value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

Most of the appeals filed in the Interstate 215 Corridor Project Area are based on Section 51 of the Revenue and Taxation Code which requires that for each lien date the value of real property shall be the lesser of its base year value annually adjusted by the inflation factor pursuant to Article XIII A of the State Constitution or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. Significant reductions have taken place in some counties due to declining real estate values. Reductions made 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 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 it 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 once again is subject to the annual inflationary factor growth rate allowed under Article XIII A.

There are currently 47 pending appeals within the Interstate 215 Corridor Project Area. In order to estimate the potential reduction in assessed value that may occur as a result of these pending appeals, the fiscal consultant reviewed the historical averages for the number of appeals allowed and the amount of assessed value removed and then applied those averages to the currently pending appeals and estimated the number of pending appeals that may be allowed and the amount of assessed value that may be removed as a result of the pending appeals.

One of the Interstate 215 Corridor Project Area's top ten taxpayers has a pending appeal of its assessed value as shown in Table 23 below. The estimated impact of value losses resulting from these pending appeals has not been incorporated into the projected revenues of the Interstate 215 Corridor Project Area. See "Interstate 215 Corridor Project Area Estimated Revenues and Bond Retirement" herein.

TABLE 23
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
Interstate 215 Corridor Redevelopment Project Area
Assessment Appeals by Large Taxpayers⁽¹⁾

<u>Roll Year</u>	<u>Owner Name</u>	<u>Status</u>	<u>County Valuation</u>	<u>Applicant Opinion of Value</u>	<u>Valuation After Appeal</u>
2022-23	MAJESTIC FREEWAY BUSINESS CENTER	1 Resolved	\$ 7,400,000	\$ 6,048,063	\$ 7,400,000
2021-22	KNOX LOGISTICS	1 Resolved	18,466,487	37,458,000	18,466,487
2020-21	1001 COLUMBIA PT	1 Resolved	105,088,167	30,000,000	105,088,167
2020-21	KNOX LOGISTICS	1 Resolved	74,148,656	41,903,640	74,148,656
2019-20	1001 COLUMBIA PT	1 Pending	103,027,615	30,000,000	TBD
2019-20	KNOX LOGISTICS	1 Resolved	67,126,761	50,345,070	67,126,761
2018-19	1001 COLUMBIA PT	2 Resolved	202,014,932	44,514,896	202,014,932
2017-18	1001 COLUMBIA PT	1 Resolved	99,026,928	68,355,900	99,026,928

⁽¹⁾ Data is current as of November 2, 2023.
Source: Riverside County Assessor.

Table 24 below shows the amount of assessed value that is presently under appeal within the Interstate 215 Corridor Project Area and the estimated reduction of value that has been factored into the projections for 2023-24. The assessment appeals data below reflects appeals filed for Fiscal Years 2013-14 through 2022-23. To provide some indication of the proportion of valuation upheld on appeal, the table below provides information on resolved appeals filed in previous years in the Interstate 215 Corridor Project Area. Overall, the 406 appeals settled in the Interstate 215 Corridor Project Area during the Fiscal Year 2013-14 to Fiscal Year 2022-23 period resulted in reductions in valuation of \$12.9 million out of \$1.3 billion in enrolled valuation subject to appeals, or around 1.0%. The overall retention rate has been calculated by the Fiscal Consultant to be approximately 99% of the original valuation.

Applying the 99% retention rate for resolved appeals to the \$324.7 million in total valuation for parcels with pending appeals indicates a potential valuation reduction of \$3.1 million or approximately \$31,000 in tax revenue. If the full amount of disputed valuation were granted, the reduction in valuation would be approximately \$1.5 million in tax revenue. As both estimates include properties with appeals in multiple years, it is not necessarily an indication of equivalent resolution as to assessed valuation of such properties in subsequent years, and no assumptions are made regarding any appeal related adjustments to Assessed Valuation.

TABLE 24
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
Interstate 215 Corridor Redevelopment Project Area
Assessment Appeals⁽¹⁾

Roll Year	Status	Number of Appeals	County Valuation	Applicant Opinion of Value	Valuation After Appeal	Retention Rate⁽²⁾
2022-23	Resolved	3	\$ 7,506,080	\$ 6,130,063	\$ 7,506,080	100%
2022-23	Pending	26	162,692,253	131,499,208	TBD	TBD
2021-22	Resolved	26	83,783,482	54,333,250	83,783,482	100%
2021-22	Pending	7	20,102,228	5,491,130	TBD	TBD
2020-21	Resolved	20	212,048,045	86,175,040	212,048,045	100%
2020-21	Pending	2	9,190,084	-	TBD	TBD
2019-20	Resolved	19	89,030,216	61,147,180	88,893,743	100%
2019-20	Pending	5	117,571,695	36,690,495	TBD	TBD
2018-19	Resolved	25	245,108,192	59,122,879	241,197,768	98%
2018-19	Pending	3	9,819,000	3,700,000	TBD	TBD
2017-18	Resolved	26	143,013,061	98,074,077	143,004,430	100%
2017-18	Pending	4	5,327,291	2,162,789	TBD	TBD
2016-17	Resolved	35	169,522,533	115,769,355	162,868,828	96%
2016-17	Pending	-	-	-	-	-
2015-16	Resolved	59	97,607,171	54,045,679	89,130,590	91%
2015-16	Pending	-	-	-	-	-
2014-15	Resolved	102	179,047,129	127,950,520	189,363,830	106%
2014-15	Pending	-	-	-	-	-
2013-14	Resolved	91	121,701,589	60,073,559	117,689,313	97%
2013-14	Pending	-	-	-	-	-
All Years	Resolved	406	\$1,348,367,498	\$722,821,602	\$1,335,486,109	99%
All Years	Pending	47	\$ 324,702,551	\$179,543,622	TBD	TBD

⁽¹⁾ Data is current as of November 2, 2023.

⁽²⁾ Expressed as a percentage. Retention Rate is the proportion of value retained after resolution of an appeal. The rate is calculated by dividing the "Valuation After Appeal" into the "County Valuation." For withdrawn and denied appeals, the "Valuation After Appeal" is the original County valuation. Valuations are those shown on appeal filings as reported by the County Assessor.

Source: Riverside County Assessor; Fiscal Consultant.

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Property Value by Land Use

Taxable values in the Interstate 215 Corridor Project Area are diversified with residential property values (single-family, condominiums, and other residential combined) making up 49.0% of all assessed value. Industrial uses account for 31.2% of the Interstate 215 Corridor Project Area taxable values and commercial uses account for 4.4%. Together, these land use categories account for 84.6% of all taxable value in the Interstate 215 Corridor Project Area.

The following Table 25 illustrates the land use of property within the entire Interstate 215 Corridor Project Area and its assessed value. The table below represents assessed values on the secured roll only and does not include valuation of unitary property.

TABLE 25
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
Interstate 215 Corridor Redevelopment Project Area
Land Use Statistics
(Fiscal Year 2023-24)

<u>Land Use</u>	<u>Secured AV⁽¹⁾</u>	<u>% of AV</u>	<u>Number of Parcels</u>	<u>% of Parcels</u>	<u>Acres⁽²⁾</u>	<u>% of Acres</u>
Secured						
Agricultural	\$ 56,393,472	0.8%	50	0.3%	670	3.1%
Commercial	305,417,770	4.4	241	1.2	384	1.8
Industrial	2,169,061,972	31.2	227	1.2	1,062	4.9
Single-Family Residential	2,221,511,165	32.0	7,290	37.3	5,435	25.1
Condominiums	12,068,939	0.2	128	0.7	7	0.0
Other Residential	1,168,083,044	16.8	8,072	41.3	8,539	39.4
Vacant	547,602,075	7.9	2,363	12.1	3,991	18.4
Other	43,574,565	0.6	588	3.0	1,608	7.4
Unsecured	420,176,854	6.1	575	2.9	NA	0.0
Utility	263,878	0.0	4	0.0	NA	0.0
Total	\$ 6,944,153,734	100.0%	19,538	100.0%	21,695	100.0%

⁽¹⁾ Valuations include homeowner's exemptions, which are restored by the Auditor prior to the calculation of tax increment.

⁽²⁾ Acreage is estimated using tax roll data and information provided by the Successor Agency.

Source: County Assessor, Fiscal Consultant.

Volatility Ratio

Under the provisions of the redevelopment plan and redevelopment law in effect prior to January 1, 1994, redevelopment project areas generally contained a tax increment cap, or a limitation on the total amount of tax increment that may be collected within that redevelopment project area over the area's life, along with a time limit on the collection of tax increment and on the issuance of debt. With the passage of SB107 in 2015, tax increment caps, along with other plan limits, no longer apply to the repayment of the Successor Agency's obligations. The following Table 26 below is a summary of the Interstate 215 Corridor Project Area and its sub-areas.

TABLE 26
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
Summary of Interstate 215 Corridor Redevelopment Project Area
and Sub-Areas

<u>INTERSTATE 215 Corridor Project Area</u>	<u>Date of Adoption</u>	<u>Ordinance Number</u>	<u>Acreage</u>	<u>% of Project Area Tax Increment</u>	<u>% of all Tax Increment</u>	<u>Volatility Ratio⁽¹⁾</u>
Lake View, Mead Valley, Romoland 3, Romoland 5	12/23/86	639	3,154	21.1%	5.4%	0.06
Highgrove	12/23/86	639	275	2.8%	0.7%	0.15
Highgrove Amendment 1	11/24/98	783	843	17.0%	4.4%	0.12
Romoland 2003 Annex	7/16/02	822	1,392	4.8%	1.2%	0.18
Mead Valley 1987	12/15/87	648	141	2.6%	0.7%	0.01
Mead Valley 1990 Annex	7/5/89	677	715	13.7%	3.5%	0.01
Mead Valley 2003 Annex	7/16/02	821	3,200	9.3%	2.4%	0.19
Lakeview/Nuevo	5/16/06	854	2,821	4.8%	1.2%	0.53
Sun City/Quail Valley	5/2/06	855	3,289	18.4%	4.7%	0.25
Highway 74	5/4/10	896	5,865	5.4%	1.4%	0.53
Totals			6,366	2.1%	0.5%	0.16

⁽¹⁾ The Volatility Ratio is calculated by dividing the base year assessed valuation by the current year assessed valuation. The volatility ratio for the Project Area is 0.16%.
Source: Fiscal Consultant.

The volatility ratio is the proportion of total assessed valuation accounted for by the base year valuation and reflects the degree of exposure of tax increment to changes in total valuation. A high volatility ratio indicates that a small percentage change in overall assessed valuation would cause a disproportionately large percentage change in tax increment, while a low volatility ratio suggests that a percentage change in overall assessed valuation would cause a similar percentage change in tax increment. Recently-formed redevelopment areas tend to have a high volatility ratio as their total assessed valuation remains close to the base year valuation; their volatility ratio tends to decrease as assessed valuation grows. Additionally, large taxpayers within the Interstate 215 Corridor Project Area can have a similarly disproportionate impact on the tax increment if they have large variations in assessed valuation over a period of fiscal years. See “Largest Taxpayers in the Project Area.” The volatility ratio for the Interstate 215 Corridor Project Area is 0.16%.

Interstate 215 Corridor Project Area Estimated Revenues And Bond Retirement

The Successor Agency has retained Urban Analytics, LLC, San Francisco, California (the “Fiscal Consultant”), to analyze the Interstate 215 Corridor Project Area and to project future tax increment revenues for the Interstate 215 Corridor Project Area. The Fiscal Consultant’s report is included as Appendix A and should be read in its entirety.

For purposes of projecting Interstate 215 Corridor Project Area Tax Revenues, the Fiscal Consultant has made the following assumptions:

- (1) The Fiscal Consultant assumed that the tax rate in the Interstate 215 Corridor Project Area is 1%, with no tax rate overrides. For purposes of projecting Interstate 215 Corridor Project Area Tax Revenues, plan limitations are not taken into account.
- (2) County administrative fee is estimated to be 1.00% of tax increment revenue in the Interstate 215 Corridor Project Area.
- (3) Tax increment revenue is projected to increase at an annual growth rate of 2.00% for fiscal year 2024-25 and all subsequent years. Unitary tax revenue is projected to remain constant. Unsecured property and personal property assessed values are projected to remain constant throughout.

(4) Tax increment revenues do not include any adjustment for delinquencies, refunds, or rebates. See “Property Taxes; Teeter Plan,” herein.

(5) Net tax increment deducts a Pro Rata Share of Housing Debt Service allocated based on the Project Area’s tax increment, but does not include a deduction of any other amounts that, prior to dissolution, were required to be deposited in the Former Agency’s Low and Moderate Income Housing Fund. The 20% low and moderate housing set aside was eliminated with the Dissolution Act. Were the set aside still in effect, the amount of tax increment deposited in the low and moderate income Housing Fund would have been 20% of the gross tax increment less the County Administration fee. The projection of the Pro Rata Share of Housing Debt Service does not assume any savings from a proposed or ongoing refunding of the outstanding Housing Bonds.

(6) Projections assume that statutory tax sharing payments are subordinate to debt service.

(7) Projections do not take into consideration any changes in assessed valuation due to new construction, property sales, Proposition 8 reductions or assessment appeals.

(8) Contractual pass through payments are senior to the 2024 Series E Bonds according to agreements described under “SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY – Pass-Through Agreements,” herein.

Actual levels of future tax increment revenues will depend upon the rate of growth in tax increment resulting from new development, change of ownership and inflation, and changes in tax rates, and may differ from the projections presented herein. See “REPORT OF FISCAL CONSULTANT” attached hereto as Appendix A.

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TABLE 27
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
Interstate 215 Corridor Redevelopment Project Area
Estimated Interstate 215 Corridor Project Area Tax Revenues⁽¹⁾
Fiscal Years 2023-24 through 2044-45

Fiscal Year	Gross Tax Increment (A)	Project Area Share of Housing Debt Service (B)	Senior Pass-Through Payments (C)	County Administration Fee (D)	Interstate 215 Corridor Project Area Tax Revenues (E= A- (B+C+D))
2023-24	\$55,954,345	\$(3,098,349)	\$(4,722,884)	\$(513,770)	\$47,619,342
2024-25	57,264,240	(3,103,244)	(4,814,285)	(525,797)	48,820,915
2025-26	58,600,333	(3,105,862)	(4,907,514)	(538,065)	50,048,893
2026-27	59,963,148	(3,109,791)	(5,002,607)	(550,578)	51,300,173
2027-28	61,353,220	(3,079,639)	(5,099,602)	(563,342)	52,610,638
2028-29	62,771,092	(3,084,221)	(5,198,537)	(576,360)	53,911,974
2029-30	64,217,323	(3,088,281)	(5,299,451)	(589,640)	55,239,952
2030-31	65,692,477	(3,089,045)	(5,402,383)	(603,184)	56,597,866
2031-32	67,197,135	(3,094,826)	(5,507,373)	(617,000)	57,977,936
2032-33	68,731,886	(3,096,043)	(5,614,464)	(631,092)	59,390,287
2033-34	70,297,332	(3,129,475)	(5,723,696)	(645,466)	60,798,696
2034-35	71,894,087	(3,133,742)	(5,835,113)	(660,127)	62,265,105
2035-36	73,522,777	(3,136,474)	(5,948,758)	(675,082)	63,762,464
2036-37	75,184,041	(3,138,387)	(6,064,676)	(690,335)	65,290,643
2037-38	76,878,530	(1,938,412)	(6,182,912)	(705,894)	68,051,312
2038-39	78,606,909	(1,884,779)	(6,303,514)	(721,764)	69,696,853
2039-40	80,369,856	(1,776,159)	(6,426,527)	(737,951)	71,429,219
2040-41	82,168,061	(1,277,943)	(6,552,000)	(754,462)	73,583,656
2041-42	84,002,231	(1,278,490)	(6,679,983)	(771,304)	75,272,454
2042-43	85,873,084	-	(6,810,526)	(788,482)	78,274,076
2043-44	87,781,354	-	(6,943,679)	(806,003)	80,031,671
2044-45	89,727,789	-	(7,079,496)	(823,875)	81,824,418

⁽¹⁾ See prior page for assumptions to calculate projections.
Source: Fiscal Consultant.

The following Table 28 projects debt service coverage for the 2024 Series E Bonds and the outstanding Interstate 215 Corridor Project Area Parity Bonds based only on projected Interstate 215 Corridor Project Area Tax Revenues.

TABLE 28
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
Interstate 215 Corridor Redevelopment Project Area
Estimated Debt Service Coverage
Fiscal Years 2023-24 through 2044-45

Fiscal Year	Interstate 215 Corridor Project Area Tax Revenues⁽¹⁾⁽²⁾	Outstanding Interstate 215 Parity Bonds Debt Service⁽³⁾⁽⁴⁾	Total Parity Bonds Debt Service⁽⁴⁾	Senior Parity Bonds Coverage	Subordinate Debt Service⁽⁴⁾	Total Debt Service⁽⁴⁾⁽⁵⁾	Total Debt Service Coverage
2023-24	\$47,619,342						
2024-25	48,820,915						
2025-26	50,048,893						
2026-27	51,300,173						
2027-28	52,610,638						
2028-29	53,911,974						
2029-30	55,239,952						
2030-31	56,597,866						
2031-32	57,977,936						
2032-33	59,390,287						
2033-34	60,798,696						
2034-35	62,265,105						
2035-36	63,762,464						
2036-37	65,290,643						
2037-38	68,051,312						
2038-39	69,696,853						
2039-40	71,429,219						
2040-41	73,583,656						
2041-42	75,272,454						
2042-43	78,274,076						
2043-44	80,031,671						
2044-45	81,824,418						

(1) See Table 27 for details.

(2) Tax Increment shown for purposes of this coverage table represent only Interstate 215 Corridor Project Area Tax Revenues relating to the Interstate 215 Corridor Project Area. Pursuant to Section 34177.5(g) of the Dissolution Act and the Successor Agency Bonds Indentures, however, the Successor Agency Bonds are secured by a pledge and lien on Residual RPTTF on a parity basis with all refunding bonds of the Successor Agency. See "SECURITY FOR THE SUCCESSOR AGENCY BONDS – Pledge Under Successor Agency Bonds Indentures – *Residual RPTTF Party Pledge for All Successor Agency Bonds.*"

(3) Includes debt service on 2015 Series E Bonds, 2016 Series E Bonds, and 2017 Series E Bonds; assumes refunding of 2014 Series E Bonds.

(4) Debt service shown on Bond Year basis.

(5) Includes debt service on the 2011 Series E Subordinate Bonds and 2020 Series E Subordinate Bonds.

Source: Fiscal Consultant as to Net Tax Increment, Underwriter as to Debt Service Coverage.

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RPTTF PROJECT AREA; HOUSING SET-ASIDE

Redevelopment Plans

Under the Redevelopment Law a city or county that activates its redevelopment agency is permitted to adopt, by ordinance, a redevelopment plan for each redevelopment project area to be undertaken by the redevelopment agency. A redevelopment agency may only undertake those activities within a redevelopment project area specifically authorized in the adopted redevelopment plan. A redevelopment plan is a legal document, the content of which is largely prescribed in the Redevelopment Law, rather than a “plan” in the customary sense of the word.

The Redevelopment Plans for the Project Areas had two principal purposes (i) the removal of blight from the Project Areas and (ii) the provision of low and moderate income housing both within the Project Areas and within any other area of the County of Riverside. In order to accomplish these two purposes the Redevelopment Plans provide for the acquisition of property and the demolition of buildings and improvements, the relocation of any displaced occupants and the construction of streets, parking facilities, utilities and other public improvements. In connection with the provision of low and moderate income housing, the Successor Agency may additionally make housing grants and loans and acquire, rehabilitate and sell residential housing to persons and families of low and moderate income. The Redevelopment Plans also allow for redevelopment of land by private enterprise and participation by owners and tenants of properties in the Project Areas.

There are five Project Areas generating Housing Tax Revenues that secure the 2024 Housing Bonds (collectively, the “RPTTF Project Area”). Each Project Area is comprised of sub-areas (“Sub-Areas”) established under separate ordinances and subsequently merged, for fiscal reasons, into a Project Area. Key information on each Sub-Area in the Project Areas is shown in Table 29 below. Additional information about each Project Area is set forth in APPENDIX A and in the Fiscal Consultant’s Report in APPENDIX B.

Project Area No. 1. The Riverside County Board of Supervisors approved Project Area No. 1-1986 on December 23, 1986, pursuant to Ordinance No. 635. The Project Area is located in the southwestern region of the County and consists of three Sub-Areas, totaling approximately 4,651 acres. The original Project Area contains Sub-Areas in the communities of Home Gardens and Murrieta. The Board approved Amendment No. 1 to the Project Area on July 20, 1999, pursuant to Ordinance No. 793, which included a new Sub-Area in the communities of Lakeland Village and Wildomar. A second amendment to the Project Area was approved on December 14, 1999, pursuant to Ordinance No. 800. This amendment allowed for the creation of another new Sub-Area in the El Cerrito/Temescal Canyon area.

The Jurupa Valley Project Area. The Board adopted the Jurupa Valley Project Area on July 9, 1996, via Ordinance No. 763. The project area formation involved the merger of three existing redevelopment project areas, Project Areas Nos. 2-1986 (Mira Loma), which was amended twice for a total acreage of 3,856 acres; 2-1987 (Glen Avon and Rubidoux) at 635 acres; and 2-1989 (Pedley and Rubidoux), at a total of 1,354 acres. The Amendment and Merger which took place in 1996 included an addition of 10,750 acres of territory (the “Amendment Area”) to the merged project areas. The Jurupa Valley Project Area is a single contiguous project area and is located in the northwest region of the County. The total acreage for the project area is 16,600 acres.

The Mid-County Project Area. The Mid-County Project Area originally consisted of three project areas: Project Area Nos. 3 (3-1986), 3-1987, and 3-1989. Project Area 3-1986 includes area in the communities of Garnet, Valle Vista, West Garnet, Homeland and Winchester; Project Area 3-1987 includes portions of the community of North Hemet; and Project Area 3-1989 includes area within the community of Cabazon. The Board approved the original boundaries of the Project Area No. 3-1986 on December 23, 1986 via Ordinance No. 637; Project Area 3-1987 on December 22, 1987 via Ordinance No. 646; and, Project Area No. 3-1989 on July 11, 1989 via Ordinance No. 676.

In 1999, the project areas were merged and amended, adding approximately 1,307 acres to the Homeland Sub-Area (renamed Homeland/Green Acres). Both the amendment and merger were approved in May 1999, via Ordinances Nos. 785 and 786, respectively. On January 13, 2009, Amendment No. 2 to the Mid-County Project Area was adopted via Ordinance No. 887 and added 2,693 acres in the Garnet and West Garnet communities to the Sub-Area. The current Mid-County Project Area is composed of approximately 9,721 acres.

The Desert Communities Project Area. The Desert Communities Project Area originally contained two separate project areas known as Project Area Nos. 4 (also known as 4-1986 and 4-1987). The Riverside County Board of Supervisors (the “Board”) approved the original boundaries of Project Area No. 4 on December 23, 1986 via Ordinance No. 638. Project Area 4-1986 consists of 20,440 acres of territory within the communities of East Blythe, Mecca, North Shore, Palm Desert, Ripley, Thermal (including the airport), and Thousand Palms. Project Area No. 4-1987 was approved by the Board on December 1, 1987 via Ordinance No. 647, and consists of 376 acres in Desert Center. The Airports-1988 project area was approved by the Board on December 19, 1988, via Ordinance No. 668 and consists of six general aviation airports. On July 20, 1999, the Board approved the merger of both project areas with the Airports-1988 project area.

At the time of the merger, the Board approved the amendment of Project Area 4-1986, to add approximately 408 acres of territory within the community of Thousand Palms.

The amendment and merger were approved via Ordinances Nos. 794 and 795, respectively. On January 13, 2009, Amendment No. 2 to the Desert Communities Project Area was adopted via Ordinance No. 886, and added 1,975 acres in the 100 Palms, Oasis, Mecca and North Shore communities to the Desert Communities Project Area. The Desert Communities Project Area consists of six Sub-Areas, encompassing approximately 29,668 acres.

The Interstate 215 Corridor Project Area. The Interstate 215 Corridor Project Area was originally comprised of two project areas: Project Areas Nos. 5-1986 and 5-1987. The Board approved Project Area No. 5 on December 23, 1986 via Ordinance No. 639, and it included four Sub-Areas: Calimesa, Highgrove, Lakeview, Mead Valley and Romoland, for a total of 3,429 acres. In November of 1998, the Board approved an amendment to the project area to include an additional 843 acres of territory in the Highgrove Sub-Area. Project Area No. 5-1987 consisted of one Sub-Area of 141 acres in the community of Mead Valley and was approved by the Board on December 1, 1987 via Ordinance No. 648. The project area was amended to include an additional 715 acres of territory on June 27, 1989 via Ordinance No. 715.

Both project areas were amended and merged on July 25, 2002 via Ordinance No. 821 and 822, respectively. Approximately 1,392 acres was added to the Romoland Sub-Area. The Mead Valley Sub-Area was also expanded and included the addition of 3,200 acres. The amended areas of both Sub-Areas are contiguous with the existing Sub-Area boundaries.

In 2006, Amendment No. 1a and Amendment No. 1b were adopted into the Interstate 215 Corridor Project Area. Amendment No. 1a was adopted on May 16, 2006, and added approximately 2,820 acres of territory in the communities of Lakeview/Nuevo to the Interstate 215 Corridor Project Area. Amendment No. 1b was adopted on May 2, 2006, and added 3,289 acres of additional territory in the communities of Sun City/Quail Valley into the Interstate 215 Corridor Project Area.

On May 4, 2010, Amendment No. 2, called the Highway 74 Communities Sub-Area, was adopted into the Interstate 215 Corridor Project Area. The amendment added approximately 5,865 acres to the Interstate 215 Corridor Project Area; located within the communities of South Mead Valley, Wagon Wheel, Good Hope, Meadowbrook and Warm Springs.

Redevelopment Plan Limitations

In 1993, the California Legislature made significant changes in the Redevelopment Law by the adoption of AB 1290, Chapter 942, Statutes of 1993 (“AB 1290”). Among the changes to the Redevelopment Law accomplished by the enactment of AB 1290 was a provision which limits the period of time for incurring and repaying loans, advances and indebtedness which are payable from tax increment revenues. In general and subject to shorter limitations which may be contained in a redevelopment plan, loans, advances and indebtedness may be incurred within the later of January 1, 2004 or 20 years from the date of original adoption of the redevelopment plan, a redevelopment plan must terminate not later than January 1, 2009 or 40 years following the date of original adoption of the redevelopment plan, and loans, advances and indebtedness must be repaid during a period extending not more than 10 years following the date of termination of the redevelopment plan. AB 1290 further required that any redevelopment plan that either did not contain the appropriate limitations or that contained limitations longer than permitted by AB 1290 must be amended by the applicable legislative body.

In addition, the sub-areas added to the Project Areas after January 1, 1994 are subject to the special requirements of AB1290, which replaced tax increment caps and negotiated fiscal agreements with finite plan durations and statutory payments to taxing entities, among other requirements. All of the Redevelopment Plans were subsequently brought into conformance with plan duration and other provisions of AB1290. The California Legislature enacted Senate Bill 1045, Chapter 260, Statutes 2003, effective September 1, 2003 (“SB 1045”) and Senate Bill 1096, Chapter 211, Statutes of 2004 (“SB 1096”). SB 1045 and SB 1096 provide, among other things, that the Redevelopment Plans for the Project Areas may be amended to add up to three years on to the effectiveness of the Redevelopment Plans and on to the period for collection of tax increment revenues and the repayment of debt. Pursuant to the authorization contained in SB 1045, the Board of Supervisors adopted Ordinance No. 835 on November 30, 2004, (effective December 30, 2004) extending by one year the date of effectiveness of the Redevelopment Plan and the allowed time to pay indebtedness or receive property taxes. The following table takes into account the effect of Ordinance No. 835. The Redevelopment Plans of the Successor Agency were adopted too recently to be able to take advantage of the extensions permitted by SB 1096.

SB 107 clarifies that former tax increment limits set forth in redevelopment plans such as the Redevelopment Plan no longer apply for purposes of paying approved enforceable obligations such as the Successor Agency Bonds.

Largest Taxpayers in the Project Area

The following Table 29 shows the ten largest taxpayers in the RPTTF Project Area. The Fiscal Consultant has identified the location by Sub-Area for each of the largest property tax payers in the table below. For a brief description of the three largest property tax payers in the RPTTF Project Area, as well as the locations by Sub-Area, see APPENDIX A - “REPORT OF FISCAL CONSULTANT – Ten Largest Assesseees.”

TABLE 29
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
RPTTF Project Area⁽¹⁾
10 Largest Property Owners by Assessed Value
(Fiscal Year 2023-24)

Property Owner	Secured and Utility ⁽²⁾	Unsecured	Total	% of Total Assessed Value	% of Incremental Valuation	Sub-Area
KNOX LOGISTICS	\$ 669,611,349	\$ -	\$ 669,611,349	2.6%	3.1%	INTERSTATE 215 (Mead Valley 1990 Annex)
CPV SENTINEL, LLC	384,300,000	-	384,300,000	1.5	1.8	MCPA (Amendment No. 2)
COSTCO WHOLESALE CORP	309,327,973	3,123,380	312,451,353	1.2	1.4	JVPA (1996 Amendment)
CHELSEA GCA REALTY PARTNERSHIP	265,964,160	-	265,964,160	1.0	1.2	MCPA (1989 Annex)
BRE SPACE PROPERTIES	263,687,073	-	263,687,073	1.0	1.2	JVPA (Mira Loma)
AGUA MANSA COMMERCE PHASE I	223,428,278	-	223,428,278	0.9	1.0	JVPA (1996 Amendment)
LRE EASTVALE CASTLE & COOKE	220,000,000	-	220,000,000	0.9	1.0	JVPA (Mira Loma 1990 Annex)
CORONA CROSSINGS	205,033,694	-	205,033,694	0.8	0.9	PA1 (El Cerrito/Temescal)
TEACHERS INSURANCE ANNUITY ASSN	198,614,816	-	198,614,816	0.8	0.9	JVPA (1996 Amendment)
AMB INSTITUTIONAL ALLIANCE III	171,155,232	-	171,155,232	0.7	0.8	JVPA (1996 Amendment)
Total, Top Ten:	\$ 2,911,122,575	\$ 3,123,380	\$2,914,245,955	11.5%	13.4%	
Total, Top Twenty:	3,705,893,168	35,461,152	3,741,354,320	14.7%	17.2%	
Total, Top Hundred:	6,365,494,193	346,794,023	6,712,288,216	26.4%	30.9%	
Totals for the Area:	\$24,113,918,644	\$1,302,579,742	\$25,416,498,386	100.0%	100.0%	

⁽¹⁾ Table 29 excludes the Desert Communities Project Area (North Shore) and Desert Communities Project Area Amend 2 (100 Palms/Oasis) sub-areas that did not generate tax increment in Fiscal Year 2023-24.

⁽²⁾ Has one or more appeals pending on assessed valuation. See, “- Assessed Valuation Appeals.”

Source: County Assessor, Fiscal Consultant.

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Successor Agency Indebtedness

In addition to the 2024 Housing Bonds, the Successor Agency currently has the following outstanding bonds payable from the former Housing Set-Aside (see APPENDIX C - “AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2023” hereto for additional information relating to the payment of indebtedness of the Successor Agency).

The following Table 30 provides a description of outstanding housing indebtedness of the Successor Agency, as of July 1, 2024.

**TABLE 30
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
RPTTF Project Area
Summary of Outstanding Housing Debt
(As of July 1, 2024)**

	Balance as of <u>July 1, 2024</u>
Bonds:	
2004 Taxable Tax Allocation Housing Bonds, Series A-T	\$ 10,115,000
2014 Housing Bonds ⁽¹⁾	36,465,000
2015 Tax Allocation Housing Refunding Bonds, Series A	8,765,000
2017 Tax Allocation Housing Refunding Bonds, Series A	17,510,000
2017 Taxable Tax Allocation Housing Refunding Bonds, Series A-T	25,616,535
2017 Tax Allocation Housing Refunding Bonds, Series B	38,765,000
Total	\$137,236,535

⁽¹⁾ To be refunded.
Source: County of Riverside.

Assessed Valuation

The year-over-year changes in assessed valuation shown in the table below are not representative of actual valuation trends, as the assessed valuation of sub-areas generating negative tax increment in a given year are removed from the table, as described in the footnote below. The RPTTF Project Area experienced year-over-year increases in incremental value of 7.74% for 2020-21. Values increased for 2021-22 by 5.12% and for Fiscal Year 2022-23 by 10.88%. Values increased by 16.18% in 2023-24. The base year value is 14.8% of the total taxable value in the RPTTF Project Area for 2023-24. Table 31 below sets forth RPTTF Project Area’s assessed valuation for the five most recent fiscal years.

TABLE 31
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
RPTTF Project Area
Historical Assessed Values
(Fiscal Years 2019-20 through 2023-24)

<u>Roll</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Secured					
-Land	\$ 5,693,148,470	\$ 6,075,458,141	\$ 6,331,698,863	\$ 6,866,427,462	\$ 7,681,004,707
-Improvements	10,447,083,942	11,430,755,777	12,204,295,090	13,732,938,882	16,255,834,719
-Personal Property	65,390,149	87,739,306	94,023,367	99,354,719	110,931,019
-Exemptions	<u>(354,731,678)</u>	<u>(353,839,045)</u>	<u>(353,469,471)</u>	<u>(354,121,715)</u>	<u>(331,031,419)</u>
Secured Total	\$15,850,890,883	\$17,240,114,179	\$18,276,547,849	\$20,344,599,348	\$23,716,739,026
Unsecured					
-Land	\$ 24,678	\$ 26,155	\$ 25,591	\$ 27,378	\$ 108,260
-Improvements	529,748,477	547,941,850	491,043,289	547,349,489	612,233,857
-Personal Property	515,925,314	498,986,673	509,015,995	571,909,642	690,577,974
-Exemptions	<u>(314,003)</u>	<u>(255,409)</u>	<u>(270,428)</u>	<u>(392,679)</u>	<u>(340,349)</u>
Unsecured Total	\$ 1,045,384,466	\$ 1,046,699,269	\$ 999,814,447	\$1,118,893,830	\$1,302,579,742
Utility					
-Land	\$ 9,634,045	\$ 13,896,982	\$ 13,852,845	\$ 20,526,069	\$ 20,226,385
-Improvements	516,541,551	469,433,999	440,194,659	392,463,177	376,820,402
-Personal Property	44,583	37,809	37,177	90,697	132,831
-Exemptions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Utility Total ⁽²⁾	\$ 526,220,179	\$ 483,368,790	\$ 454,084,681	\$413,079,943	\$ 397,179,618
Totals:	\$17,422,495,528	\$18,770,182,238	\$19,730,446,977	\$21,876,573,121	\$25,416,498,386
Percentage Change	5.05%	7.74%	5.12%	10.88%	16.18%
Plus: HOPTR AV ⁽²⁾	\$ 95,896,054	\$ 94,395,446	\$ 93,265,398	\$ 92,266,640	\$ 92,266,438
Less: Base AV	3,761,907,241	3,761,907,241	3,761,907,241	3,761,907,241	3,761,907,241
Incremental AV	\$13,756,484,341	\$15,102,670,443	\$16,061,805,134	\$18,206,932,520	\$21,746,857,583
Incremental Revenue (1%)	\$ 137,564,843	\$ 151,026,704	\$ 160,618,051	\$182,069,325	\$ 217,468,576

⁽¹⁾ The table excludes sub-areas that did not generate tax increment in a given year. These excluded areas may vary by year.

⁽²⁾ The Homeowner's Property Tax Relief exemption, reimbursed by the state.

Source: County Assessor, Fiscal Consultant.

Volatility Ratio

Under the provisions of the redevelopment plan and redevelopment law in effect prior to January 1, 1994, redevelopment project areas generally contained a tax increment cap, or a limitation on the total amount of tax increment that may be collected within that redevelopment project area over the area's life, along with a time limit on the collection of tax increment and on the issuance of debt. With the passage of SB107 in 2015, tax increment caps, along with other plan limits, no longer apply to the repayment of the Successor Agency's obligations. The following Table 32 below is a summary of the RPTTF Project Area and its sub-areas.

TABLE 32
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
SUMMARY OF PROJECT AREAS AND CONSTITUENT SUB-AREAS

Project Area/Sub-Area	Date of Adoption	Ordinance Number	Acreage	% of Project Area Tax Increment	% of All Tax Increment	Volatility Ratio ⁽¹⁾
Project Area No. 1						
Home Gardens, Murrieta	12/23/86	635	350	16.4%	1.5%	0.07
Lakeland	7/20/99	793	2,859	38.6%	3.6%	0.29
El Cerrito/Temescal	12/14/99	800	1,442	45.1%	4.2%	0.10
Totals			4,651	100.0%	9.4%	0.18
Desert Communities Project Area						
East Blythe, Mecca, North Shore ⁽²⁾ , Palm Desert Country Club, Ripley, Thermal	12/23/86	638	20,155	90.2%	17.4	0.03
Thousand Palms	12/23/86	638	285	2.2%	0.4%	0.09
Thousand Palms Amendment	7/20/99	794	408	5.8%	1.1%	0.20
Desert Center	12/22/87	647	376	0.2%	0.0%	0.37
Airports (Blythe, Chiriaco, Desert Center, Flabob, French Valley, Hemet-Ryan)	12/19/88	668	6,366	1.6%	0.3%	0.15
Amendment 2 (100 Palms, Oasis, Mecca) ⁽²⁾	1/13/09	886	2,078	0.0%	0.0%	(NA)
Totals			29,668	100.0%	19.3%	0.05
INTERSTATE 215 Corridor Project Area						
Lake View, Mead Valley, Romoland 3, Romoland 5	12/23/86	639	3,154	21.1%	5.4%	0.06
Highgrove	12/23/86	639	275	2.8%	0.7%	0.15
Highgrove Amendment 1	11/24/98	783	843	17.0%	4.4%	0.12
Romoland 2003 Annex	7/16/02	822	1,392	4.8%	1.2%	0.18
Mead Valley 1987	12/15/87	648	141	2.6%	0.7%	0.01
Mead Valley 1990 Annex	7/5/89	677	715	13.7%	3.5%	0.01
Mead Valley 2003 Annex	7/16/02	821	3,200	9.3%	2.4%	0.19
Lakeview/Nuevo	5/16/06	854	2,821	4.8%	1.2%	0.53
Sun City/Quail Valley	5/2/06	855	3,289	18.4%	4.7%	0.25
Highway 74	5/4/10	896	5,865	5.4%	1.4%	0.53
Totals			21,695	100.0%	25.6%	0.20
Jurupa Valley Project Area						
Mira Loma: Glen Avon, Pedley	12/23/86	636	1,955	8.7%	3.4%	0.03
Mira Loma Amendment 1	12/18/88	667	368	3.5%	1.4%	0.14
Mira Loma Amendment 2	12/19/89	686	1,533	11.8%	4.6%	0.04
Glen Avon, Rubidoux 1	12/22/87	645	635	3.5%	1.4%	0.17
Pedley, Rubidoux 2	7/5/89	675	1,354	8.5%	3.3%	0.08
Jurupa Valley Amendment	7/9/96	762/763	10,755	64.0%	25.0%	0.14
Totals			16,600	100.0%	39.1%	0.12
Mid-County Project Area						
Garnet, Valle Vista, West Garnet, Winchester	12/23/86	637	980	17.0%	1.1%	0.14
Homeland	12/23/86	637	122	1.5%	0.1%	0.17
Homeland/Green Acres	5/11/99	785	1,307	19.1%	1.3%	0.18
North Hemet	12/22/87	646	40	0.2%	0.0%	0.40
Cabazon	7/11/89	676	4,598	33.4%	2.2%	0.04
Amendment 2 (Garnet, West Garnet)	1/13/09	887	2,693	28.7%	1.9%	0.53
Totals			9,740	100.0%	6.6%	0.29

⁽¹⁾ The volatility ratio is calculated by dividing the base year assessed valuation by the current year assessed valuation. The average volatility ratio for all Project Areas is approximately 0.16%.

⁽²⁾ Fiscal Year 2023-24 assessed value is less than the base year value for the sub-area; consequently, the Successor Agency receives no tax increment from this sub-area and the sub-area is excluded from the tables in this Official Statement

Source: The Successor Agency, County Controller; Fiscal Consultant.

The Volatility Ratio is calculated by dividing the base year assessed valuation by the current year assessed valuation and reflects the degree of exposure of tax increment to changes in total valuation. A high volatility ratio indicates that a small percentage change in overall assessed valuation would cause a disproportionately large percentage change in tax increment, while a low volatility ratio suggests that a percentage change in overall assessed valuation would cause a similar percentage change in tax increment. Recently-formed redevelopment areas tend to have a high volatility ratio as their total assessed valuation remains close to the base year valuation;

their volatility ratio tends to decrease as assessed valuation grows. Additionally, large taxpayers within a project area can have a similarly disproportionate impact on the tax increment if they have large variations in assessed valuation over a period of fiscal years.

The Fiscal Consultant has determined the Volatility Ratio for each of the Project Area Sub-Areas. See APPENDIX B - "REPORT OF FISCAL CONSULTANT."

Proposition 8 Assessment Reductions And Restorations

Proposition 8 amended the Revenue and Taxation Code to allow for reduction of a property's taxable value when the property's market value drops below the inflation adjusted base value for that property. Once reduced, the Riverside County Office of the Assessor (the "Assessor") is required to revalue the property each year and enroll the lesser of the current market value of the property or its original inflation adjusted base value. If a property that has been reduced in value under Proposition 8 is sold, its value is reset based upon the sales price and this new value is no longer subject to annual revaluation under Proposition 8.

The Assessor annually reports on the number of assessments by city and unincorporated area subject to Proposition 8 reductions, and the amount of Proposition 8 reductions (these figures are reported by tax rate district rather than by sub-area and include areas outside of the project areas). The Assessor reports 61,828 properties reduced through Proposition 8 in Fiscal Year 2023-24 in the principal tax rate districts within the RPTTF Project Area with \$2,412,259,689 in reduced valuation. This compares to 72,962 properties and \$3,179,971,094 in Proposition 8 reductions in Fiscal Year 2022-23 and 111,116 properties and \$5,914,693,537 in Proposition 8 reductions in Fiscal Year 2021-22. While these figures include properties outside of the Interstate 215 Corridor Project Area, they indicate that Proposition 8 reductions have decreased in value between Fiscal Year 2021-22 and Fiscal Year 2023-24. Additionally, based upon a sampling of individual parcels in the RPTTF Project Area, the Fiscal Consultant concluded that it is likely that a substantial portion of the increase in assessed valuation of the RPTTF Project Area is due to the sale of property and new construction. The assessor does not indicate on the rolls whether or when an individual parcel is subject to a Proposition 8 reduction.

Assessed Valuation Appeals

Pursuant to California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board.

After the applicant and the assessor have presented their arguments, the Appeals Board makes a final decision on the proper assessed value. The Appeals Board may rule in the assessor's favor, in the applicant's favor, or the Board may set their own opinion of the proper assessed value, which may be more or less than either the assessor's opinion or the applicant's opinion. Any reduction in the assessment ultimately granted applies to the year for which application is made and during which the written application was filed. The assessed value may be increased to its pre reduction level for fiscal years following the year for which the reduction application is filed if the real estate market recovers.

Appeals for reduction in the "base year" value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

Most of the appeals filed in the RPTTF Project Area are based on Section 51 of the Revenue and Taxation Code which requires that for each lien date the value of real property shall be the lesser of its base year value annually adjusted by the inflation factor pursuant to Article XIII A of the State Constitution or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. Significant reductions have taken place in some counties due

to declining real estate values. Reductions made 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 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 it 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 once again is subject to the annual inflationary factor growth rate allowed under Article XIII A.

There are currently 625 pending appeals within the RPTTF Project Area. In order to estimate the potential reduction in assessed value that may occur as a result of these pending appeals, the fiscal consultant reviewed the historical averages for the number of appeals allowed and the amount of assessed value removed and then applied those averages to the currently pending appeals and estimated the number of pending appeals that may be allowed and the amount of assessed value that may be removed as a result of the pending appeals.

Two of the RPTTF Project Area's top ten taxpayers has a pending appeal of its assessed value as shown in Table 33 below. The estimated impact of value losses resulting from these pending appeals has not been incorporated into the projected revenues of the RPTTF Project Area. See "RPTTF Project Area Estimated Revenues and Bond Retirement" herein.

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TABLE 33
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
RPTTF Project Area
Assessment Appeals by Large Taxpayers⁽¹⁾

Roll Year	Owner Name	Status	County Valuation	Applicant Opinion of Value	Valuation After Appeal
2022-23	CASTLE & COOKE CORONA CROSSINGS	1 Pending	\$ 22,511,435	\$ 6,920,700	TBD
2021-22	CASTLE & COOKE CORONA CROSSINGS	1 Resolved	9,021,586	6,134,201	\$ 9,021,586
2021-22	COSTCO WHOLESALE CORP	2 Resolved	23,029,742	19,500,000	23,029,742
2021-22	KNOX LOGISTICS	1 Resolved	18,466,487	37,458,000	18,466,487
2020-21	BRE SPACE PROPERTIES CASTLE & COOKE CORONA	10 Resolved	155,230,602	152,701,295	155,230,602
2020-21	CROSSINGS	11 Resolved	24,467,702	89,370,081	24,467,702
2020-21	COSTCO WHOLESALE CORP	12 Resolved	93,207,772	56,700,000	93,207,772
2020-21	KNOX LOGISTICS	1 Resolved	74,148,656	41,903,640	74,148,656
2019-20	COSTCO WHOLESALE CORP AMB INSTITUTIONAL ALLIANCE	10 Pending	69,033,509	41,700,000	TBD
2019-20	FUND III CASTLE & COOKE CORONA	2 Resolved	146,128,500	103,550,000	146,128,500
2019-20	CROSSINGS	5 Resolved	80,720,510	59,017,060	80,720,510
2019-20	COSTCO WHOLESALE CORP	2 Resolved	22,346,670	13,500,000	22,346,670
2019-20	KNOX LOGISTICS TEACHERS INSURANCE ANNUITY	1 Resolved	67,126,761	50,345,070	67,126,761
2019-20	ASSN AMB INSTITUTIONAL ALLIANCE	3 Resolved	87,897,937	53,323,534	87,897,937
2018-19	FUND III CASTLE & COOKE CORONA	2 Resolved	139,170,000	105,000,000	139,170,000
2018-19	CROSSINGS	4 Resolved	57,153,609	46,842,272	57,153,609
2018-19	COSTCO WHOLESALE CORP TEACHERS INSURANCE ANNUITY	10 Resolved	67,625,998	37,050,000	67,625,998
2018-19	ASSN AMB INSTITUTIONAL ALLIANCE	3 Resolved	86,174,452	64,630,839	86,174,452
2017-18	FUND III CASTLE & COOKE CORONA	2 Resolved	133,300,000	106,608,030	133,300,000
2017-18	CROSSINGS	2 Resolved	30,295,483	21,065,000	30,295,483

⁽¹⁾ Data is current as of November 2, 2023; Table 33 excludes the Desert Communities Project Area (North Shore) and Desert Communities Project Area Amend 2 (100 Palms/Oasis) sub-areas that did not generate tax increment in Fiscal Year 2023-24; Valuations are those shown on appeal filings as reported by the County Assessor.
Source: Riverside County Assessor.

Table 34 below shows the amount of assessed value that is presently under appeal within the RPTTF Project Area and the estimated reduction of value that has been factored into the projections for 2023-24. The assessment appeals data below reflects appeals filed for Fiscal Years 2013-14 through 2022-23. To provide some indication of the proportion of valuation upheld on appeal, the table below provides information on resolved appeals filed in previous years in the RPTTF Project Area. Overall, the 2,242 appeals settled in the RPTTF Project Area during the Fiscal Year 2013-14 to Fiscal Year 2022-23 period resulted in reductions in valuation of \$32.4 million out of \$9.0 billion in enrolled valuation subject to appeals, or around 0.4%. The overall retention rate has been calculated by the Fiscal Consultant to be approximately 99.6% of the original valuation.

Applying the 99.6% retention rate for resolved appeals to the \$324.7 million in total valuation for parcels with pending appeals indicates a potential valuation reduction of \$4.8 million or approximately \$47,900 in tax revenue. If the full amount of disputed valuation were granted, the reduction in valuation would be approximately \$6.5 million in tax revenue. As both estimates include properties with appeals in multiple years, it is not necessarily an indication of equivalent resolution as to assessed valuation of such properties in subsequent years, and no assumptions are made regarding any appeal related adjustments to Assessed Valuation.

TABLE 34
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
RPTTF Project Area
Assessment Appeals⁽¹⁾

<u>Roll Year</u>	<u>Status</u>	<u>Number of Appeals</u>	<u>County Valuation</u>	<u>Applicant Opinion of Value</u>	<u>Valuation After Appeal</u>	<u>Retention Rate⁽²⁾</u>
2022-23	Resolved	34	\$ 114,103,827	\$ 105,321,193	\$ 114,103,827	100%
2022-23	Pending	168	637,391,306	385,115,706	TBD	TBD
2021-22	Resolved	127	718,831,817	467,293,591	715,393,776	100%
2021-22	Pending	151	188,241,495	77,074,729	TBD	TBD
2020-21	Resolved	172	1,198,775,958	796,985,352	1,227,166,441	102%
2020-21	Pending	144	120,386,249	53,180,289	TBD	TBD
2019-20	Resolved	277	983,979,546	664,909,587	982,145,766	100%
2019-20	Pending	59	259,995,654	107,160,270	TBD	TBD
2018-19	Resolved	167	1,243,405,434	819,150,513	1,259,460,084	101%
2018-19	Pending	91	97,234,838	42,480,090	TBD	TBD
2017-18	Resolved	152	868,032,535	611,174,407	857,854,452	99%
2017-18	Pending	8	9,364,497	2,673,789	TBD	TBD
2016-17	Resolved	271	673,171,446	384,749,129	650,201,608	97%
2016-17	Pending	4	4,185,166	80,000	TBD	TBD
2015-16	Resolved	281	745,733,339	439,894,747	745,530,135	100%
2015-16	Pending	-	-	-	-	-
2014-15	Resolved	333	1,118,864,712	706,508,068	1,112,850,571	99%
2014-15	Pending	-	-	-	-	-
2013-14	Resolved	428	1,258,442,314	1,243,745,960	1,226,208,651	97%
2013-14	Pending	-	-	-	-	-
All Years	Resolved	2,242	\$8,923,340,928	\$6,239,732,547	\$8,890,915,311	99.6%
All Years	Pending	625	1,316,799,205	667,764,873	TBD	TBD

⁽¹⁾ Data is current as of November 2, 2023.

⁽²⁾ Expressed as a percentage. Retention Rate is the proportion of value retained after resolution of an appeal. The rate is calculated by dividing the "Valuation After Appeal" into the "County Valuation." For withdrawn and denied appeals, the "Valuation After Appeal" is the original County valuation. Valuations are those shown on appeal filings as reported by the County Assessor.

Source: Riverside County Assessor; Fiscal Consultant.

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Property Value by Land Use

Taxable values in the RPTTF Project Area are diversified with residential property values (single-family, condominiums, and other residential combined) making up 44.5% of all assessed value. Industrial uses account for 20.6% of the RPTTF Project Area taxable values, and commercial uses account for 12.0%. Together, these land use categories account for 77.1% of all taxable value in the RPTTF Project Area.

The following Table 35 illustrates the land use of property within the entire RPTTF Project Area and its assessed value. The table below represents assessed values on the secured roll only and does not include valuation of unitary property.

TABLE 35
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
RPTTF Project Area
Land Use Statistics
(Fiscal Year 2023-24)

<u>Land Use</u>	<u>Secured AV⁽¹⁾</u>	<u>% of AV</u>	<u>Number of Parcels</u>	<u>% of Parcels</u>	<u>Acres⁽²⁾</u>	<u>% of Acres</u>
Secured						
Agricultural	\$ 420,592,215	1.7%	629	1.0%	9,626	11.7%
Commercial	2,040,131,492	8.0%	1,241	2.0	1,567	1.9
Industrial	6,938,195,729	27.3%	1,132	1.8	28,443	34.5
Single-Family Residential	9,478,905,158	37.3%	27,322	43.5	8,874	10.8
Condominiums	254,546,231	1.0%	772	1.2	17	0.0
Other Residential	2,615,688,098	10.3%	19,376	30.8	11,542	14.0
Vacant	1,327,605,377	5.2%	6,213	9.9	8,668	10.5
Other ⁽³⁾	555,070,908	2.2%	3,075	4.9	13,618	16.5
Utility	396,497,375	1.6%	45	0.1	NA	NA
Unsecured	1,389,265,802	5.5%	3,023	4.8	NA	NA
Total	\$ 25,416,498,386	100.0%	62,828	100.0%	82,354	100.0%

⁽¹⁾ Valuations include homeowner's exemptions, which are restored by the Auditor prior to the calculation of tax increment; Table 35 does not include the Desert Communities Project Area (North Shore) and Desert Communities Project Area (100 Palms/Oasis) sub-areas that did not generate tax increment in Fiscal Year 2023-24.

⁽²⁾ Acreage is estimated using tax roll data and information provided by the Successor Agency.

⁽³⁾ Includes several airport properties.

Source: County Assessor, Fiscal Consultant.

RPTTF Project Area Estimated Revenues And Bond Retirement

The Successor Agency has retained Urban Analytics, LLC, San Francisco, California (the "Fiscal Consultant"), to analyze the RPTTF Project Area and to project future tax increment revenues for the RPTTF Project Area. The Fiscal Consultant's report is included as Appendix A and should be read in its entirety.

For purposes of projecting Housing Tax Revenues, the Fiscal Consultant has made the following assumptions:

(1) The Fiscal Consultant assumed that the tax rate in the RPTTF Project Area is 1%, with no tax rate overrides. For purposes of projecting Housing Tax Revenues, plan limitations are not taken into account.

(2) County administrative fee is estimated to be 1.00% of tax increment revenue in the RPTTF Project Area.

(3) Tax increment revenue is projected to increase at an annual growth rate of 2.00% for fiscal year 2024-25 and all subsequent years. Unitary tax revenue is projected to remain constant. Unsecured property and personal property assessed values are projected to remain constant throughout.

(4) Tax increment revenues do not include any adjustment for delinquencies, refunds, or rebates. See “Property Taxes; Teeter Plan,” herein.

(5) Net tax increment deducts a Pro Rata Share of Housing Debt Service allocated based on the Project Area’s tax increment, but does not include a deduction of any other amounts that, prior to dissolution, were required to be deposited in the Former Agency’s Low and Moderate Income Housing Fund. The 20% low and moderate housing set aside was eliminated with the Dissolution Act. Were the set aside still in effect, the amount of tax increment deposited in the low and moderate income Housing Fund would have been 20% of the gross tax increment less the County Administration fee. The projection of the Pro Rata Share of Housing Debt Service does not assume any savings from a proposed or ongoing refunding of the outstanding Housing Bonds.

(6) Projections assume that statutory tax sharing payments are subordinate to debt service.

(7) Projections do not take into consideration any changes in assessed valuation due to new construction, property sales, Proposition 8 reductions or assessment appeals.

(8) Contractual pass through payments are senior to the 2024 Housing Bonds according to agreements described under “SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY – Pass-Through Agreements,” herein.

Actual levels of future tax increment revenues will depend upon the rate of growth in tax increment resulting from new development, change of ownership and inflation, and changes in tax rates, and may differ from the projections presented herein. See “REPORT OF FISCAL CONSULTANT” attached hereto as Appendix A.

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TABLE 36
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
RPTTF Project Area
Projected Former Low-Moderate Income Housing Fund (“LMIHF”) for RPTTF Project Areas⁽¹⁾
Fiscal Years 2023-24 through 2044-45

Fiscal Year	Project Area No. 1 Former LMIHF Revenues (A)	Desert Communities Project Area former LMIHF Revenues (B)	I-215 Former LMIHF Revenues (C)	Jurupa Valley Project Area Fomer LMIHF Revenues (D)	Mid-County Project Area Former LMIHF Revenues (E)	Total RPTTF Former LMIHF Revenues (F= (A+B+C+D+E))
2023-24	\$ 4,121,089	\$ 8,437,086	\$11,190,869	\$17,077,733	\$2,904,938	\$43,731,715
2024-25	4,215,119	8,608,552	11,452,848	17,436,537	2,982,469	44,695,525
2025-26	4,311,030	8,783,447	11,720,067	17,802,518	3,061,550	45,678,612
2026-27	4,408,859	8,961,840	11,992,630	18,175,818	3,142,213	46,681,360
2027-28	4,508,644	9,143,801	12,270,644	18,556,584	3,224,490	47,704,163
2028-29	4,610,425	9,329,401	12,554,218	18,944,965	3,308,412	48,747,422
2029-30	4,714,242	9,518,713	12,843,465	19,341,114	3,394,012	49,811,546
2030-31	4,820,135	9,711,811	13,138,495	19,745,186	3,481,325	50,896,953
2031-32	4,928,146	9,908,771	13,439,427	20,157,340	3,570,384	52,004,068
2032-33	5,038,317	10,109,671	13,746,377	20,577,736	3,661,224	53,133,325
2033-34	5,150,692	10,314,588	14,059,466	21,006,541	3,753,880	54,285,168
2034-35	5,265,314	10,523,604	14,378,817	21,443,921	3,848,390	55,460,047
2035-36	5,382,228	10,736,800	14,704,555	21,890,050	3,944,790	56,658,424
2036-37	5,501,481	10,954,260	15,036,808	22,345,100	4,043,118	57,880,768
2037-38	5,623,119	11,176,069	15,375,706	22,809,252	4,143,413	59,127,559
2038-39	5,747,189	11,402,315	15,721,382	23,282,687	4,245,713	60,399,286
2039-40	5,873,741	11,633,085	16,073,971	23,765,590	4,350,060	61,696,448
2040-41	6,002,824	11,868,471	16,433,612	24,258,152	4,456,493	63,019,553
2041-42	6,134,489	12,108,564	16,800,446	24,760,564	4,565,056	64,369,119
2042-43	6,268,787	12,353,459	17,174,617	-	4,675,789	40,472,652
2043-44	6,405,771	12,603,253	17,556,271	-	4,788,737	41,354,031
2044-45	6,545,495	12,858,042	17,945,558	-	4,903,944	42,253,038

⁽¹⁾ Housing Tax Revenues are calculated as 20% of gross tax increment, exclusive of the county property tax administration fee and pass-through payments, for each of the RPTTF Project Areas per H&SC Sections 33334.2 and 33670; Table 37 does not include the Desert Communities Project Area (North Shore) and Desert Communities Project Area (100 Palms/Oasis) sub-areas that did not generate tax increment in Fiscal Year 2023-24. Source: Fiscal Consultant; County of Riverside.

The following Table 37 projects debt service coverage for the 2024 Housing Bonds and outstanding Housing Parity Bonds based only on projected Housing Tax Revenues.

TABLE 37
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
RPTTF Project Area
Estimated Debt Service Coverage
Fiscal Years 2023-24 through 2044-45

Fiscal Year	Net Tax Increment⁽¹⁾⁽²⁾	Outstanding Parity Housing Bonds Debt Service⁽³⁾⁽⁴⁾	2024 Housing Bonds Debt Service⁽⁴⁾	Total Debt Service⁽⁴⁾	Total Debt Service Coverage
2023-24	\$47,619,342				
2024-25	48,820,915				
2025-26	50,048,893				
2026-27	51,300,173				
2027-28	52,610,638				
2028-29	53,911,974				
2029-30	55,239,952				
2030-31	56,597,866				
2031-32	57,977,936				
2032-33	59,390,287				
2033-34	60,798,696				
2034-35	62,265,105				
2035-36	63,762,464				
2036-37	65,290,643				
2037-38	68,051,312				
2038-39	69,696,853				
2039-40	71,429,219				
2040-41	73,583,656				
2041-42	75,272,454				
2042-43	78,274,076				
2043-44	80,031,671				
2044-45	81,824,418				

⁽¹⁾ See Table 36 for details.

⁽²⁾ Tax Increment shown for purposes of this coverage table represent only Housing Tax Revenues. Pursuant to Section 34177.5(g) of the Dissolution Act and the Successor Agency Bonds Indentures, however, the Successor Agency Bonds are secured by a pledge and lien on Residual RPTTF on a parity basis with all refunding bonds of the Successor Agency. See "SECURITY FOR THE SUCCESSOR AGENCY BONDS – Pledge Under Successor Agency Bonds Indentures – *Residual RPTTF Party Pledge for All Successor Agency Bonds.*"

⁽³⁾ Includes debt service on the 2004A-T Housing Bonds, 2015 Housing Bonds, 2016 Housing Bonds, and 2017 A-T Housing Bonds, 2017A Housing Bonds, and 2017B Housing Bonds; assumes refunding of 2014 Housing Bonds.

⁽⁴⁾ Debt service shown on Bond Year basis.

Source: Fiscal Consultant as to Net Tax Increment, Underwriter as to Debt Service Coverage.

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CERTAIN RISKS OF BOND OWNERS

The following factors, along with all other information in this Official Statement, should be considered by potential investors in evaluating the Bonds and the credit quality of the Successor Agency Bonds. 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. For a discussion of certain matters that will or could cause reductions in the Tax Revenues available to pay debt service on the respective Successor Agency Bonds in future years and, therefore, Revenues available to pay the Bonds, see “LIMITATIONS ON TAX REVENUES” of this Official Statement.

Limited Special Obligations

The Bonds are special obligations of the Authority, payable from and secured as to the payment of the principal thereof and the redemption premium, if any, and the interest thereon in accordance with their terms and the terms of the Indenture. The Bonds shall not constitute a charge against the general credit of the Authority or any of its members, and under no circumstances shall the Authority be obligated to pay principal of or redemption premium, if any, or interest on the Bonds except from the Revenues. None of the State, the County, nor any public agency (other than the Authority) nor any member of the Authority is obligated to pay the principal of or redemption premium, if any, or interest on the Bonds, and neither the faith and credit nor the taxing power of the State or any public agency thereof or any member of the Authority is pledged to the payment of the principal of or redemption premium, if any, or interest on the Bonds. The payment of the principal of or redemption premium, if any, or interest on the Bonds does not constitute a debt, liability or obligation of the State, the County, or any public agency (other than the Authority) or any member of the Authority.

Recognized Obligation Payment Schedule

The Dissolution Act provides that only those payments listed in a Recognized Obligation Payment Schedule may be made by the Successor Agency from the funds specified in the Recognized Obligation Payment Schedule. The Dissolution Act requires the Successor Agency to prepare and submit to the Successor Agency’s Oversight Board and the DOF for approval by February 1 of each year, 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. 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 Recognized Obligation Payment Schedule approved by the DOF. See “SECURITY FOR THE SUCCESSOR AGENCY BONDS – Recognized Obligation Payment Schedule.” If the Successor Agency were to fail to complete an approved Recognized Obligation Payment Schedule, the availability of Tax Revenues to the Successor Agency could be adversely affected for such period.

If a successor agency fails to submit to the DOF an oversight board-approved Recognized Obligation Payment Schedule complying with the provisions of the Dissolution Act within five business days of the date upon which the Recognized Obligation Payment Schedule is to be used to determine the amount of property tax allocations, the DOF may determine if any amount should be withheld by the applicable county auditor-controller for payments for enforceable obligations from distribution to taxing entities pursuant to clause (iv) in the following paragraph, pending approval of a Recognized Obligation Payment Schedule. Upon notice provided by the DOF to the county auditor-controller of an amount to be withheld from allocations to taxing entities, the county auditor-controller must distribute to taxing entities any monies in the Redevelopment Property Tax Trust Fund in excess of the withholding amount set forth in the notice, and the county auditor-controller must distribute withheld funds to the successor agency only in accordance with a Recognized Obligation Payment Schedule when and as approved by the DOF.

Typically, under the Redevelopment Property Tax Trust Fund distribution provisions of the Dissolution Act, the County Auditor-Controller is to distribute funds for each six-month period in the following order specified

in Section 34183 of the Dissolution Act: (i) first, subject to certain adjustments for subordinations to the extent permitted under the Dissolution Act (as described above under “SECURITY FOR THE SUCCESSOR AGENCY BONDS – Pledge of Tax Revenues”) and no later than each January 2 and June 1, to each local 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; (ii) second, on each January 2 and June 1, to a successor agency for payments listed in its Recognized Obligation Payment Schedule, with debt service payments 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 a 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 its 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).

If the Successor Agency does not submit an Oversight-Board approved Recognized Obligation Payment Schedule within five business days of the date upon which the Recognized Obligation Payment Schedule is to be used to determine the amount of property tax allocations and the DOF does not provide a notice to the County Auditor-Controller to withhold funds from distribution to taxing entities, amounts in the Redevelopment Property Tax Trust Fund for such six-month period would be distributed to taxing entities pursuant to clause (iv) above. However, the Successor Agency has covenanted in the Successor Agency Bonds Indentures to take all actions required under the Dissolution Act to include scheduled debt service on the Successor Agency Bonds or required under the Successor Agency Bonds Indentures to replenish each Reserve Account, in Recognized Obligation Payment Schedules 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 six-month period, including listing a reserve on the Recognized Obligation Payment Schedule to the extent required by the Successor Agency Bonds Indentures or when the next property tax allocation is projected to be insufficient to pay all obligations due under the provisions of the Successor Agency Bonds for the next payment due in the following six-month period.

AB 1484 also added provisions to the Dissolution Act implementing certain penalties in the event the Successor Agency does not timely submit a Recognized Obligation Payment Schedule. If the Successor Agency does not submit an Oversight Board-approved Recognized Obligation Payment Schedule, the County 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, the 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.

Commencing on February 1, 2016, pursuant to SB 107 successor agencies were transitioned to an annual Recognized Obligation Payment Schedule process pursuant to which successor agencies are required to file Recognized Obligation Payment Schedules with the DOF and the County Auditor-Controller for approval each February 1 for the July 1 through June 30 period immediately following such February 1 commencing with the July 1, 2016 through June 30, 2017 period.

Commencing September 22, 2015, successor agencies which received a Finding of Completion and the concurrence of the DOF as to the items that qualify for payment, among other conditions, may at their option, 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 a Recognized Obligation Payment Schedule to the DOF or the Oversight Board. The County Auditor-Controller will 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 has not submitted a Last and Final

Recognized Obligation Payment Schedule and does not currently plan to file a Last and Final Recognized Obligation Payment Schedule.]

Mandatory Redemption on Acceleration of Successor Agency Bonds on Default

The Bonds are subject to mandatory redemption upon the acceleration of one or more series of the Successor Agency Bonds upon the occurrence of an Event of Default under the Successor Agency Bonds Indentures for such Successor Agency Bonds. As a practical matter, in the event of a payment default by the Successor Agency, it is unlikely the Successor Agency would have the financial resources to meet accelerated obligations. No real or personal property in the Project Areas is pledged to secure the Successor Agency Bonds, and it is not anticipated that the Successor Agency will have available moneys sufficient to pay the amount of principal and interest due upon acceleration of the Successor Agency Bonds, and correspondingly to redeem all of the Bonds in the event of a default. Additionally, for the Insured Bonds, the Insurer will retain the right to control remedies on the Bonds and the Successor Agency Bonds in the Event of Default, possibly in conflict with the Owners of the Bonds. See “SECURITY FOR THE SUCCESSOR AGENCY BONDS – Pledge of Tax Revenues,” herein.

Limited Application of Project Area Tax Revenues

The tax revenues pledged to pay debt service on a series of Successor Agency Bonds and the Parity Debt of such Successor Agency Bonds are not available to pay debt service on any other series of Successor Agency Bonds until such obligations relating to the Project Area have been paid and residual amounts remain in the Redevelopment Property Tax Trust Fund. See, “SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY – Other Project Areas.”

Furthermore, debt service payable on the Bonds has been calculated based on the assumption that each Project Area will generate sufficient tax revenues to pay timely debt service on the series of Successor Agency Bonds issued for such Project Area and that the aggregate of the debt service on all Successor Agency Bonds will be available in an amount sufficient to pay timely debt service on the Bonds. Accordingly, if there should be a substantial decline in the amount of Tax Revenues available with respect to one or more Project Area causing a default in the payment of one or more series of Successor Agency Bonds, and should the Reserve Subaccount established for the Successor Agency Bonds for such Project Area become depleted as a result of such default or defaults in the payment of Successor Agency Bonds, the Authority may be unable to pay debt service on the Bonds.

Reduction in Taxable Value

Tax Revenues allocated to the Successor Agency are determined by the amount of incremental taxable value in the Project Areas allocable to the Project Areas and the current rate or rates at which property in the Project Areas is taxed. A reduction of taxable values of property caused by economic factors beyond the Successor Agency’s control, such as a relocation out of the Project Areas by one or more major property owners, or the transfer, pursuant to California Revenue and Taxation Code Section 68, of a lower assessed valuation to property within the Project Areas by a person displaced by eminent domain or similar proceedings, appeals to value under Proposition 8 or other assessment appeals, or the discovery of hazardous substances on a property within the Project Areas (see “Hazardous Substances,” below) or the complete or partial destruction of such property caused by, among other eventualities, an earthquake (see “Seismic Considerations and Natural Calamities,” below), flood or other natural disaster, could cause a reduction in the Tax Revenues securing the Successor Agency Bonds. Property owners may also appeal to the County Assessor for a reduction of their assessed valuations, or the County Assessor could order a blanket reduction in assessed valuations based on then current economic conditions. Additionally, a decline in property values within a Project Area or a Sub-Area may occur as a result of a large property owner appealing Assessed Value or the State Board of Equalization reducing the Assessed Value in a Project Area with a high concentration of large tax payers. The Fiscal Consultant has not reduced projections of

Tax Revenues based upon pending appeals in each of the Project Areas. See APPENDIX A - “REPORT OF FISCAL CONSULTANT - Assessment Appeals.”

Any such reductions of assessed valuations and the resulting decline in Tax Revenues could have an adverse effect on the Successor Agency’s ability to make timely payments of principal of and interest on the Successor Agency Bonds, which could reduce Revenues available to pay debt service on the Bonds. See “THE PROJECT AREAS – Appeals of Assessed Valuation.”

The County’s current policy is, for the secured roll, to allocate 100% of the Project Areas’ tax increment revenues to the Successor Agency with no offset for taxpayer delinquencies, taxable value adjustments, refunds due to successful assessment appeals or tax roll correction (see “Property Taxes; Teeter Plan”). The County could, however, change this policy in the future and begin making deductions for such delinquencies, adjustments, refunds, and corrections from tax increment revenues allocated in the Successor Agency. The unsecured tax roll allocation is made on actual collections. In that event, substantial delinquencies in the payment of property taxes, substantial property tax refunds, significant reductions in taxable value, or significant tax roll corrections due to such causes could impair the timely receipt by the Successor Agency of Tax Revenues. See APPENDIX B - “REPORT OF FISCAL CONSULTANT,” for a discussion of the delinquency rates of the Project Areas.

Bond Insurance and Debt Service Reserve Policy Risk Factors

The Authority will obtain the Policy to guarantee the scheduled payment of principal of and interest on the Insured Bonds and will obtain the Reserve Policies for the 2024 Series D Bonds and 2024 Housing Bonds to further secure the payment of principal of and interest on the Bonds, issued by the Insurer.

Insurance Policy. In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any Owner of the Insured Bonds shall have a claim under the Policy for such payments. In the event, however, of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional redemption of the Insured Bonds by the Authority which is recovered by the Successor Agency from the bond owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the Bond Insurer at such time and in such amounts as would have been due absent such prepayment by the Authority unless the Bond Insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the Bond Insurer without appropriate consent. The Bond Insurer may direct and must consent to any remedies and the Bond Insurer’s consent may be required in connection with amendments to any applicable bond documents.

In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Insured Bonds are payable solely from the moneys received pursuant to the applicable bond documents. In the event the Bond Insurer becomes obligated to make payments with respect to the Insured Bonds, no assurance is given that such event will not adversely affect the market price of the Insured Bonds or the marketability (liquidity) for the Insured Bonds.

The long-term ratings on the Insured Bonds are dependent in part on the financial strength of the Bond Insurer and its claim paying ability. The Bond Insurer’s financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Bond Insurer and of the ratings on the Insured Bonds insured by the Bond Insurer will not be subject to downgrade and such event could adversely affect the market price of the Insured Bonds or the marketability (liquidity) for the Insured Bonds. See description of “OTHER INFORMATION – Ratings” herein.

Reserve Policies. The Reserve Requirement for the 2024 Series D Bonds and the 2024 Housing Bonds will be satisfied by the delivery of the 2024 Series D Bonds Reserve Policy and the 2024 Housing Bonds Reserve Policy, respectively, by the Insurer on the Closing Date. The amounts available under the Reserve Policies shall be used and withdrawn by the Trustee solely for the purpose of making transfers in the event of any deficiency at any time in any of such account with respect to the payment of debt service on the 2024 Series D Bonds and the 2024 Housing Bonds, as applicable. The Successor Agency has no obligation to replace the Reserve Policies or to fund the applicable Reserve Subaccount with cash if, at any time that the 2024 Series D Bonds or 2024 Housing Bonds, as applicable, are Outstanding, any rating assigned to the Insurer is downgraded, suspended or withdrawn or amount are not available under the Reserve Policies, other than in connection with a draw thereon.

The obligations of the Bond Insurer under the Policy and the Reserve Policies are contractual obligations and in an event of default by the Bond Insurer, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

None of the Authority, the Successor Agency, or the Underwriters have made independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the Authority to pay principal and interest on the Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment.

Risks of Real Estate Secured Investments Generally

The Owners and Beneficial Owners of the Bonds will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (a) adverse changes in local market conditions, such as changes in the market value of real property within and in the vicinity of the respective project areas, the supply of or demand for competitive properties in such project areas, and the market value of competitive properties in the event of sale or foreclosure, (b) changes in real estate tax rates and other operating expenses, governmental rules (including, without limitation, zoning laws and laws relating to endangered species and hazardous materials) and fiscal policies, and (c) natural disasters (including, without limitation, earthquakes, fires, droughts and floods), which may result in uninsured losses.

Reduction in Inflationary Rate and Changes in Legislation

As described in greater detail below (see “LIMITATIONS ON TAX REVENUES”), Article XIII A of the California Constitution 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 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. Article XIII A limits inflationary assessed value adjustments to the lesser of the actual inflationary rate or 2%, and there have been several years in which taxable values were adjusted by an actual inflationary rate that was less than 2%. The adjusted inflationary rate for Fiscal Year 2023-24 is 2.00%. The Successor Agency is unable to predict whether future annual inflationary adjustments to the taxable value base of real property within the Project Area will be in the amount of the full 2% permitted under Article XIII A or will be in an amount less than 2%. The Fiscal Consultant’s report assumes 2% growth (see APPENDIX A - “REPORT OF FISCAL CONSULTANT” herein).

Change in Law

In addition to the other limitations on Tax Revenues, the California electorate or Legislature could adopt a constitutional or legislative property tax decrease with the effect of reducing Tax Revenues payable to the Successor Agency. There is no assurance that the California electorate or Legislature will not at some future time approve additional limitations that could reduce the Tax Revenues and adversely affect the security of the Successor Agency Bonds.

By way of example of two recent failed tax initiatives, an initiative measure (the “Split Roll Initiative”) to amend Article XIII A qualified for the State’s November 2020 ballot but was defeated at the polls. If adopted, the Split Roll Initiative would have based property taxes for commercial and industrial properties on market values beginning in tax year 2020-21. Nearly a year later, another initiative proposal, the “Housing Affordability and Tax Cut Act of 2022,” would have taxed many types of California properties, including commercial properties, residential properties, industrial properties, mixed-use properties and vacant land with a full cash value of more than \$4 million. Effectively, it would have dismantled Proposition 13’s property tax safeguards. Proponents had until the end of April 2022 to gather the required number of signatures, but failed to do so. The Successor Agency is unable to predict how any similar initiative, if adopted, would affect the relationship of the assessed value between land use types (i.e., residential versus commercial) in the Project Areas or what other impacts such an Initiative might have on the local economy or the Tax Revenues.

Concentration of Property Ownership

Concentration of ownership presents a risk in that, if one or more of the largest property owners in a Sub-Area were to default on their taxes (and if the County were to change its current practice of distributing Tax Revenues to the Successor Agency regardless of delinquencies) or were to successfully appeal the tax assessments on property within a Sub-Area, a substantial decline in Tax Revenues could occur. The top ten taxpayers in all Project Areas represent 13.4% of the total incremental assessed value of all Project Areas combined.

Availability of Property and Casualty Insurance

On May 26, 2023, State Farm General Insurance Company (“State Farm”) announced that it would cease accepting certain new applications, including all business and personal lines property and casualty insurance, effective May 27, 2023. State Farm indicated in its release that the decision was due to historic increases in construction costs outpacing inflation, rapidly growing catastrophe exposure, and a challenging reinsurance market. State Farm indicated it would work constructively with the California Department of Insurance and State policy makers to help build market capacity in California. It was taking this action, however, to improve the company’s financial strength and would continue to evaluate its approach based on changing market conditions. State Farm independent contractor agents licensed and authorized in California would continue to serve existing customers for these products and new customers for products not impacted by the decision. Any adverse impact of the foregoing on property values in the Project Area and the real estate market in general cannot be predicted.

Bankruptcy of Landowners

The bankruptcy of a major assessee in a Project Area could delay and/or impair the collection of property taxes by the County with respect to properties in the bankruptcy estate. Although the Successor Agency is not aware of any major property owners in a Project Area that are in bankruptcy or threatening to declare bankruptcy, the Successor Agency cannot predict the effects on the collections of Tax Revenues if such an event were to occur.

Risks Related to Availability of Mortgage Loans

In the past, events in the United States of America and world-wide capital markets have adversely affected the availability of mortgage loans and business loans, and since the beginning of 2022, mortgage interest rates have risen. Potential buyers of homes and commercial properties within the Project Areas may be adversely affected by increases in mortgage interest rates, or any such unavailability of mortgage loans. Such events could hinder the ability of the current owners to resell their homes or commercial properties, or the sale of properties in the future.

Seismic Considerations, Natural Calamities, and Public Health Emergencies

The most significant safety hazard in Riverside County is due to seismic hazards. Southern California has numerous seismically active faults, several of which are in or in close proximity to the Project Areas. The San Geronio Pass is located within one of the Project Areas, and is traversed by a number of regional faults.

Faults that may affect the Project Areas include the South Pass Fault, Lawrence fault, Banning Fault, Mission Creek Fault, Beaumont Plain Fault, Garnet Fault, and the San Andreas Fault. The Banning Fault is the closest major fault to the Cabazon Sub-Area, and is generally considered to be the southern branch of the San Andreas Fault, east of Cabazon. The Beaumont Plain Fault, the Garnet Fault and an offshoot of the San Andreas Fault run through the Mid-County Project Area, with the San Andreas Fault running along either side of the Garnet sub-area. Other regional faults of significance include the San Jacinto and Elsinore Fault systems. The potential for liquefaction is minimal within the project areas. New construction within the Project Areas is now built in accordance with Uniform Building Code which contains standards designed to minimize structural damage caused by seismic events. A major earthquake, however, could damage property and reduce Project Areas' tax revenues.

The potential for flooding varies among the Project Areas. Problems with flooding occur in and around the Mid-County Project Area and some sub areas within the 100-year flood plain.

From time to time, the County is subject to other natural calamities which could adversely affect economic activity in the County, and which could have a negative impact on the general economy and the values of properties in the Project Areas. There can be no assurance that the occurrence of any natural calamity, such as earthquake, flooding or wildfire, would not cause substantial reduction in the assessed valuations of properties in the Project Areas. Such a reduction of assessed valuations could result in a reduction of the Tax Revenues that secure the Successor Agency Bonds, which could reduce Revenues available to pay debt service on the Bonds. Further there could be future pandemics or public health emergencies that could have a material adverse effect on the Successor Agency's operations and finances and on the economy, real estate market and development within the project areas.

Levy and Collection of Taxes

The Successor Agency has no independent power to levy and collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the Tax Revenues and, accordingly, could have an adverse impact on the ability of the Successor Agency to make debt service payments on the Successor Agency Bonds, which could reduce Revenues available to pay debt service on the Bonds. Likewise, delinquencies in the payment of property taxes could have an adverse effect on the Successor Agency's ability to make timely debt service payments on the Successor Agency Bonds. The County currently allocates 100% of the Tax Revenues collected on the secured property tax roll to the Successor Agency, regardless of the actual amount of payments made by taxpayers (see "Property Taxes; Teeter Plan," herein). The County currently allocates Tax Revenues collected with respect to unsecured property to the Successor Agency based upon the tax increment actually collected.

Estimated Revenues

In estimating that 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 Areas, 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 Tax Revenues available to pay debt service on the Successor Agency Bonds will be less than those projected and such reduced Tax Revenues may be insufficient to provide for the payment of principal of, premium (if any) and interest on the Successor Agency Bonds, and therefore impact Revenues available to pay debt service on the Bonds.

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 that would limit the beneficial use of taxable property within the Project Areas. In general, the owners and operators of a 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 Areas be affected by a hazardous substance, could be to reduce the marketability and value of the property by the costs of remedying the condition.

Direct and Overlapping Indebtedness

The ability of land owners within the respective project area to pay property tax installments as they come due could be affected by the existence of other taxes and assessments, imposed upon the land. In addition, other public agencies whose boundaries overlap those of the respective project area could, without consent of the Successor Agency, and in certain cases without the consent of the owners of the land within the Project Areas, impose additional taxes or assessment liens on the property to finance public improvements.

Future Legislation and Initiatives

Article XIII A, Article XIII B and Proposition 218 were each adopted as measures that qualified for the ballot pursuant to California's initiative process. From time to time other initiative measures could be adopted, further affecting revenues of the Successor Agency or the Successor Agency's ability to expend revenues. In addition, legislative changes to the Dissolution Act which, if adopted, would also affect revenues of the Successor Agency or the Successor Agency's ability to expend revenues. The nature and impact of these measures cannot currently be anticipated.

Assessment Appeals

Property taxable values may be reduced as a result of Proposition 8, which reduces the assessed value of property, or of a successful appeal of the taxable value determined by the County Assessor. An appeal may result in a reduction to the County Assessor's original taxable value and a tax refund to the applicant property owner. A reduction in taxable values within the respective Project Area and the refund of taxes which may arise out of successful appeals by property owners or a unilateral reduction by the Assessor will affect the amount of Tax Revenues and, potentially, Revenues under the Indenture. The Successor Agency has in the past experienced reductions in its Tax Revenues as a result of assessment appeals. The actual impact to tax increment is dependent upon the actual revised value of assessments resulting from values determined by the County Assessment Appeals Board or through litigation and the ultimate timing of successful appeals. For a discussion of historical assessment appeals in the Project Areas and summary information regarding pending and resolved assessment appeals for the Successor Agency, see APPENDIX A - "REPORT OF FISCAL CONSULTANT."

Economic Risks

The Successor Agency's ability to make payments on the Successor Agency Bonds will be partially dependent upon the economic strength of the Project Areas. If there is a decline in the general economy of the Project Areas, the owners of property may be less able or less willing to make timely payments of property taxes causing a delay or stoppage of Tax Revenues. In the event of decreased values, Tax Revenues and, potentially, Revenues may decline even if property owners make timely payment of taxes.

Investment Risk

Funds held under the Indenture may be invested in Permitted Investments as provided under the Indenture. See APPENDIX D attached hereto for a summary of the definition of Permitted Investments. The funds and accounts of the Successor Agency, into which a portion of the proceeds of the Successor Agency Bonds will be deposited and into which Tax Revenues are deposited, may be invested by the Successor Agency in any investment authorized by law. All investments, including the Permitted Investments and those authorized by law from time to time for investments by municipalities, contain a certain degree of risk. Such risks include, but are not limited to, a lower rate of return than expected and loss or delayed receipt of principal.

Further, the Successor Agency cannot predict the effects on the receipt of Tax Revenues if the County were to suffer significant losses in its portfolio of investments or if the County were to become insolvent or declare bankruptcy. See “BOND OWNERS’ RISKS – Bankruptcy.”

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.

Bankruptcy

The rights of the Owners of the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights under currently existing law or laws enacted in the future and may also be subject to the exercise of judicial discretion under certain circumstances. The opinions of Bond Counsel as to the enforceability of the obligation to make payments on the Bonds will be qualified as to bankruptcy and such other legal events. See APPENDIX F - “FORM OF OPINION OF BOND COUNSEL.”

Federal Tax-Exempt Status of the Bonds

The Internal Revenue Code of 1986, as amended (the “Code”) imposes a number of requirements that must be satisfied for interest on state and local obligations, such as the Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of Bond proceeds, limitations on the investment earnings on Bonds proceeds prior to expenditure, a requirement that certain investment earnings on the Bond proceeds be paid periodically to the United States and a requirement that the issuers file an information report with the Internal Revenue Service (the “IRS”). The Successor Agency and Authority have covenanted in certain of the documents referred to herein that they will comply with such requirements. Failure to comply with the requirements stated in the Code and related regulations, rulings and policies may result in the treatment of interest on the Bonds as taxable, retroactively to the date of issuance of such Bonds.

IRS Audit of Tax-Exempt Issues

The IRS has a program for the auditing of tax-exempt issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar obligations).

Cyber Security

The County, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the County is subject to cyber threats including, but not limited to: hacking, malware, social engineering, and other attacks on its computer systems and sensitive digital networks. The Board of Supervisors adopted Policy No. A-58 - Enterprise Information Security Policy, which aligns with the National Institute of Standards and Technology (“NIST”) Cybersecurity Framework regarding information security and privacy, and cyber risk management. In accordance with the adopted policy, all County employees are required to complete mandatory Policy No. A-58 Information Security Training on an annual basis. The County’s Information Security Office operates a security operations center (“SOC”) that provides 24x7x365 monitoring of the County’s enterprise network, performs continuous penetration testing, conducts monthly simulated phishing attacks and phishing awareness campaigns, and distributes monthly security awareness newsletters to all County employees. Additionally, the County’s Information Security Office has developed and implemented a formal Security Incident Response and Breach Notification Process for County-wide responses to information security incidents. The

County carries a cyber liability insurance policy to cover the financial losses that may result from data breaches and cyberattacks.

No assurance can be given that the County's 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 the County, the Authority or the Successor Agency, or the administration of the Bonds and the Successor Agency Bonds. The Successor Agency and the Authority are also reliant on other entities and service providers in connection with the administration of the Bonds and Successor Agency Bonds, including without limitation on the County Tax Collector for the levy and collection of Tax Revenues, the County Auditor-Controller for the submission of the ROPS, the Trustee, the Successor Agency Bonds Trustee and the Dissemination Agent. No assurance can be given that the County, the Authority, 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.

LIMITATIONS ON TAX REVENUES

Property Tax Limitations - Article XIII A

Article XIII A of the California Constitution. Section 1(a) of Article XIII A of the California Constitution limits the maximum *ad valorem* tax on real property to one percent of full cash value, to be collected by the counties and apportioned according to law. Section 2 of 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." The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or reduction in the consumer price index or comparable data for the area under taxing jurisdiction or reduced in the event of declining property value caused by substantial damage, destruction or other factors. Legislation enacted by the California Legislature to implement Article XIII A provides that notwithstanding any other law, local agencies may not levy any *ad valorem* property tax except to pay debt service on indebtedness approved by the voters as described above.

In the general elections of 1986, 1988, and 1990, the voters of the State approved various measures which further amended Article XIII A. One such amendment generally provides that the purchase or transfer of (i) real property between spouses or (ii) the principal residence and the first \$1,000,000 of the full cash value of other real property between parents and children, do not constitute a "purchase" or "change of ownership" triggering reassessment under Article XIII A. This amendment will reduce the tax increment of the Successor Agency. Other amendments permitted the Legislature to allow persons over 55 who sell their residence and on or after November 5, 1986, to buy or build another of equal or lesser value within two years in the same county, to transfer the old residence's assessed value to the new residence, and permitted the Legislature to authorize each county under certain circumstances to adopt an ordinance making such transfers or assessed value applicable to situations in which the replacement dwelling purchased or constructed after November 8, 1988, is located within that county and the original property is located in another county within California.

In the June 1990 election, the voters of the State approved additional amendments to Article XIII A permitting the State Legislature to extend the replacement dwelling provisions applicable to persons over 55 to severely disabled homeowners for replacement dwellings purchased or newly constructed on or after June 5, 1990, and to exclude from the definition of "new construction" triggering reassessment improvements to certain dwellings for the purpose of making the dwelling more accessible to severely disabled persons. In the November 1990 election, the voters approved the amendment of Article XIII A to permit the State Legislature to exclude from the definition of "new construction" seismic retrofitting improvements or improvements utilizing earthquake hazard mitigation technologies constructed or installed in existing buildings after November 6, 1990.

Both the California Supreme Court and the United States Supreme Court have upheld the constitutionality of Article XIII A.

Article XIII B of the California Constitution. On November 6, 1979, California voters approved Proposition 4, the Gann Initiative, which added Article XIII B to the California Constitution. The principal effect of Article XIII B is to limit the annual appropriations of the State and any city, county, school district, authority or other political subdivision of the State 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.

Appropriations subject to Article XIII B include generally the proceeds of taxes levied by the State or other entity of local government, exclusive of certain State subventions, refunds of taxes, benefit payments from retirement, unemployment insurance and disability insurance funds.

Effective September 30, 1980, the California Legislature added Section 33678 to the Law which provides that the allocation of taxes to a redevelopment agency for the purpose of paying principal of, or interest on, loans, advances, or indebtedness will not be deemed the receipt by the agency of proceeds of taxes levied by or on behalf of the agency within the meaning of Article XIII B or any statutory provision enacted in implementation thereof, including Section 33678 of the Law. The constitutionality of Section 33678 has been upheld by the Second and Fourth District Courts of Appeal in two decisions: *Bell Community Redevelopment Agency v. Woosely and Brown v. Community Redevelopment Agency of the City of Santa Ana*. On the basis of these decisions, the Successor Agency has not adopted an appropriations limit.

Proposition 218. On November 5, 1996, the voters of the State approved Proposition 218, the “Right to Vote on Taxes Act.” Proposition 218 added Articles XIII C and XIII D to the State Constitution, which contain a number of provisions affecting the ability of the public agencies to levy and collect both existing and future taxes, assessments, fees and charges.

Article XIII C removes limitations on the initiative power in matters of local taxes, special taxes, assessments, fees and charges. While the matter is not free from doubt, it is likely that a court would hold that the initiative power cannot be used to reduce or repeal the levy of property taxes or to materially affect the collection and pledge of Tax Revenues.

The interpretation and application of the initiative provisions of Proposition 218 will ultimately be determined by the courts with respect to a number of the matters discussed above, and while it is not possible at this time to predict with certainty the outcome of such determination, the Successor Agency does not believe that Proposition 218 will materially affect its ability to pay principal of or interest on the Successor Agency Bonds.

Implementing Legislation

Legislation enacted by the California 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 is shown at 100% of assessed value and all general tax rates reflect the \$1.00 per \$100 of taxable value. Tax rates for bond debt service and pension liability are also applied to 100% of assessed value.

Future assessed valuation growth allowed under Article XIII A (new construction, change of ownership, 2% annual value growth) will be allocated on the basis of “situs” among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and school districts will share the growth of “base” revenue from the tax rate area. Each year’s growth allocation becomes part of each agency’s allocation in the following year. Neither the Authority nor the Successor Agency is able to predict the nature or magnitude of future revenue sources which may be provided by the State to replace lost property tax revenues. Article XIII A effectively prohibits the levying of any other *ad valorem* property tax above the 1% limit except for taxes to support indebtedness approved by the voters as described above.

Unitary Property

Assembly Bill 2890 (Statutes of 1986, Chapter 1457), which added Section 98.9 to the California Revenue and Taxation Code, provided that, commencing with the Fiscal Year 1988-89, assessed value derived from State-

assessed unitary property (consisting mostly of operational property owned by utility companies) was to be allocated county-wide as follows: (i) each tax rate area will receive the same amount from each assessed utility received in the previous fiscal year unless the applicable county-wide values are insufficient to do so, in which case values will be allocated to each tax rate area on a pro rata basis; and (ii) if values to be allocated are greater than in the previous fiscal year, each tax rate area will receive a pro rata share of the increase from each assessed utility according to a specified formula. Additionally, the lien date on State-assessed property was changed from March 1 to January 1.

Assembly Bill 454 (Statutes of 1987, Chapter 921) further modified the distribution of tax revenues derived from property assessed by the State Board of Equalization. Chapter 921 provided 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 provided for a new method of establishing tax rates on State-assessed property and distribution of property tax revenues derived from State-assessed property to taxing jurisdictions within each county as follows: for revenues generated from the 1% tax rate, each jurisdiction, including redevelopment project areas, will receive a percentage up to 102% of its prior year State-assessed unitary revenue; and if county-wide revenues generated for unitary property are greater than 102% of the previous year's unitary revenues, each jurisdiction will receive a percentage share of the excess unitary revenue generated from the application of the debt service tax rate to county-wide unitary taxable value, further, each jurisdiction will receive a percentage share of revenue based on the jurisdiction's annual debt service requirements and the percentage of property taxes received by each jurisdiction from unitary property taxes 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 intent of Chapters 1457 and 921 was to provide redevelopment agencies with their appropriate share of revenue generated from the property assessed by the State Board of Equalization.

Litigation Regarding Unitary Property

The County is currently involved in a series of lawsuits involving state-calculated assessments of unitary property ("unitary taxes"). These lawsuits have been brought by telecommunication companies and an electric utility company. While each of these lawsuits is separate, they all seek refunds of property taxes that have been paid under California's "pay first, litigate later" rule. Practically, this means that the County may be required to issue significant refunds to these providers. The unitary tax is collected by the County on behalf of special districts, school districts and water districts who utilize unitary tax revenue to pay for debt service. The County acts as the collection agent for all local property taxes, including the unitary taxes as set forth above. If these companies prevail, the County would be responsible for issuing refunds and then collecting or offsetting future amounts of revenue from these special districts. As such, the County has issued notices to said districts pursuant to Revenue and Taxation Code Sections 5146 and 5148 indicating that the County may be required to collect funds from the special districts to pay any refunds ordered by the Court or schedule an offset of future tax revenues.

First, AT&T, T-Mobile, Sprint and several other companies (the "Telecommunication Companies") have each filed lawsuits against the County seeking a refund of unitary taxes paid for tax years ranging from 2014-2015 to the present. The Telecommunication Companies also seek a reduction in the unitary tax rate to reflect a lower rate that they believe is assessed against other business and commercial properties. The Telecommunication Companies further argue that the unitary tax rate cannot be higher than 1% as capped by Proposition 13.

The Telecommunication Companies are seeking a refund amount, in total, of approximately \$28,000,000 to \$38,000,000 in taxes. The earliest cases were initially either tolled or stayed by agreement of the parties due to a parallel lawsuit involving the County of Santa Clara, which lawsuit ended with an appellate decision in favor of the government. A more recent Telecommunication Companies case against the County, *Pacific Bell Telephone Company v. County of Riverside*, is pending appeal after a decision upon demurrer at the trial court that was favorable to the County. The other unitary tax cases brought by the Telecommunication Companies are currently tolled or stayed pending the outcome of the Pacific Bell case. The County does not anticipate resolution of the Pacific Bell case until at least late 2024.

Second, the County is also facing another unitary tax lawsuit entitled *Southern California Edison v. Board of Equalization*. This lawsuit was filed by electric utility provider Edison against the State's Board of Equalization and nineteen (19) counties, including the County, seeking a total refund of approximately \$5.5 billion. The County received approximately \$53,329,392 in Fiscal Year 2020-2021 at the valuation approved by the State, and the County's share is estimated to be \$1,281,000. Edison would like that amount to be reduced by approximately 10.32% resulting in an adjusted tax of approximately \$42,872,680. As such, Edison seeks a refund from the County in the amount of approximately \$10,456,712. Edison has filed identical lawsuits for two additional years as well. In total, the potential total refund to Edison for all three years would be approximately \$35,000,000. Of note, the County acts as the collection agent for the unitary taxes, and, if Edison were to prevail, a majority of the refunded amount would be attributable to cities, special districts and school districts that receive the unitary tax revenue. This matter is being heard in Orange County Superior Court. The County does not anticipate a ruling in this matter until late 2024 or early 2025.

Third, the County entered into a tolling agreement with Edison on January 29, 2024, to extend the time for Edison to file a separate lawsuit alleging that the unitary tax rate cannot be higher than 1% (the same argument raised by the Telecommunication Companies, described above). If Edison were to prevail, it will be entitled to a tax refund of approximately \$18,000,000 for the 2018-2019 tax year.

The Successor Agency has projected the amount of unitary revenues to be allocated for 2023-24 within the Project Areas. The Fiscal Consultant has assumed that this amount remains constant in subsequent years. Neither the Authority nor the Successor Agency can predict the effect of such litigation or settlement agreements on the amount of unitary tax revenues received or to be received nor the impact on unitary property tax revenues of any transfer of electrical transmission lines to tax-exempt agencies.

Property Taxes; Teeter Plan

The County utilizes a mechanism for the distribution of tax increment revenue to the former redevelopment agencies that has a similar effect on the Successor Agency's tax increment revenues as the device known as the Teeter Plan (Section 4701 *et seq.* of the California Revenue and Taxation Code). The Teeter Plan allows counties to distribute secured property tax revenue to participating jurisdictions without regard to delinquencies by maintaining a reserve fund to cover delinquencies and allocating tax revenue based on the original secured roll, retaining all delinquent tax payments and penalties. Under the mechanism used by the County to distribute tax increment revenue to the former redevelopment agencies, including the Successor Agency, the County pays one-half of the taxes from the net taxable assessed valuation appearing on the equalized roll to each agency's Redevelopment Property Tax Trust Fund on January 2 and the other one-half on June 1; delinquencies are not deducted from the Redevelopment Property Tax Trust Fund revenue, and delinquent tax payments and defaulted tax redemptions, penalties and interest are not added to Redevelopment Property Tax Trust Fund revenue. Consequently, the Successor Agency is not affected by delinquent tax payments. If the County Teeter Plan were terminated, the amount of the Tax Revenues received by the Successor Agency would be affected by delinquent tax payments.

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 (other than 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. Effective September 22, 2015, the Dissolution Act provides that such debt service override revenues approved by the voters for the purpose of supporting pension programs, capital projects, or programs related to the State Water Project that are not pledged to or not needed for debt service on successor agency obligations will be allocated and paid to the entity that levies the override.

Tax Collection Fees

Legislation enacted by the State Legislature authorizes county auditors to determine property tax administration costs proportionately attributable to local jurisdictions and to submit invoices to the jurisdictions for such costs. Subsequent legislation specifically includes redevelopment agencies among the entities which are subject to a property tax administration charge. The County administration fee amounts to approximately [1.50]% of the tax increment revenues from a Project Area. The calculations of Tax Revenues take such administrative costs into account.

Future Initiatives

Article XIII A, Article XIII B and Proposition 218 were each adopted as measures that qualified for the ballot pursuant to California's initiative process. From time to time other initiative measures could be adopted, further affecting revenues of the Successor Agency or the Successor Agency's ability to expend revenues. In addition, legislative changes to the Dissolution Act which, if adopted, would also affect revenues of the Successor Agency or the Successor Agency's ability to expend revenues. The nature and impact of these measures cannot currently be anticipated.

OTHER INFORMATION

Continuing Disclosure

Pursuant to the Continuing Disclosure Certificate, the County, as Successor Agency, has covenanted for the benefit of the Owners of the Bonds to comply with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule"), in which it covenants to provide information regarding the Successor Agency on an annual basis as well as information regarding material adverse events, if any such events should occur to the owners of the Bonds and to the Municipal Securities Rulemaking Board during the term of the Bonds. See APPENDIX G - "FORM OF CONTINUING DISCLOSURE AGREEMENT." These covenants have been made in order to assist the Underwriters in complying with the Rule.

During the last five years, [TO COME]

[The County and its related entities have internally reviewed their previous filings and have completed filings to correct the above-described non-compliance. With respect to failures to file notices of rating changes, described above, the County and its related entities have prepared an omnibus corrective notice regarding bond insurer ratings and ratings of the County's general fund debt.]

In order to ensure ongoing compliance by the County and its related entities with their continuing disclosure undertakings the County is developing new procedures to ensure future compliance and coordination between the County and its related entities. [UPDATE]

Litigation

[At the time of delivery of and payment for the Bonds, the Authority and the Successor Agency, respectively, will certify that, except as disclosed herein, there is no litigation, action, suit, proceeding or investigation, at law or in equity, before or by any court, governmental agency or body, pending against or, to their respective best knowledge, threatened against the Authority or the Successor Agency in any way affecting the existence of the Authority or the Successor Agency or the titles of its officers to their respective offices or seeking to restrain or enjoin the issuance, sale or delivery of the Bonds or the Successor Agency Bonds, the application of the proceeds thereof in accordance with the Indenture or the Successor Agency Bonds Indenture, or the collection or application of Tax Revenues to be pledged to pay the principal of and interest on the Bonds or the Successor Agency Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Successor Agency Bonds, the Indenture, the Successor Agency Bonds Indentures, or any action of the Authority or the Successor Agency contemplated by any of said documents, or in any way

contesting the completeness or accuracy of this Official Statement or the powers of the Authority or the Successor Agency or its authority with respect to the Indenture or the Successor Agency Bonds Indentures or any action of the Authority or the Successor Agency contemplated by said documents, or in any way contesting the completeness or accuracy of this Official Statement or the powers of the Authority or the Successor Agency or its authority with respect to the Indenture or the Successor Agency Bonds Indenture or any action of the Authority or the Successor Agency contemplated by said documents, or which would adversely affect the exclusion of interest paid on the Bonds from gross income for Federal income tax purposes or the exemption of interest paid on the Bonds from California personal income taxation, nor, to the knowledge of the Authority or the Successor Agency, is there any basis therefor.]

Tax Matters

General. In the opinion of Anzel Galvan LLP, San Francisco, California, Bond Counsel, under existing law and subject to certain qualifications described below, interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Tax Code”). Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on certain corporations. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes. The proposed form of opinion of Bond Counsel with respect to the Bonds to be delivered on the date of issuance of the Bonds is set forth in APPENDIX F.

The Tax Code contains a number of requirements that apply to the Bonds, and the Authority and the Successor Agency have made certain representations and have covenanted to comply with each such requirement. Bond Counsel’s opinion assumes the accuracy of the representations made by the Authority and the Successor Agency and is subject to the condition that the Authority and the Successor Agency comply with the above-referenced covenants. If the Authority or the Successor Agency fails to comply with such covenants or if their representations are inaccurate or incomplete, interest on the Bonds could be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Except as expressly stated herein, Bond Counsel expresses no opinion regarding any tax consequences related to the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on, the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds.

Original Issue Premium and Discount. If the initial offering price to the public at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes “original issue discount” for purposes of federal income taxes. If the initial offering price to the public at which a Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes “original issue premium” for purposes of federal income taxes.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income to the extent properly allocable to each owner thereof subject to the limitations described in the limitation described herein. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under the federal alternative minimum tax.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Bond premium is not deductible for federal income tax purposes. Owners of premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to federal income tax consequences of owning such Bonds.

Post Issuance Matters. The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority or the Successor Agency, or about the effect of future changes in the Tax Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority, the Successor Agency or the Owners of the Bonds regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Authority and the Successor Agency and their appointed counsel, including the Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Authority or the Successor Agency legitimately disagree, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the Authority, the Successor Agency or the Owners to incur significant expense.

Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Verification of Mathematical Computations

The Verification Agent will examine the arithmetical accuracy of certain computations included in the schedules provided by the Successor Agency relating to the refunding of the 2014 Series A Bonds, the 2014 Series D Bonds, the 2014 Series E Bonds, and the 2014 Housing Bonds. See "PLAN OF REFINANCE" above. 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.

Legal Opinion

Anzel Galvan LLP, San Francisco, California, as Bond Counsel, will render an opinion with respect to the validity of the Bonds in substantially the form set forth in Appendix F hereto. A copy of such approving opinion will be available at the time of delivery of the Bonds. Bond Counsel also will render an opinion with

respect to the validity and enforceability of the Successor Agency Bonds. Bond Counsel has not undertaken any responsibility for the accuracy, completeness or fairness of the Official Statement or other offering materials relating to the Bonds and expresses no opinion relating thereto.

In addition, Best Best & Krieger LLP, as Disclosure Counsel, will deliver to the Authority and to the Underwriters a letter in customary form concerning the information set forth in this Official Statement.

Municipal Advisor

Columbia Capital Management, LLC has acted as municipal advisor to the Successor Agency concerning the Bonds.

Financial Interests

The fees being paid to the Underwriters, Bond Counsel, Disclosure Counsel, the Municipal Advisor, the Trustee, and Underwriters' Counsel are contingent upon the issuance and delivery of the Bonds. The fees being paid to the Fiscal Consultant are not contingent upon the issuance and delivery of the Bonds. From time to time, Bond Counsel and Disclosure Counsel represents the Underwriters on matters unrelated to the bonds.

Ratings

The Insured Bonds are expected to receive the rating of "[]" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), with the understanding that upon execution and delivery of the Bonds, the Policy insuring the payment when due of the principal and interest on the Insured Bonds will be issued by [INSURER]. S&P has assigned its underlying rating of "[]" (stable outlook) on the Bonds without regard to the issuance of the Policy.

The ratings issued reflects only the view of such rating agency, and any explanation of the significance of such rating should be obtained from such rating agency. There is no assurance that such ratings will be retained for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agency if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of any ratings obtained may have an adverse effect on the market price of the Bonds.

Underwriting

Loop Capital Markets LLC on behalf of itself and Samuel A Ramirez & Co. (collectively, the "Underwriter") has agreed to purchase the Bonds at a price of \$_____ (being the principal amount of the Bonds, plus a net original issue premium of \$_____, less an underwriter's discount of \$_____) under a Purchase Contract among the Authority, the Successor Agency and the Underwriter.

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

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Miscellaneous

All quotations from and summaries and explanations of the Indenture, Successor Agency Bonds Indentures, the Bonds, Successor Agency Bonds and other statutes and documents contained herein do not purport to be complete, and reference is made to such documents, Indenture and statutes for full and complete statements of their provisions.

This Official Statement is submitted only in connection with the sale of the Bonds by the Authority. All estimates, assumptions, statistical information and other statements contained herein, while taken from sources considered reliable, are not guaranteed by the Authority. The information contained herein should not be construed as representing all conditions affecting the Authority, the Successor Agency or the Bonds.

RIVERSIDE COUNTY PUBLIC FINANCING
AUTHORITY

By: _____
Executive Director

APPENDIX A
REPORT OF FISCAL CONSULTANT

APPENDIX B

INFORMATION REGARDING THE COUNTY OF RIVERSIDE

GENERAL INFORMATION

Set forth below is certain information with respect to the County. Such information was prepared by the County except as otherwise indicated.

The County is the fourth largest county in the State of California, encompassing approximately 7,243 square miles. It is located in the southern portion of the State and is bordered by San Bernardino County on the north, Los Angeles and Orange Counties on the west, the State of Arizona and the Colorado River on the east, and San Diego and Imperial Counties on the south. The County, incorporated in 1893, is a general law county with its seat located in the city of Riverside governed by five elected members of the Board of Supervisors and the County seat located in the City of Riverside.

DEMOGRAPHIC AND ECONOMIC INFORMATION

Population

According to the DOF, Demographic Research Unit, the County's population was estimated at 2,347,828 as of January 1, 2023, representing an approximately 0.03% increase over the County's population as estimated for the prior year. For the five year period of January 1, 2013 to January 1, 2023, the County's population grew by approximately 8.1% cumulatively. Currently, the growth in the County has tempered due to the economy and in recent years the County's population has grown at a rate close to the statewide average.

The following table sets forth annual population figures, as of January 1 of each year, for cities located within the County for each of the years listed:

**COUNTY OF RIVERSIDE
POPULATION OF CITIES WITHIN THE COUNTY
(As of January 1)**

<i>City</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
Banning	31,068	31,057	30,629	30,856	31,250
Beaumont	49,913	51,731	54,313	54,349	56,590
Blythe	19,530	19,530	17,470	17,417	17,265
Calimesa	9,015	9,522	10,544	10,950	10,962
Canyon Lake	11,021	11,018	11,147	11,003	10,949
Cathedral City	53,308	53,494	51,898	51,621	51,433
Coachella	47,318	47,583	42,178	41,935	42,462
Corona	166,937	168,332	156,901	157,139	157,005
Desert Hot Springs	30,019	30,036	32,546	32,389	32,608
Eastvale	65,735	66,535	70,444	69,978	69,514
Hemet	84,354	84,391	89,823	89,170	89,918
Indian Wells	5,351	5,371	4,771	4,785	4,774
Indio	90,112	90,804	88,862	89,789	90,837
Jurupa Valley	106,056	107,000	105,415	105,154	104,983
Lake Elsinore	63,270	63,591	70,891	71,989	71,973
La Quinta	40,663	40,906	37,949	37,562	37,979
Menifee	94,710	97,094	103,617	107,411	110,034
Moreno Valley	207,190	208,791	209,603	208,302	208,289
Murrieta	113,207	114,541	111,671	110,592	109,998
Norco	26,473	27,611	24,563	25,035	25,037
Palm Desert	53,695	53,828	50,976	50,626	50,615
Palm Springs	47,410	47,509	44,570	44,165	44,092
Perris	78,095	78,575	79,327	78,474	78,948
Rancho Mirage	18,397	18,611	16,650	16,854	17,012
Riverside	327,076	328,766	312,789	314,818	313,676
San Jacinto	49,655	50,207	54,503	54,303	54,103
Temecula	112,561	112,512	110,394	109,468	108,899
Wildomar	36,878	36,963	36,928	36,438	36,336
TOTALS					
Incorporated	2,039,017	2,055,909	2,031,372	2,038,808	2,037,541
Unincorporated	380,040	384,810	393,215	398,404	401,693
County-Wide	2,419,057	2,440,719	2,424,587	2,430,976	2,439,234
California	39,927,315	39,782,870	39,303,157	39,078,674	38,940,231

Source: DOF, Demographic Research Unit.

Effective Buying Income

“Effective Buying Income” is defined as personal income less personal tax and nontax payments, a number often referred to as “disposable” or “after-tax” income. Personal income is the aggregate of wages and salaries, other than 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, nontax payments fines, fees, penalties, etc.) and personal contributions to social security insurance and federal retirement payroll deductions. 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 County and the State for the period 2020 through 2024:

**RIVERSIDE COUNTY AND CALIFORNIA
TOTAL EFFECTIVE BUYING INCOME,
MEDIAN HOUSEHOLD EFFECTIVE BUYING INCOME AND
PERCENT OF HOUSEHOLDS WITH INCOMES OVER \$50,000⁽¹⁾**

	Total Effective Buying Income ⁽²⁾	Median Household Effective Buying Income	Median County EBI as a percentage of State and Federal EBI	Percent of Households with Income over \$50,000
2020				
Riverside County	\$ 59,340,416	59,167	--	57.60
California	1,243,564,816	62,285	90.63%	61.45
United States	9,487,165,436	55,303	106.99	--
2021				
Riverside County	\$ 60,749,087	60,203	--	58.41
California	1,290,894,604	67,510	89.18%	62.86
United States	9,809,944,764	56,790	106.01	--
2022				
Riverside County	71,160,967	70,683	--	65.97
California	1,452,426,152	76,880	91.94%	68.53
United States	11,208,582,540	63,679	111.00	--
2023				
Riverside County	72,687,953	71,389		66.37
California	1,461,799,662	76,990	92.73%	68.58
United States	11,454,846,397	64,600	110.51	--
2024				
Riverside County		\$ 76,381,809		
California	1,510,708,521	80,609	93.35%	70.31
United States	11,987,185,826	67,310	111.79	--

⁽¹⁾ Estimated, as of January 1 of each year.

⁽²⁾ Dollars in thousands.

Source: The Nielsen Company.

Personal Income

Personal Income is the income that is received by all persons from all sources. It is calculated as the sum of wage and salary disbursements, supplements to wages and salaries, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts, less contributions for government social insurance.

The personal income of an area is the income that is received by, or on behalf of, all the individuals who live in the area; therefore, the estimates of personal income are presented by the place of residence of the income recipients.

Total personal income in Riverside County increased by 71.7% between 2012 and 2022. The following tables summarize personal income for Riverside County for 2012 through 2022.

PERSONAL INCOME
Riverside County
2012-2022
(Dollars in Thousands)

<i>Year</i>	<i>Riverside County</i>	<i>Annual Percent Change</i>
2012	\$74,093,810	2.7%
2013	76,470,084	3.2
2014	80,268,670	5.0
2015	85,386,347	6.4
2016	89,644,299	5.0
2017	93,156,635	3.9
2018	97,619,217	4.8
2019	102,037,774	4.5
2020	114,090,413	11.8
2021	125,820,553	10.3
2022	127,195,983	1.1

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

The following table summarizes per capita personal income for Riverside County, California and the United States for 2012-2022. This measure of income is calculated as the personal income of the residents of the area divided by the resident population of the area.

PER CAPITA PERSONAL INCOME
Riverside County, State of California and the United States
2012-2022

<i>Year</i>	<i>Riverside County</i>	<i>California</i>	<i>United States</i>
2012	\$32,774	\$48,154	\$44,548
2013	33,450	48,549	44,798
2014	34,670	51,332	46,887
2015	36,418	54,632	48,725
2016	37,693	56,667	49,613
2017	38,605	58,942	51,550
2018	39,955	61,663	53,786
2019	41,385	64,513	56,250
2020	45,834	70,192	59,765
2021	51,180	76,614	64,143
2022	51,415	77,036	65,470

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Industry and Employment

The County is a part of the Riverside-San Bernardino Metropolitan Statistical Area (“MSA”), which includes all of Riverside and San Bernardino Counties. In addition to varied manufacturing employment, the MSA has large and growing commercial and service sector employment, as reflected in the following table.

The following table represents the Annual Average Labor Force and Industry Employment for the County for the period from 2019 through 2023.

RIVERSIDE-SAN BERNARDINO-ONTARIO MSA INDUSTRY EMPLOYMENT & LABOR FORCE - BY ANNUAL AVERAGE

	2019	2020	2021	2022	2023
Civilian Labor Force	2,075,200	2,095,800	2,125,300	2,160,600	2,171,500
Civilian Employment	1,991,200	1,888,900	1,968,700	2,071,200	2,068,800
Civilian Unemployment	84,000	206,900	156,600	89,400	102,700
Civilian Unemployment Rate	4.0%	9.9%	7.4%	4.1%	4.7%
Total Farm	15,400	14,100	13,700	13,900	13,100
Total Nonfarm	1,552,700	1,495,800	1,575,100	1,660,300	1,679,800
Total Private	1,291,500	1,247,800	1,333,100	1,410,900	1,418,900
Goods Producing	209,700	202,200	207,700	216,400	216,100
Mining & Logging	1,200	1,300	1,400	1,600	1,500
Construction	107,200	104,900	110,100	115,200	115,700
Manufacturing	101,300	96,000	96,100	99,600	98,900
Service Providing	1,343,100	1,293,700	1,367,400	1,443,900	1,463,700
Trade, Transportation & Utilities	395,100	406,900	443,200	464,500	456,500
Wholesale Trade	67,700	65,600	67,400	69,700	68,700
Retail Trade	180,700	168,800	177,000	180,600	182,700
Transportation, Warehousing & Utilities	146,600	172,500	198,800	214,200	205,100
Information	11,500	9,600	9,700	10,200	13,300
Financial Activities	45,000	44,100	45,200	46,800	44,900
Professional & Business Services	157,900	154,800	169,400	179,100	164,800
Educational & Health Services	250,300	248,800	254,300	266,400	287,500
Leisure & Hospitality	175,900	141,300	160,200	179,600	186,500
Other Services	46,200	40,200	43,600	47,900	49,300
Government	<u>261,200</u>	<u>248,000</u>	<u>242,000</u>	<u>249,400</u>	<u>260,900</u>
Total, All Industries	1,568,100	1,509,900	1,588,800	1,674,200	1,692,900

Note: Does not include proprietors, self-employed, unpaid volunteers or family workers, domestic workers in households and persons involved in labor-management trade disputes. Employment reported by place of work. Items may not add to total due to independent rounding. The “Total, All Industries” data is not directly comparable to the employment data found in this Appendix C.

Source: State of California, Employment Development Department, March 2022 Benchmark.

The following table summarizes the labor force, employment and unemployment figures for the period from 2019 through 2023 for the County, the State and the nation as a whole.

**CITY OF RIVERSIDE,
COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA AND UNITED STATES
Average Annual Civilian Labor Force, Employment and Unemployment**

<i>Year and Area</i>	<i>Labor Force</i>	<i>Employment⁽²⁾</i>	<i>Unemployment⁽³⁾</i>	<i>Unemployment Rate (%)</i>
2019				
County of Riverside	1,108,100	1,061,500	46,600	4.2
State of California	19,409,400	18,612,600	796,800	4.1
United States ⁽⁴⁾	163,539,000	157,538,000	6,001,000	3.7
2020				
County of Riverside	1,121,100	1,008,000	113,000	10.1
State of California	18,931,100	16,996,700	1,934,500	10.2
United States ⁽⁴⁾	160,742,000	147,795,000	12,947,000	8.1
2021				
County of Riverside	1,133,000	1,050,000	83,000	7.3
State of California	18,923,200	17,541,900	1,381,200	7.3
United States	161,204,000	152,581,000	8,623,000	5.3
2022				
County of Riverside	1,152,100	1,104,100	48,000	4.2
State of California	19,252,000	18,440,900	811,100	4.2
United States	164,287,000	158,291,000	5,996,000	3.6
2023				
County of Riverside	1,157,900	1,102,300	55,600	4.8
State of California	19,308,300	18,388,300	920,000	4.8
United States	167,116,000	161,037,000	6,080,000	3.6

Note: Data is not seasonally adjusted.

(1) Annual averages, unless otherwise specified.

(2) Includes persons involved in labor-management trade disputes.

(3) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.

Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department. 2022 Benchmark.

Commercial Activity

Commercial activity is an important factor in the County’s economy. Much of the County’s commercial activity is concentrated in central business districts or small neighborhood commercial centers in cities. There are five regional shopping malls in the County: Galleria at Tyler (Riverside), Hemet Valley Mall, Westfield Palm Desert Shopping Center, Moreno Valley Mall and the Promenade at Temecula. There are also two factory outlet malls (Desert Hills Factory Stores and Lake Elsinore Outlet Center) and over 200 area centers in the County.

The table below presents taxable sales for the years 2018 through 2022 for the County.

**TAXABLE SALES
County of Riverside
2018-2022
(Dollars in Thousands)**

<i>Year</i>	<i>Permits</i>	<i>Taxable Sales</i>
2018	61,433	\$38,919,498
2019	64,063	40,626,998
2020	69,284	42,313,474
2021	64,335	55,535,196
2022	66,738	62,117,153

Source: Taxable Sales in California, California Department of Tax and Fee Administration for 2018-2022.

Building and Real Estate Activity

The two tables below are a five-year summary of building permit valuations and new dwelling units authorized in the County (in both incorporated and unincorporated areas) for the last five years.

**COUNTY OF RIVERSIDE
BUILDING PERMIT VALUATIONS⁽¹⁾
(In Thousands)**

	2019	2020	2021	2022	2023
RESIDENTIAL					
New Single-Family	\$ 1,834,821	\$ 2,315,365	\$ 2,013,159	\$ 2,429,329	\$1,928,591
New Multi-Family	282,465	93,149	149,081	339,475	544,606
Alterations and Adjustments	158,117	110,788	100,402	152,309	140,851
Total Residential	\$ 2,275,404	\$ 2,519,303	\$ 2,262,642	\$ 2,921,113	\$2,614,048
NON-RESIDENTIAL					
New Commercial ⁽¹⁾	\$312,035	\$313,728	\$607,980	\$643,697	\$497,885
New Industrial	493,872	225,401	184,817	83,556	189,455
Other Buildings ⁽²⁾	179,861	233,709	460,240	449,607	347,661
Alterations & Additions	300,086	380,937	290,962	524,757	368,067
Total Nonresidential	\$ 1,285,855	\$ 1,153,777	\$ 1,543,998	\$ 1,701,617	\$1,403,068
TOTAL ALL BUILDING	\$ 3,561,260	\$ 3,673,080	\$ 3,806,640	\$ 4,622,730	\$4,017,116

⁽¹⁾ Includes office buildings, stores & other mercantile, hotels & motels, amusement & recreation, parking garages and service stations & repair.

⁽²⁾ Includes churches and religious buildings, medical and institutional buildings, agricultural and storage buildings, hospitals and institutional buildings, public works and utility buildings, schools and educational buildings, structures other than buildings, and residential garages.

Source: Construction Industry Research Board.

**COUNTY OF RIVERSIDE
NUMBER OF NEW DWELLING UNITS**

	2019	2020	2021	2022	2023
Single Family	6,563	8,443	7,360	8,863	8,123
Multi-Family	1,798	732	1,126	2,861	4,992
TOTAL	8,361	9,166	8,486	11,724	13,115

Source: California Homebuilding Foundation.

The following table sets forth the median housing prices for Los Angeles County, Riverside County, San Bernardino County and Southern California for the last five years.

**TABLE 5
COUNTIES OF LOS ANGELES, RIVERSIDE AND SAN BERNARDINO
AND SOUTHERN CALIFORNIA
MEDIAN HOUSING PRICES**

<i>Year</i>	<i>Los Angeles</i>	<i>Riverside</i>	<i>San Bernardino</i>	<i>Southern California⁽¹⁾</i>
2019 ⁽²⁾	\$615,000	\$392,000	\$343,750	\$530,000
2020 ⁽²⁾	670,000	430,000	380,000	575,000
2021 ⁽²⁾	770,000	510,000	450,000	665,000
2022 ⁽³⁾	775,000	545,250	480,000	685,000
2023 ⁽⁴⁾	820,000	550,000	481,500	720,000

⁽¹⁾ Southern California is comprised of Los Angeles, Orange, San Diego, Riverside, San Bernardino and Ventura Counties.

⁽²⁾ Annual median housing prices reported for calendar years 2019, 2020 and 2021.

⁽³⁾ Median housing prices reported for December 2022.

⁽⁴⁾ Median housing prices reported for December 2023.

Source: CoreLogic.

The following table sets forth a comparison of home and condominium foreclosures recorded in Los Angeles County, Riverside County, San Bernardino County and Southern California for the years indicated.

**COUNTY OF RIVERSIDE
COMPARISON OF HOME FORECLOSURES**

<i>Year</i>	<i>Foreclosures</i>
2018	1,233
2019	872
2020 ⁽¹⁾	314
2021 ⁽¹⁾	274
2022	407
2023 ⁽²⁾	309

⁽¹⁾ Foreclosures were lower in 2020 and 2021 than in prior years due to a moratorium on foreclosure of certain mortgage and court closures related to the COVID-19 pandemic.

⁽²⁾ Current through October 1, 2023.

Source: DQNews (2018-2021); County Assessor (2022).

Agriculture

Agriculture remains an important source of income in the County. Principal agricultural products are milk, eggs, table grapes, grapefruit, nursery, alfalfa, bell peppers, dates, lemons and avocados.

Four areas in the County account for the major portion of agricultural activity: the Riverside/Corona and San Jacinto/Temecula Valley Districts in the western portion of the County, the Coachella Valley in the central portion and the Palo Verde Valley near the County's eastern border.

The value of agricultural production in the County for 2018 through 2022 is presented in the following table:

**COUNTY OF RIVERSIDE
VALUE OF AGRICULTURAL PRODUCTION**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Citrus Fruits	\$ 170,775,000	\$ 121,934,000	\$ 126,567,000	\$ 127,473,000	\$ 132,062,000
Trees and Vines	249,150,000	268,368,000	282,840,000	280,105,000	270,078,000
Vegetables, Melons, Misc.	371,570,000	354,217,000	334,440,000	324,895,000	328,236,000
Field and Seed Crops	93,282,000	141,652,000	156,114,000	135,033,000	159,419,000
Nursery	165,758,000	204,768,000	247,765,000	267,547,000	318,683,000
Apiculture	5,473,000	6,123,000	5,858,000	5,925,000	5,950,000
Aquaculture	4,732,000	4,776,000	4,596,000	4,873,000	5,749,000
Livestock and Poultry	<u>238,468,000</u>	<u>219,427,000</u>	<u>260,040,000</u>	<u>260,059,000</u>	<u>270,282,000</u>
Grand Total	<u>\$1,299,208,000</u>	<u>\$1,321,265,000</u>	<u>\$1,418,220,000</u>	<u>\$1,405,910,000</u>	<u>\$1,490,459,000</u>

Source: Riverside County Agricultural Commissioner

Transportation

Several major freeways and highways provide access between the County and all parts of Southern California. State Route 91 extends southwesterly from Riverside through Corona and connects with the Orange County freeway network. Interstate 10 traverses the County in an east-west direction, the western-most portion of which links up with major cities and freeways in Los Angeles County and San Bernardino County, with the eastern part linking the County’s desert cities with Arizona. Interstates 15 and 215 extend northeasterly to Nevada, and Interstate 15 extends southerly to San Diego. State Route 60 provides an alternate (to Interstate 10) east-west link to San Bernardino County and Los Angeles County. The State Route 91 Express Lanes connect to the OCTA SR-91 Express Lanes at the Orange County/Riverside County line on the west and continue easterly to the Interstate 15/State Route 91 interchange opened in March 2017. When travelling along State Route 91 through Corona, vehicles are able to use either the tolled express lanes or the free general-purpose lanes. The Interstate 15 Express Lanes, which opened in April 2021, extend from the San Bernardino County line southerly to Cajalco Road in Corona.

Metrolink provides commuter rail service to Los Angeles, San Bernardino and Orange Counties from nine stations in western Riverside County, including the Perris Valley area. Transcontinental passenger rail service is provided by Amtrak with stops in Riverside and Palm Springs. Freight service to major west coast and national markets is provided by two transcontinental railroads – Union Pacific Railroad and the BNSF Railway Company. Truck service is provided by several common carriers, making available overnight delivery service to major California cities.

Transcontinental bus service is provided by Greyhound Lines. Intercounty, intercity and local bus service is provided by the Riverside Transit Agency to western County cities and communities. There are also four municipal transit operators in the western County providing services within the cities of Banning, Beaumont, Corona and Riverside. The SunLine Transit Agency provides local bus service throughout the Coachella Valley, servicing the area from Desert Hot Springs to Oasis and from Palm Springs to Riverside. The Palo Verde Valley Transit Agency provides service in the far eastern portion of the County (City of Blythe and surrounding communities).

The County seat, located in the City of Riverside, is within 20 miles of the Ontario International Airport in neighboring San Bernardino County. This airport is operated by the Ontario International Airport Authority (OIAA) and was transferred by the City of Los Angeles to the OIAA in October 2016. Four major airlines schedule commercial flight service at Palm Springs International Airport owned and operated by the City of Palm Springs. County-operated general aviation airports include those in Thermal, Hemet, Blythe, Chiriaco-Summit and French Valley. The cities of Riverside, Corona and Banning also operate general aviation airports. There is

a military base at March Air Reserve Base, which converted from an active-duty base to a reserve-only base on April 1, 1996. In connection with the realignment to reserve-only status, the March AFB Joint Powers Authority (the “JPA”), comprised of the County and the Cities of Riverside, Moreno Valley and Perris, is responsible for planning and implementing new uses for currently vacant land at the military base, reuse of existing facilities, and joint use of the airfield facilities for the development of an air cargo facility. The JPA has constructed infrastructure improvements, entered into leases with private users and initialized a major business park project. As of [May 22, 2023], the March Air Reserve Base had [9,600] employees, including part-time employees and reservists.

Education

There are four elementary school districts, one high school district, eighteen unified (K-12) school districts and four community college districts in the County. Ninety-five percent of all K-12 students attend schools in the unified school districts. The three largest unified school districts are Corona-Norco Unified School District, Riverside Unified School District and Moreno Valley Unified School District.

There are seven two-year community college campuses located in the communities of Riverside, Moreno Valley, Norco, San Jacinto, Menifee, Coachella Valley and Palo Verde Valley. There are also three universities located in the City of Riverside -- the University of California, Riverside, La Sierra University and California Baptist University. The City of Palm Desert also has a UCR campus and California State University, San Bernardino campus.

Environmental Control Services

Assessing Environmental and Social Risk. The County’s 2018 Multi-Jurisdictional Local Hazard Mitigation Plan (“LHMP”) provides a County-wide risk assessment of natural, technological and man-made hazards. The top five identified hazards in order of priority risk were identified as earthquakes, influenza pandemics, wildland fires, electrical failures and emergent diseases. CAL FIRE has designated and adopted Fire Hazard Severity Zones in State Responsibility Areas (“SRA”). In addition, the County has adopted CAL FIRE recommendations for Very High Fire Hazard Severity Zones in Local Responsibility Areas (“LRA”). The unincorporated areas of the County includes State Responsibility Areas and Local Responsibility Areas and contains a mixture of Very High Fire Hazard Severity Zone areas, High Fire Hazard Severity Zone areas, Moderate Fire Hazard Severity Zone areas, and areas that are not designated as Fire Hazard Severity Zones. Fire Hazard Severity Zone maps for Riverside County may be found at the following links: SRA – *Map of CAL FIRE’s Fire Hazard Severity Zones in State Responsibility Areas – Western Riverside County*; LRA West – *Map of CAL FIRE’s Fire Hazard Severity Zones in Local Responsibility Areas – Western Riverside County*; and LRA East – *Map of CAL FIRE’s Fire Hazard Severity Zones in Local Responsibility Areas – Eastern Riverside County*. The LHMP indicates that climate change and drought conditions are likely to become more frequent and persistent, contributing to increasing wildfire risk. The County incorporates these environmental risks into its budget and capital planning by providing funds for those departments tasked with the response. The Fiscal Year 2023-24 budget includes approximately \$92 million for such uses. In the event of a disaster or emergency, the Board of Supervisors can provide additional funds through budget adjustments that may be recovered through State or federal resources (such as increased reimbursements from CAL FIRE, the State’s office of emergency services, the Department of Homeland Security and FEMA).

Water Supply. The County obtains a large part of its water supply from groundwater sources, with certain areas of the County, such as the City of Riverside, relying almost entirely on groundwater. As in most areas of Southern California, this groundwater source is not sufficient to meet countywide demand and the County’s water supply is supplemented by imported water. At the present time, imported water is provided by Metropolitan Water District from the Colorado River via the Colorado River Aqueduct and the State Water Project via the Edmund G. Brown California Aqueduct. In the Southwest area of the County, 80% of the water supply is imported.

At the regional and local level, there are several water districts that were formed for the primary purpose of supplying supplemental water to the cities and agencies within their areas. The Coachella Valley Water District, the Western Municipal Water District and the Eastern Municipal Water District are the largest of these water districts in terms of area served. The San Geronio Pass Water Agency, Desert Water Agency, Palo Verde Irrigation District, Elsinore Valley Municipal Water District and Rancho California Water District also provide supplemental water to cities and agencies within the County.

The governor and the State Legislature have developed strategies to help mitigate the effects of the State's susceptibility to periodic, potentially prolonged and/or severe drought conditions. In response to drought conditions that occurred between 2011 and 2015, the governor established certain conservation measures to prohibit wasteful practices such as: (i) hosing off sidewalks, driveways and other hardscapes, (ii) washing automobiles with hoses not equipped with a shut-off nozzle, (iii) using non-recirculated water in a fountain or other decorative water feature, (iv) watering lawns in a manner that causes runoff, or within forty-eight hours of measurable precipitation, and (v) irrigating ornamental turf on public street medians. In 2017, the governor directed the State Water Resources Control Board to initiate the rulemaking process to ensure that such measures remain in place.

During a workshop in May of 2015 to discuss the drought, the Board of Supervisors directed staff to revise County Ordinance No. 859.3 *Water Efficient Landscape Requirements*. On July 21, 2015, the Board of Supervisors adopted, via an urgency ordinance, updated water efficient landscape requirements in Ordinance No. 859. A key highlight of this revised ordinance is that it "*prohibits the use of natural turf grass lawns within the front yards of new homes and promoting low water use plants and inert materials for a sustainable and marketable landscape design.*"

In 2021, the State again began experiencing drought conditions. Beginning in April 2021, the governor signed a series of proclamations determining, as of July 8, 2021, that 50 of the 58 counties in the State, but not including the County, are in a state of emergency due to drought conditions affecting such areas. In addition, on July 8, 2021, the governor signed Executive Order N-10-21, which asks citizens of the State to voluntarily reduce their water use by 15% compared to 2020 levels. On October 19, 2021, the governor issued a proclamation of a state of emergency incorporating the remaining eight counties in the State from the July 8, 2021 Order, including the County, to expeditiously mitigate the effects of the drought conditions to ensure the protection of health, safety, and the environment. On March 28, 2022, the governor signed Executive Order N-7-22 in response to intensifying drought conditions. The Order, building on the four 2021 orders relating to California's drought, among other requirements, limits a county, city or other public agency's ability to permit modified or new groundwater wells, and instructs the State Water Resource Control Board to consider (1) requiring certain water conservation measures from urban water suppliers and (2) banning non-functional or decorative grass at businesses and institutions. The County has partnered with a consortium of local water districts to send tiered water conservation messages as drought conditions continue to worsen. There can be no assurance the County will not be subject to additional emergencies, proclamations or Orders due to drought conditions in the future.

Flood Control. Primary responsibility for planning and construction of flood control and drainage systems within the County is provided by the Riverside County Flood Control and Water Conservation District and the Coachella Valley Water District, Storm Water Unit.

Sewage. There are 18 wastewater treatment agencies in the County's Santa Ana River region and nine in the County's Colorado River Basin region. Most residents in rural areas of the County which are unsewered rely upon septic tanks and leach fields for sewage disposal.

APPENDIX C

**AUDITED FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS

[TO COME FROM BOND COUNSEL]

APPENDIX E

DTC AND THE BOOK-ENTRY SYSTEM

The description that follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Bonds, payment of principal of, premium, if any, and interest on the Bonds to Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Bonds, and other related transactions by and between DTC, Participants and Beneficial Owners, is based on information furnished by DTC which the Authority believes to be reliable, but the Authority does not take responsibility for the completeness or accuracy thereof. The Authority cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners either (a) payments of principal, premium, if any, and interest with respect to the Bonds or (b) certificates representing ownership interests in or other confirmation of ownership interests in 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 Official Statement. 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”), New York, NY, 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 bond will be issued for each maturity (and each individual yield in the case of bifurcated maturities) of the Bonds, in the aggregate principal amount of such issue, 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 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; provided that nothing contained in such website is incorporated into this Official Statement.

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 Indenture. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit will agree 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 an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue 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 Authority 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).

Redemption proceeds, distributions, and dividend 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 Authority 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 Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority 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.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO THE PAYMENTS OR THE PROVIDING OF NOTICE TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OR THE SELECTION OF BONDS FOR REDEMPTION.

DTC (or a successor securities depository) may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Authority. The Authority, in its sole discretion and without the consent of any other person, may terminate the services of DTC (or a successor securities depository) with respect to the Bonds. The Authority undertakes no obligation to investigate matters that would enable the Authority to make such a determination. In the event that the book-entry system is discontinued as described above, the requirements of the Indenture will apply.

THE AUTHORITY AND THE UNDERWRITERS CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, THE PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL, INTEREST OR PREMIUM, IF ANY, WITH RESPECT TO THE BONDS PAID TO DTC OR ITS NOMINEE AS THE REGISTERED OWNER, OR WILL DISTRIBUTE ANY REDEMPTION NOTICES OR OTHER NOTICES, TO THE BENEFICIAL OWNERS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE AUTHORITY AND THE UNDERWRITERS ARE NOT RESPONSIBLE OR LIABLE FOR THE FAILURE OF DTC OR ANY PARTICIPANT TO MAKE ANY PAYMENT OR GIVE ANY NOTICE TO A BENEFICIAL OWNER WITH RESPECT TO THE BONDS OR AN ERROR OR DELAY RELATING THERETO.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority deems reliable, but the Authority takes no responsibility for the accuracy thereof.

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

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered as described in the Indenture and payment of interest to each Owner who owns of record \$1,000,000 or more in aggregate principal amount of Bonds may be made to such Owner by wire transfer to such wire address within the United States that such Owner may request in writing for all Interest Payment Dates following the 15th day after the Trustee's receipt of such request.

APPENDIX F

FORM OF OPINION OF BOND COUNSEL

[TO COME FROM BOND COUNSEL]

APPENDIX G

FORM OF CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT, dated as of [____], (this “Disclosure Agreement”), is by and between the RIVERSIDE COUNTY PUBLIC FINANCING AUTHORITY, a joint exercise of powers agency duly organized and existing under the laws of the State of California (the “Authority”), and the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a public body, corporate and politic, duly organized and existing pursuant to the Community Redevelopment Law of the State of California (as successor agency to the County of Riverside Redevelopment Agency, the “Successor Agency”), in connection with the issuance of the Authority’s 2024 Tax Allocation Revenue Bonds, Series A (the “Authority Bonds”) pursuant to that certain Indenture of Trust, dated as of [August 1, 2024] (the “Indenture”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Authority Trustee”).

WITNESSETH:

WHEREAS, the County of Riverside (the “County”) has developed a program (the “Refunding Program”) to assist the successor agencies to former community redevelopment agencies within the County to refund tax increment obligations pursuant to California Assembly Bill 1484 (Stats 2012 c. 26) (“AB 1484”) in order to provide debt service savings to successor agencies and to increase property tax revenues available for distribution to affected taxing entities, including the County; and

WHEREAS, the Authority is empowered under the provisions of Article 4, Chapter 5, Division 7, Title 1 of the California Government Code to issue its bonds for the purpose of purchasing certain local obligations issued by certain local agencies, including tax allocation refunding bonds issued by said successor agencies, as described in Section 34177.5(a)(1) of the California Health and Safety Code; and

WHEREAS, the Authority has determined to issue the Authority Bonds in order to provide funds to acquire bonds issued by the Successor Agency, in order to assist the Successor Agency in refunding certain of its outstanding bonds pursuant to AB 1484; and

WHEREAS, the Successor Agency has issued its Refunding Bonds in four separate series pursuant to four separate indentures of trust, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Agency Trustee”), as amended or supplemented from time to time in accordance with its terms, and as described in the Official Statement, defined herein; and

WHEREAS, such Refunding Bonds will be secured by a pledge of, and lien on, and shall be repaid from Tax Revenues and Housing Tax Revenues, as applicable, deposited from time to time in the Redevelopment Property Tax Trust Fund established pursuant to subdivision (c) of Section 34172 of the California Health and Safety Code; and

WHEREAS, this Disclosure Agreement is being executed and delivered by the Authority and the Successor Agency for the benefit of the holders and beneficial owners of the Authority Bonds and in order to assist the underwriters of the Authority Bonds in complying with Securities and Exchange Commission Rule 15c2-12(b)(5);

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

Section 1. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Disclosure Agreement have the meanings herein specified. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Indenture.

“**Annual Report**” means any Annual Report provided by the Successor Agency pursuant to, and as described in, Sections 2 and 3 hereof.

“**Annual Report Date**” means December 31, commencing December 31, 2024.

“**Agency Trustee**” means The Bank of New York Mellon Trust Company, N.A., as trustee under the Indenture, or any successor thereto as trustee thereunder, substituted in its place as provided therein.

“**Authority**” means the Riverside Public Financing Authority, duly organized and existing under and pursuant to the laws of the State of California and a Joint Exercise of Powers Agreement, dated as of March 20, 1990, between the County and the Redevelopment Agency for the County of Riverside.

“**Authority Trustee**” means The Bank of New York Mellon Trust Company, N.A., as trustee under the Indenture, or any successor trustee substituted in its place as provided therein.

“**Bonds**” means, collectively, the Authority Bonds and the Refunding Bonds.

“**County**” means the County of Riverside, a political subdivision of the State of California.

“**County Auditor-Controller**” means the Auditor-Controller of the County of Riverside.

“**Disclosure Representative**” means the Successor Agency or other entity as shall designate in writing to the Authority and the Dissemination Agent (if other than the Authority) from time to time.

“**Dissemination Agent**” means initially the Authority, acting in its capacity as Dissemination Agent hereunder, or any successor dissemination agent designated in writing by the Authority and which has filed with the Authority and the Successor Agency a written acceptance of such designation.

“**Listed Events**” means any of the events listed in subsection (a) or subsection (b) of Section 4 hereof.

“**MSRB**” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“**Official Statement**” means the Official Statement relating to the Authority Bonds.

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

“**Project Areas**” shall have the meaning specified in the Official Statement.

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

“**Successor Agency**” means the Successor Agency to the Redevelopment Agency for the County of Riverside, a public body, corporate and politic, duly organized and existing under and pursuant to the Law.

Section 2. Provision of Annual Reports. (a) The Successor Agency shall, or shall cause the Dissemination Agent to, provide to the MSRB an Annual Report which is consistent with the requirements of Section 3 hereof, not later than the Annual Report Date, commencing with the report for the 2023-24 Fiscal Year. The Annual Report may include by reference other information as provided in Section 3 hereof; provided, however, that the audited financial statements of the Successor Agency, if any, may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if they

are not available by that date. If the Successor Agency's fiscal year changes, it shall, or it shall instruct the Dissemination Agent to, give notice of such change in a filing with the MSRB. The Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the Authority Bonds by name and CUSIP number.

(b) Not later than 15 business days prior to the date specified in subsection (a) of this Section for the providing of the Annual Report to the MSRB, the Successor Agency shall provide the Annual Report to the Dissemination Agent. If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Successor Agency and the Dissemination Agent to determine if the Successor Agency is in compliance with the first sentence of this subsection (b).

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a) of this Section, the Dissemination Agent shall, in a timely manner, send a notice to the MSRB in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) provide any Annual Report received by it to the MSRB, as provided herein; and

(ii) file a report with the Authority and the Successor Agency certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided to the MSRB.

Section 3. Content of Annual Reports. The Annual Report shall be prepared by the Successor Agency and shall contain or include by reference the following:

(a) The Successor Agency's separate audited financial statements, or the City's audited financial statements including Successor Agency operations as a trust fund, 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 such audited financial statements are not available by the time the Annual Report is required to be filed pursuant to subsection (a) of Section 2 hereof, the Annual Report shall contain unaudited financial statements in a format similar to that used for the audited financial statements, and the audited financial statements, if any, 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, substantially similar to that provided in the corresponding tables relating to the Successor Agency and the Project Area in the Official Statement (and where not specified by date or period for the preceding fiscal year):

(i) Principal amount of Bonds outstanding;

(ii) Outstanding debt of each Project Area, including without limitation any Parity Debt and subordinate debt (including a description of date, amount, term, rating, insurance in the Fiscal Year to which the Annual Report pertains), and the principal amount of all Agency debt outstanding and payable with Tax Revenues;

(iii) Taxable assessed values for the most recent fiscal year in substantially the format of Tables 4, 13, 22 and 31 of the Official Statement;

(iv) An update of the ten largest assessesees in substantially the format of Tables 2, 11, 20 and 31 of the Official Statement for the most recent fiscal year;

(v) An update of Debt Service Coverage for the Bond Year ending on the immediately preceding October 1, based upon the current fiscal year assessed valuation, in substantially the format of Tables 10, 19, 28 and 39 of the Official Statement;

(vi) If the Successor Agency is not in a County Teeter Plan, tax levy, percentage of current year levy collected, percentage of current levy delinquent, total collections and total collections as a percentage of the most recent year's tax levy;

(vii) Information related to each Project Area assessed valuation appeals by top ten taxpayers.

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

Any or all of the items described 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 have been submitted to the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The Successor Agency shall clearly identify each such other document so included by reference.

Section 4. Reporting of Significant Events. (a) Pursuant to the provisions of this Section, the Successor Agency shall give, or cause to be given with respect to the Refunding Bonds, and hereby authorizes the Authority to give, or cause to be given, with respect to the Authority Bonds, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

(i) Principal and interest payment delinquencies.

(ii) Unscheduled draws on debt service reserves reflecting financial difficulties.

(iii) Unscheduled draws on credit enhancements reflecting financial difficulties.

(iv) Substitution of credit or liquidity providers, or their failure to perform.

(v) Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB).

(vi) Tender offers.

(vii) Redemptions and Defeasances.

(viii) Rating changes.

(ix) Bankruptcy, insolvency, receivership or similar event of the obligated person.

(x) Default, event of acceleration, modification of terms, or other similar events under the terms of a Financial Obligation of the Successor Agency which reflect financial difficulties.

For purposes of the event identified in paragraph (ix), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. 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 obligated

person, or if such jurisdiction has been assumed by leaving the existing governmental 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 obligated person.

(b) Pursuant to the provisions of this Section, the Successor Agency shall give, or cause to be given with respect to the Refunding Bonds, and hereby authorizes the Authority to give, or cause to be given, with respect to the Authority Bonds, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten (10) business days after the occurrence of the event:

(i) Unless described in paragraph (v) of subsection (a) of this Section, other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds.

(ii) Modifications to rights of holders of the Bonds.

(iii) Optional, unscheduled or contingent Bond calls.

(iv) Release, substitution, or sale of property securing repayment of the Bonds.

(v) Non-payment related defaults.

(vi) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the 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.

(vii) Appointment of a successor or additional trustee or the change of name of a trustee.

(viii) Incurrence of a Financial Obligation of the District 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.

(c) The Authority shall, within one business day of obtaining actual knowledge of the occurrence of any of the Listed Events, contact the Disclosure Representative and the Dissemination Agent and inform such persons of the event.

(d) Whenever the Successor Agency or the Authority obtains knowledge of the occurrence of a Listed Event described in subsection (b) of this Section, the Successor Agency or the Authority, as applicable shall determine if such event would be material under applicable Federal securities law.

(e) Whenever the Successor Agency or the Authority obtains knowledge of the occurrence of a Listed Event described in subsection (a) of this Section, or determines that the occurrence of a Listed Event described in subsection (b) of this Section is material under subsection (d) of this Section, the Successor Agency or the Authority, as applicable shall, or shall cause the Dissemination Agent (if the Authority is not the Dissemination Agent) to, file a notice of the occurrence of such Listed Event with the MSRB within ten business days of such occurrence.

(f) Notwithstanding the foregoing, notice of Listed Events described in paragraph (iii) of subsection (a) of this Section and in paragraph (vii) of subsection (a) of this Section need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Authority Bonds pursuant to the Indenture.

Section 5. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Agreement must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

Section 6. Termination of Reporting Obligation. The obligations of the Successor Agency, the Authority and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior prepayment or payment in full of all of the Authority Bonds relating to the Refunding Bonds or the legal defeasance, prior prepayment or payment in full of all of the Refunding Bonds, if earlier. If such termination occurs prior to the final principal payment date of the Authority Bonds, the Authority shall give notice of such termination in a filing with the MSRB.

Section 7. Dissemination Agent. The Successor Agency may, from time to time, appoint or engage a Dissemination Agent (if the Authority is not the Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent (if other than the Authority or the Authority Trustee), with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing thirty days written notice to the Authority and the Successor Agency.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Authority and the Successor Agency may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

- (a) if the amendment or waiver relates to the provisions of subsection (a) of Section 2 hereof, Section 3 hereof or subsections (a) or (b) of Section 4 hereof, 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 Authority Bonds, or the 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 Authority 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 (i) is approved by holders of the Authority 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 holders or beneficial owners of the Authority Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Successor Agency shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Successor Agency. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Successor Agency from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other reasonable means of communication, or including any other information in any Annual Report or notice required to be filed pursuant to this Disclosure Agreement, in addition to that which is required by this Disclosure Agreement. If the Successor Agency chooses to include any information in any Annual Report or notice in addition to that which is specifically required by this Disclosure

Agreement, the Successor Agency shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

Section 10. Default. The parties hereto acknowledge that in the event of a failure of the Authority, the Successor Agency or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Authority Trustee may (and, at the written direction of any Participating Underwriter or the holders of at least 25% of the aggregate amount of principal evidenced by Outstanding Authority Bonds, shall, upon receipt of indemnification reasonably satisfactory to the Authority Trustee), or any holder or beneficial owner of the Authority Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority, the Successor Agency or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Successor Agency or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall (so long as the Authority is the Dissemination Agent) be entitled to the protections and limitations from liability afforded to the Authority under the Indenture. The Dissemination Agent shall be not responsible for the form or content of financial statements made part of any Annual Report or notice of Listed Event or for information sourced to the Successor Agency. The Dissemination Agent shall receive reasonable compensation for its services provided under this Disclosure Agreement. The Dissemination Agent (if other than the Authority or the Authority acting in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Disclosure Agreement. To the extent permitted by law, the Successor Agency shall indemnify and save the Dissemination Agent (if other than the Authority) and the Authority harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence or its willful misconduct. The obligations of the Successor Agency under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Authority Bonds and the Refunding Bonds.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Authority, the Successor Agency, the Dissemination Agent, the Participating Underwriter and the holder and beneficial owners from time to time of the Authority Bonds, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(Balance of this page intentionally left blank)

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Agreement as of the date first above written.

**RIVERSIDE COUNTY PUBLIC FINANCING
AUTHORITY**

By: _____
Treasurer

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE
COUNTY OF RIVERSIDE**

By: _____

ACCEPTED AND AGREED:

**RIVERSIDE COUNTY PUBLIC FINANCING
AUTHORITY, as Dissemination Agent**

By: _____
Authorized Officer

ACKNOWLEDGED AND AGREED:

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Authority Trustee**

By: _____
Authorized Officer

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Riverside County Public Financing Authority

Name of Issue: Riverside County Public Financing Authority
2024 Series A Tax Allocation Revenue Bonds
(Redevelopment Project Area No. 1, Desert Communities Redevelopment Project Area,
Interstate 215 Corridor Redevelopment Project Area, and Former Housing Set-Aside)

Obligated Person: Successor Agency to the Redevelopment Agency for the County of Riverside

Date of Issuance: _____, 2024

NOTICE IS HEREBY GIVEN that the Successor Agency to the Redevelopment Agency to the County of Riverside (the “Agency”) has not provided an Annual Report with respect to the above-named bonds as required by the Continuing Disclosure Agreement, dated as of _____, 2024, by and between the Riverside County Public Financing Authority and the Successor Agency. The Successor Agency anticipates that the Annual Report will be filed by _____.

Dated: _____

**RIVERSIDE COUNTY PUBLIC FINANCING
AUTHORITY, as Dissemination Agent, on
behalf of the Successor Agency to the
REDEVELOPMENT AGENCY FOR THE
COUNTY OF RIVERSIDE**

cc: Successor Agency to the Redevelopment Agency for the County of Riverside

APPENDIX H

[SPECIMEN MUNICIPAL BOND INSURANCE POLICY]

APPENDIX G

FORM OF CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT, dated as of [____], (this “Disclosure Agreement”), is by and between the RIVERSIDE COUNTY PUBLIC FINANCING AUTHORITY, a joint exercise of powers agency duly organized and existing under the laws of the State of California (the “Authority”), and the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a public body, corporate and politic, duly organized and existing pursuant to the Community Redevelopment Law of the State of California (as successor agency to the County of Riverside Redevelopment Agency, the “Successor Agency”), in connection with the issuance of the Authority’s 2024 Tax Allocation Revenue Bonds, Series A (the “Authority Bonds”) pursuant to that certain Indenture of Trust, dated as of [August 1, 2024] (the “Indenture”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Authority Trustee”).

WITNESSETH:

WHEREAS, the County of Riverside (the “County”) has developed a program (the “Refunding Program”) to assist the successor agencies to former community redevelopment agencies within the County to refund tax increment obligations pursuant to California Assembly Bill 1484 (Stats 2012 c. 26) (“AB 1484”) in order to provide debt service savings to successor agencies and to increase property tax revenues available for distribution to affected taxing entities, including the County; and

WHEREAS, the Authority is empowered under the provisions of Article 4, Chapter 5, Division 7, Title 1 of the California Government Code to issue its bonds for the purpose of purchasing certain local obligations issued by certain local agencies, including tax allocation refunding bonds issued by said successor agencies, as described in Section 34177.5(a)(1) of the California Health and Safety Code; and

WHEREAS, the Authority has determined to issue the Authority Bonds in order to provide funds to acquire bonds issued by the Successor Agency, in order to assist the Successor Agency in refunding certain of its outstanding bonds pursuant to AB 1484; and

WHEREAS, the Successor Agency has issued its Refunding Bonds in four separate series pursuant to four separate indentures of trust, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Agency Trustee”), as amended or supplemented from time to time in accordance with its terms, and as described in the Official Statement, defined herein; and

WHEREAS, such Refunding Bonds will be secured by a pledge of, and lien on, and shall be repaid from Tax Revenues and Housing Tax Revenues, as applicable, deposited from time to time in the Redevelopment Property Tax Trust Fund established pursuant to subdivision (c) of Section 34172 of the California Health and Safety Code; and

WHEREAS, this Disclosure Agreement is being executed and delivered by the Authority and the Successor Agency for the benefit of the holders and beneficial owners of the Authority Bonds and in order to assist the underwriters of the Authority Bonds in complying with Securities and Exchange Commission Rule 15c2-12(b)(5);

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

Section 1. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Disclosure Agreement have the meanings herein specified. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Indenture.

“**Annual Report**” means any Annual Report provided by the Successor Agency pursuant to, and as described in, Sections 2 and 3 hereof.

“**Annual Report Date**” means December 31, commencing December 31, 2024.

“**Agency Trustee**” means The Bank of New York Mellon Trust Company, N.A., as trustee under the Indenture, or any successor thereto as trustee thereunder, substituted in its place as provided therein.

“**Authority**” means the Riverside Public Financing Authority, duly organized and existing under and pursuant to the laws of the State of California and a Joint Exercise of Powers Agreement, dated as of March 20, 1990, between the County and the Redevelopment Agency for the County of Riverside.

“**Authority Trustee**” means The Bank of New York Mellon Trust Company, N.A., as trustee under the Indenture, or any successor trustee substituted in its place as provided therein.

“**Bonds**” means, collectively, the Authority Bonds and the Refunding Bonds.

“**County**” means the County of Riverside, a political subdivision of the State of California.

“**County Auditor-Controller**” means the Auditor-Controller of the County of Riverside.

“**Disclosure Representative**” means the Successor Agency or other entity as shall designate in writing to the Authority and the Dissemination Agent (if other than the Authority) from time to time.

“**Dissemination Agent**” means initially the Authority, acting in its capacity as Dissemination Agent hereunder, or any successor dissemination agent designated in writing by the Authority and which has filed with the Authority and the Successor Agency a written acceptance of such designation.

“**Listed Events**” means any of the events listed in subsection (a) or subsection (b) of Section 4 hereof.

“**MSRB**” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“**Official Statement**” means the Official Statement relating to the Authority Bonds.

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

“**Project Areas**” shall have the meaning specified in the Official Statement.

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

“**Successor Agency**” means the Successor Agency to the Redevelopment Agency for the County of Riverside, a public body, corporate and politic, duly organized and existing under and pursuant to the Law.

Section 2. Provision of Annual Reports. (a) The Successor Agency shall, or shall cause the Dissemination Agent to, provide to the MSRB an Annual Report which is consistent with the requirements of Section 3 hereof, not later than the Annual Report Date, commencing with the report for the 2023-24 Fiscal Year. The Annual Report may include by reference other information as provided in Section 3 hereof; provided, however, that the audited financial statements of the Successor Agency, if any, may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Successor Agency’s fiscal year changes, it shall, or it shall instruct the Dissemination Agent to, give notice of such change in a filing with the MSRB. The Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the Authority Bonds by name and CUSIP number.

(b) Not later than 15 business days prior to the date specified in subsection (a) of this Section for the providing of the Annual Report to the MSRB, the Successor Agency shall provide the Annual Report to the Dissemination Agent. If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Successor Agency and the Dissemination Agent to determine if the Successor Agency is in compliance with the first sentence of this subsection (b).

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a) of this Section, the Dissemination Agent shall, in a timely manner, send a notice to the MSRB in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) provide any Annual Report received by it to the MSRB, as provided herein; and

(ii) file a report with the Authority and the Successor Agency certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided to the MSRB.

Section 3. Content of Annual Reports. The Annual Report shall be prepared by the Successor Agency and shall contain or include by reference the following:

(a) The Successor Agency’s separate audited financial statements, or the City’s audited financial statements including Successor Agency operations as a trust fund, 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 such audited financial statements are not available by the time the Annual Report is required to be filed pursuant to subsection (a) of Section 2 hereof, the Annual Report shall contain unaudited financial statements in a format similar to that used for the audited financial statements, and the audited financial statements, if any, 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, substantially similar to that provided in the corresponding tables relating to the Successor Agency and

the Project Area in the Official Statement (and where not specified by date or period for the preceding fiscal year):

- (i) Principal amount of Bonds outstanding;
 - (ii) Outstanding debt of each Project Area, including without limitation any Parity Debt and subordinate debt (including a description of date, amount, term, rating, insurance in the Fiscal Year to which the Annual Report pertains), and the principal amount of all Agency debt outstanding and payable with Tax Revenues;
 - (iii) Taxable assessed values for the most recent fiscal year in substantially the format of Tables 4, 13, 22 and 31 of the Official Statement;
 - (iv) An update of the ten largest assessesees in substantially the format of Tables 2, 11, 20 and 31 of the Official Statement for the most recent fiscal year;
 - (v) An update of Debt Service Coverage for the Bond Year ending on the immediately preceding October 1, based upon the current fiscal year assessed valuation, in substantially the format of Tables 10, 19, 28 and 39 of the Official Statement;
 - (vi) If the Successor Agency is not in a County Teeter Plan, tax levy, percentage of current year levy collected, percentage of current levy delinquent, total collections and total collections as a percentage of the most recent year's tax levy;
 - (vii) Information related to each Project Area assessed valuation appeals by top ten taxpayers.
- (c) In addition to any of the information expressly required to be provided under subsections (a) and (b) of this Section, the Successor Agency shall provide such further information, if any, as may be necessary to make the specifically required statements, in light of the circumstances under which they are made, not misleading.

Any or all of the items described 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 have been submitted to the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The Successor Agency shall clearly identify each such other document so included by reference.

Section 4. Reporting of Significant Events. (a) Pursuant to the provisions of this Section, the Successor Agency shall give, or cause to be given with respect to the Refunding Bonds, and hereby authorizes the Authority to give, or cause to be given, with respect to the Authority Bonds, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

- (i) Principal and interest payment delinquencies.
- (ii) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (iii) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (iv) Substitution of credit or liquidity providers, or their failure to perform.
- (v) Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB).
- (vi) Tender offers.
- (vii) Redemptions and Defeasances.
- (viii) Rating changes.
- (ix) Bankruptcy, insolvency, receivership or similar event of the obligated person.
- (x) Default, event of acceleration, modification of terms, or other similar events under the terms of a Financial Obligation of the Successor Agency which reflect financial difficulties.

For purposes of the event identified in paragraph (ix), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. 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 obligated person, or if such jurisdiction has been assumed by leaving the existing governmental 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 obligated person.

(b) Pursuant to the provisions of this Section, the Successor Agency shall give, or cause to be given with respect to the Refunding Bonds, and hereby authorizes the Authority to give, or cause to be given, with respect to the Authority Bonds, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten (10) business days after the occurrence of the event:

- (i) Unless described in paragraph (v) of subsection (a) of this Section, other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds.
- (ii) Modifications to rights of holders of the Bonds.
- (iii) Optional, unscheduled or contingent Bond calls.
- (iv) Release, substitution, or sale of property securing repayment of the Bonds.
- (v) Non-payment related defaults.
- (vi) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the 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.
- (vii) Appointment of a successor or additional trustee or the change of name of a trustee.
- (viii) Incurrence of a Financial Obligation of the District 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.

(c) The Authority shall, within one business day of obtaining actual knowledge of the occurrence of any of the Listed Events, contact the Disclosure Representative and the Dissemination Agent and inform such persons of the event.

(d) Whenever the Successor Agency or the Authority obtains knowledge of the occurrence of a Listed Event described in subsection (b) of this Section, the Successor Agency or the Authority, as applicable shall determine if such event would be material under applicable Federal securities law.

(e) Whenever the Successor Agency or the Authority obtains knowledge of the occurrence of a Listed Event described in subsection (a) of this Section, or determines that the occurrence of a Listed Event described in subsection (b) of this Section is material under subsection (d) of this Section, the Successor Agency or the Authority, as applicable shall, or shall cause the Dissemination Agent (if the Authority is not the Dissemination Agent) to, file a notice of the occurrence of such Listed Event with the MSRB within ten business days of such occurrence.

(f) Notwithstanding the foregoing, notice of Listed Events described in paragraph (iii) of subsection (a) of this Section and in paragraph (vii) of subsection (a) of this Section need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Authority Bonds pursuant to the Indenture.

Section 5. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Agreement must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

Section 6. Termination of Reporting Obligation. The obligations of the Successor Agency, the Authority and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior prepayment or payment in full of all of the Authority Bonds relating to the Refunding Bonds or the legal defeasance, prior prepayment or payment in full of all of the Refunding Bonds, if earlier. If such termination occurs prior to the final principal payment date of the Authority Bonds, the Authority shall give notice of such termination in a filing with the MSRB.

Section 7. Dissemination Agent. The Successor Agency may, from time to time, appoint or engage a Dissemination Agent (if the Authority is not the Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent (if other than the Authority or the Authority Trustee), with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing thirty days written notice to the Authority and the Successor Agency.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Authority and the Successor Agency may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

- (a) if the amendment or waiver relates to the provisions of subsection (a) of Section 2 hereof, Section 3 hereof or subsections (a) or (b) of Section 4 hereof, 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 Authority Bonds, or the 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 Authority 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 (i) is approved by holders of the Authority 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 holders or beneficial owners of the Authority Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Successor Agency shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Successor Agency. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Successor Agency from disseminating any other information, using the means

of dissemination set forth in this Disclosure Agreement or any other reasonable means of communication, or including any other information in any Annual Report or notice required to be filed pursuant to this Disclosure Agreement, in addition to that which is required by this Disclosure Agreement. If the Successor Agency chooses to include any information in any Annual Report or notice in addition to that which is specifically required by this Disclosure Agreement, the Successor Agency shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

Section 10. Default. The parties hereto acknowledge that in the event of a failure of the Authority, the Successor Agency or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Authority Trustee may (and, at the written direction of any Participating Underwriter or the holders of at least 25% of the aggregate amount of principal evidenced by Outstanding Authority Bonds, shall, upon receipt of indemnification reasonably satisfactory to the Authority Trustee), or any holder or beneficial owner of the Authority Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority, the Successor Agency or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Successor Agency or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall (so long as the Authority is the Dissemination Agent) be entitled to the protections and limitations from liability afforded to the Authority under the Indenture. The Dissemination Agent shall be not responsible for the form or content of financial statements made part of any Annual Report or notice of Listed Event or for information sourced to the Successor Agency. The Dissemination Agent shall receive reasonable compensation for its services provided under this Disclosure Agreement. The Dissemination Agent (if other than the Authority or the Authority acting in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Disclosure Agreement. To the extent permitted by law, the Successor Agency shall indemnify and save the Dissemination Agent (if other than the Authority) and the Authority harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence or its willful misconduct. The obligations of the Successor Agency under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Authority Bonds and the Refunding Bonds.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Authority, the Successor Agency, the Dissemination Agent, the Participating Underwriter and the holder and beneficial owners from time to time of the Authority Bonds, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Agreement as of the date first above written.

**RIVERSIDE COUNTY PUBLIC FINANCING
AUTHORITY**

By: _____
Treasurer

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE
COUNTY OF RIVERSIDE**

By: _____

ACCEPTED AND AGREED:

**RIVERSIDE COUNTY PUBLIC FINANCING
AUTHORITY, as Dissemination Agent**

By: _____
Authorized Officer

ACKNOWLEDGED AND AGREED:

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Authority Trustee**

By: _____
Authorized Officer

**EXHIBIT A
NOTICE OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Riverside County Public Financing Authority

Name of Issue: Riverside County Public Financing Authority
2024 Series A Tax Allocation Revenue Bonds
(Redevelopment Project Area No. 1, Desert Communities Redevelopment
Project Area, Interstate 215 Corridor Redevelopment Project Area, and
Former Housing Set-Aside)

Obligated Person: Successor Agency to the Redevelopment Agency for the County of
Riverside

Date of Issuance: _____, 2024

NOTICE IS HEREBY GIVEN that the Successor Agency to the Redevelopment Agency to the County of Riverside (the "Agency") has not provided an Annual Report with respect to the above-named bonds as required by the Continuing Disclosure Agreement, dated as of _____, 2024, by and between the Riverside County Public Financing Authority and the Successor Agency. The Successor Agency anticipates that the Annual Report will be filed by

_____.

Dated: _____

**RIVERSIDE COUNTY PUBLIC FINANCING
AUTHORITY, as Dissemination Agent, on
behalf of the Successor Agency to the
REDEVELOPMENT AGENCY FOR THE
COUNTY OF RIVERSIDE**

cc: Successor Agency to the Redevelopment Agency for the County of Riverside