SH DRAFT #3
12/10/20

PRELIMINARY OFFICIAL STATEMENT DATEDFEBRUARY __, 2021

NEW ISSUE - BOOK ENTRY ONLY
[DAC Logo]

RATINGS: Moody's: ___
S&P: ___
See "RATINGS"

In the opinion of Bond Counsel, under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by the Authority and the County described herein, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Bond Counsel is further of the opinion that, interest on the Bonds is exempt from personal income taxes of the State of California (the "State") under present State law. See "TAX MATTERS" herein regarding certain other tax considerations.

$__,___,000*
COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY
LEASE REVENUE BONDS
(CAPITAL PROJECTS AND REFUNDING),
2021 SERIES
comprised of:

$___,___,000* 2021 Series A
(Capital Projects)

$___,___,000* 2021 Series B
(Refunding)

Dated: Date of Delivery **Due: June 1, as shown on inside cover**

The County of Contra Costa Public Financing Authority (the "Authority") is issuing $__,___,000* principal amount of County of Contra Costa Public Financing Authority Lease Revenue Bonds, 2021 Series, comprised of $__,___,000* principal amount of County of Contra Costa Public Financing Authority Lease Revenue Bonds (Capital Projects and Refunding), 2021 Series A (Capital Projects) (the "2021 Series A Bonds") and $__,___,000* principal amount of County of Contra Costa Public Financing Authority Lease Revenue Bonds (Capital Projects and Refunding), 2021 Series B (Refunding) (the "2021 Series B Bonds" and together with the 2021 Series A Bonds, the "2021 Bonds"). The 2021 Bonds are being issued to: (i) finance the acquisition, construction, and improvement of various capital projects to be located within the County of Contra Costa (the "County"); (ii) refund $48,410,833.95 aggregate principal amount of outstanding County of Contra Costa Public Financing Authority Lease Revenue Bonds and Obligations described herein (collectively, the "Prior Bonds"); and (iii) pay certain costs associated with the issuance of the 2021 Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS."

The 2021 Bonds are issued pursuant to a Trust Agreement, dated as of _______ 1, 2021 (the "Trust Agreement"), by and between the Authority and the Trustee and acknowledged by the County. The 2021 Bonds are limited obligations of the Authority and are payable, as to interest thereon, principal thereof and any premiums upon the redemption of any thereof, solely from the "Revenues," and the Authority is not obligated to pay them except from the Revenues. Revenues consist primarily of Base Rental Payments (as defined herein) to be made by the County to the Authority for the use and occupancy of the Facilities (defined herein) pursuant to a Facilities Lease, dated as of _______ 1, 2021 (the

"Facilities Lease") by and between the Authority, as lessor, and the County, as lessee. The County covenants in the Facilities Lease to take such action as may be necessary to include all such Base Rental Payments and Additional Payments in its annual budgets and to make the necessary annual appropriations therefor. The obligation of the County to make Base Rental Payments and Additional Payments is subject to proportional abatement during any period in which by reason of any damage or destruction (other than by condemnation) there is substantial interference with the use and occupancy of the Facilities by the County, except as otherwise described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 BONDS." **No debt service reserve fund will be established under the Trust Agreement for the 2021 Bonds.**

The principal of the 2021 Bonds is payable on June 1 of each year as set forth on the inside cover page. Interest on the 2021 Bonds is payable semiannually on June 1 and December 1 in each year, commencing December 1, 2021].

The 2021 Bonds will be initially delivered in book-entry form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Principal of, redemption premium, if any, and interest on the 2021 Bonds will be paid by Wells Fargo Bank, National Association, as trustee (the "Trustee"), to DTC. DTC is obligated to remit such principal and interest to its DTC Participants for disbursement to the beneficial owners of the 2021 Bonds. See APPENDIX H–"DTC AND THE BOOK-ENTRY ONLY SYSTEM."

The 2021 Bonds are subject to optional, extraordinary[, and mandatory sinking fund] redemption as described herein. See "2021 BONDS–Redemption Provisions."

THE 2021 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM REVENUES AND ARE NOT SECURED BY A LEGAL OR EQUITABLE PLEDGE OF, OR CHARGE OR LIEN UPON ANY PROPERTY OF THE AUTHORITY OR THE COUNTY OR ANY OF THEIR INCOME OR RECEIPTS, EXCEPT THE REVENUES (AS DESCRIBED HEREIN). NEITHER THE FULL FAITH NOR THE CREDIT OF THE AUTHORITY OR THE COUNTY IS PLEDGED FOR THE PAYMENT OF THE INTEREST ON OR PRINCIPAL OF THE 2021 BONDS. NEITHER THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE 2021 BONDS NOR THE OBLIGATION TO MAKE BASE RENTAL PAYMENTS UNDER THE FACILITIES LEASE CONSTITUTES A DEBT, LIABILITY OR OBLIGATION OF THE AUTHORITY, THE COUNTY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS FOR WHICH ANY ENTITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH ANY ENTITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE 2021 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE AUTHORITY HAS NO 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. An investment in the 2021 Bonds involves risk. For a discussion of certain risk factors associated with investment in the 2021 Bonds, see "CERTAIN RISK FACTORS" as well as other factors discussed throughout this Official Statement.

The 2021 Bonds are offered when, as and if issued by the Authority and received by the Underwriter, subject to approval as to their validity by Nixon Peabody LLP, San Francisco, California, Bond Counsel to the Authority. Certain other legal matters will be passed upon for the County and the Authority by County Counsel and by Schiff Hardin LLP, San Francisco, California, Disclosure Counsel, and for the Underwriter by Katten Muchin Rosenman, New York, New York. It is anticipated that the 2021 Bonds in book-entry only form, will be available for delivery through the facilities of DTC in New York, New York, on or about March__, 2021.

BARCLAYS

Date of Official Statement: _________, 2021.

____

* Preliminary, subject to change.

MATURITY SCHEDULE

$__,___,000*
COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY
LEASE REVENUE BONDS (CAPITAL PROJECTS AND REFUNDING),
2021 SERIES
comprised of:

$__,___,000* Serial 2021 Series A Bonds (Capital Projects)
Base CUSIP No.† ______

Maturity Date (June 1)	Principal Amount*	Interest Rate	Price	Yield	CUSIP No.†

$__,___,000* Serial 2021 Series B Bonds (Refunding)
Base CUSIP No.† ______

Maturity Date (June 1)	Principal Amount*	Interest Rate	Price	Yield	CUSIP No.†

* Preliminary, subject to change. Assumes that *all* of the Prior Bonds (defined herein) are refunded. See "PLAN OF REFUNDING."

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright 2021 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. The CUSIP® numbers are provided for convenience of reference only. None of the County, the Underwriter, their agents, or their counsel is responsible for the selection or uses of the CUSIP® numbers, and no representation is made as to their correctness on the applicable 2021 Bonds or as included herein. The CUSIP® numbers of specific maturities is subject to change following the issuance of the 2021 Bonds as a result of various actions, including, but not limited to, a refunding in whole or in part or as the result of procurement of a secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2021 Bonds.

No dealer, broker, salesperson or other person has been authorized by the County or the Authority to give any information or to make any representation other than those contained herein and, if given or made, such other information or representation 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 any offer to buy nor shall there be any sale of the 2021 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the 2021 Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts.

The County maintains a website. Unless specifically indicated otherwise, the information presented on that website is ***not*** incorporated by reference as part of this Official Statement and should not be relied upon in making investment decisions with respect to the 2021 Bonds.

The information set forth herein has been obtained from the County and from other sources and is believed to be reliable but is not guaranteed as to accuracy or completeness. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County or the Authority since the date hereof. This Official Statement is submitted in connection with the sale of the 2021 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the County. All summaries of the documents and laws are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions. All capitalized terms used herein, unless noted otherwise, shall have the meanings prescribed in the Trust Agreement and the Facilities Lease. This Official Statement, including any supplement or amendment hereto, is intended to be deposited with the Electronic Municipal Market Access site maintained by the Municipal Securities Rulemaking Board.

Any statement made in this Official Statement involving any forecast or matter of estimates or opinion, whether or not expressly stated, is intended solely as such and not as a representation of fact. 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 (the "Securities Act"). Such forward-looking statements are generally identified by use of the words "plan," "project," "expect," "estimate," "budget" or other similar words. Such forward-looking statements include, but are not limited to, statements contained in APPENDIX B–"COUNTY FINANCIAL INFORMATION." Such forward-looking statements refer to the achievement of certain results or other expectations or performance which involve known and unknown risks, uncertainties and other factors. These risks, uncertainties and other factors may cause actual results, performance or achievements to be materially different from any projected results, performance or achievements described or implied by such forward looking statements. Neither the County nor the Authority plans to issue updates or revisions to such forward-looking statements if or when the expectations, events, conditions or circumstances on which such statements are based, occur, or if actual results, performance or achievements are materially different from any results, performance or achievements described or implied by such forward-looking statements.

The 2021 Bonds have not been registered with the Securities and Exchange Commission by reason of the provisions of Section 3(a)(2) of the Securities Act of 1933, as amended. The registration or qualification of the 2021 Bonds in accordance with applicable provisions of Securities Laws of the states in which these Bonds have been registered or qualified, and the exemption from registration or qualification in other states, shall not be regarded as a recommendation thereof. Neither these states nor any of their agencies have passed upon the merits of the securities or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

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

In connection with this offering, the Underwriter may overallot or effect transactions which stabilize or maintain the market prices of a Series of 2021 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 Underwriter may offer and sell Series of 2021 Bonds to certain dealers and banks at prices lower than the initial public offering prices and at yields higher than stated on the inside pages and such initial public offering prices and yields may be changed from time to time by the Underwriter.

COUNTY OF CONTRA COSTA, CALIFORNIA
BOARD OF SUPERVISORS OF THE COUNTY
[To be updated after January 4, 2021]

Candace Andersen
(District 2)
Chair

Diane Burgis
(District 3)
Vice Chair

John M. Gioia
(District 1)

Karen Mitchoff
(District 4)

Federal D. Glover
(District 5)

COUNTY OFFICIALS

Monica Nino
Clerk of the Board and County Administrator

Robert R. Campbell
Auditor-Controller

Russell V. Watts
Treasurer-Tax Collector

Sharon L. Anderson
County Counsel

Gus S. Kramer
Assessor

Deborah Cooper
County Clerk-Recorder

Lisa Driscoll
County Finance Director

SPECIAL SERVICES

Nixon Peabody LLP
San Francisco, California
Bond Counsel

Schiff Hardin LLP
San Francisco, California
Disclosure Counsel

Montague DeRose and Associates, LLC
Walnut Creek, California
Municipal Advisor

Wells Fargo Bank, National Association
Los Angeles, California
Trustee and Prior Trustee

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$__,___,000*
COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY
LEASE REVENUE BONDS
(CAPITAL PROJECTS AND REFUNDING),
2021 SERIES
comprised of:

$___,___,000* 2021 Series A (Capital Projects)	**$___,___,000* 2021 Series B (Refunding)**

INTRODUCTION

This Introduction contains only a brief summary of the terms of the 2021 Bonds being offered and a brief description of this Official Statement. A full review should be made of the entire Official Statement, including the inside cover through the Appendices. All statements contained in this Introduction are qualified in their entirety by reference to the entire Official Statement. All capitalized terms used in this Official Statement and not otherwise defined herein have the meanings given to such terms as set forth in the Trust Agreement (defined below). See APPENDIX E–"SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS–CERTAIN DEFINITIONS."

General; Purpose

This Official Statement, which includes the cover page through the Appendices hereto (the "Official Statement"), provides certain information concerning the issuance by the County of Contra Costa Public Financing Authority (the "Authority") of $__,___,000* aggregate principal amount of County of Contra Costa Public Financing Authority Lease Revenue Bonds, 2021 Series, comprised of $__,___,000* principal amount of County of Contra Costa Public Financing Authority Lease Revenue Bonds (Capital Projects and Refunding), 2021 Series A (Capital Projects) (the "2021 Series A Bonds") and $__,___,000* principal amount of County of Contra Costa Public Financing Authority Lease Revenue Bonds (Capital Projects and Refunding), 2021 Series B (Refunding) (the "2021 Series B Bonds" and together with the 2021 Series A Bonds, the "2021 Bonds"). The 2021 Bonds are being issued to: (i) finance the acquisition, construction, and improvement of various capital projects to be located within the County of Contra Costa (the "County"). The 2021 Bonds are being issued to: (i) finance the acquisition, construction, and improvement of two fire stations to be located within the County; (ii) refund $48,410,833.95 aggregate principal amount of outstanding County of Contra Costa Public Financing Authority Lease Revenue Bonds and Obligations described herein (collectively, the "Prior Bonds"); and (iii) pay certain costs associated with the issuance of the 2021 Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS."

The 2021 Bonds are limited obligations of the Authority payable as to the interest thereon, principal thereof and any redemption premium solely from Revenues, consisting primarily of base rental payments (the "Base Rental Payments") to be made by the County and paid to the Authority for the use and occupancy of certain real property and improvements (the "Facilities"). The Authority is not obligated to make payments on the 2021 Bonds except from Revenues. The Facilities will be leased by the County to the Authority pursuant to the terms and conditions of a Site Lease with respect to 2021 Bonds, dated as of _______ 1, 2021 (the "Site Lease"), between the County, as lessor, and the Authority, as lessee. See "THE FACILITIES." Pursuant to the terms and conditions of a Facilities Lease, dated as of

* Preliminary, subject to change.

_______ 1, 2021 (the "Facilities Lease"), between the Authority, as lessor and the County, as lessee, the Authority will let the Facilities to the County. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 BONDS."

THE 2021 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM REVENUES AND ARE NOT SECURED BY A LEGAL OR EQUITABLE PLEDGE OF, OR CHARGE OR LIEN UPON ANY PROPERTY OF THE AUTHORITY OR THE COUNTY OR ANY OF THEIR INCOME OR RECEIPTS, EXCEPT THE REVENUES (AS DESCRIBED HEREIN). NEITHER THE FULL FAITH NOR THE CREDIT OF THE AUTHORITY OR THE COUNTY IS PLEDGED FOR THE PAYMENT OF THE INTEREST ON OR PRINCIPAL OF THE 2021 BONDS. NEITHER THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE 2021 BONDS NOR THE OBLIGATION TO MAKE BASE RENTAL PAYMENTS UNDER THE FACILITIES LEASE CONSTITUTES A DEBT, LIABILITY OR OBLIGATION OF THE AUTHORITY, THE COUNTY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS FOR WHICH ANY ENTITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH ANY ENTITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE 2021 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE AUTHORITY HAS NO TAXING POWER.

Authority for Issuance

The 2021 Bonds will be issued pursuant to the Constitution and the laws of the State of California (the "State"), resolutions adopted by the Authority and the County, and a Trust Agreement, dated as of _______ 1, 2021 (the "Trust Agreement"), between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee") and acknowledged by the County.

Security and Sources of Payment

General. Pursuant to the Trust Agreement, the Authority pledges to the Trustee, for the benefit of the Bondholders, all of the "Revenues," defined as all Base Rental Payments and other payments paid by the County and received by the Authority pursuant to the Facilities Lease (excluding Additional Payments); and all interest or other income from any investment of any money held in any fund or account (other than the Rebate Fund) established pursuant to the Trust Agreement or the Facilities Lease.

The County covenants under the Facilities Lease that so long as a Facility is available for use and occupancy by the County, it will take such action as may be necessary to include the Base Rental Payments and Additional Payments with respect to the Facilities in its annual budgets and to make the necessary annual appropriations therefor. Base Rental Payments are included in and allocated to individual department budgets. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 BONDS."

The Base Rental Payments made by the County pursuant to the Facilities Lease are subject to complete or partial abatement in the event of substantial interference with the use and occupancy by the County of the Facilities caused by damage to or destruction (other than by condemnation) of such Facilities. See "CERTAIN RISK FACTORS" and "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 BONDS–Pledge of Revenues." Abatement of Base Rental Payments under the Facilities Lease could result in the Bondholders of the 2021 Bonds receiving less than the full amount of principal of and interest on the 2021 Bonds, except to the extent proceeds of insurance are available to make payments of principal of or interest on the 2021 Bonds (or the relevant portion thereof) during periods of abatement of the Base Rental.

No Reserve Fund

No debt service reserve fund will be established under the Trust Agreement for the 2021 Bonds.

Certain Risk Factors

An investment in the 2021 Bonds involves risk. For a discussion of certain risk factors associated with investment in the 2021 Bonds, see "CERTAIN RISK FACTORS" as well as other factors discussed throughout this Official Statement.

Continuing Disclosure

The County has covenanted for the benefit of the beneficial owners of the 2021 Bonds to provide certain financial information and operating data relating to the County by no later than nine months after the end of each fiscal year (which fiscal year currently ends June 30), commencing with the report due for the Fiscal Year ended June 30, 2021 (each an "Annual Report"), and to provide notices of the occurrence of certain enumerated events. The Annual Report and notices of specified events will be filed by the County or Digital Assurance Certification, L.L.C., as dissemination agent, through the Electronic Municipal Market Access site ("EMMA") maintained by the Municipal Securities Rulemaking Board (the "MSRB"). The specific nature of the information to be contained in the Annual Report or the notices of specified events is set forth in APPENDIX G–"PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT." These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Reference to Documents

The summaries and descriptions in this Official Statement of the Trust Agreement, the Facilities Lease, the Site Lease, the Continuing Disclosure Agreement, and other agreements relating to the 2021 Bonds are qualified in their entirety by reference to such documents, and the descriptions herein of the 2021 Bonds are qualified in their entirety by the form thereof and the information with respect thereto included in such documents. All capitalized terms used herein, unless noted otherwise, shall have the meanings prescribed in the Trust Agreement and the Facilities Lease. See APPENDIX E–"SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS–CERTAIN DEFINITIONS."

PLAN OF FINANCE

2021 Project

The 2021 Project consists of financing the acquisition, construction, and improvement of facilities at Buchanan County Airport, a County office building, and two fire stations, Fire Station No. 9 in Pacheco and Fire Station No. 86 in Bay Point.

Airport Improvements. This component of the 2021 Project consists of the construction of an approximately 21,000 square foot, one-story multi-function facility to be located on an approximately ____ acre site at Buchanan Field Airport, a public airport located in Concord, California. This component of the 2021 Project will replace an existing terminal facility and will include an approximately 12,525 square foot aircraft rescue and firefighting facility (an "ARFF") with up to three apparatus bays, offices, restrooms, meeting space, and ARFF support function spaces (such as for turnouts, self-contained breathing apparatus, and operations areas) for airport personnel; approximately 2,750 square feet of administrative office space; and an approximately 5,460 square foot general aviation terminal. This facility will also include a hold room, restrooms, public meeting space and rentable office spaces in the general aviation terminal section, visitor parking spaces, charging stations, a generator, and a public viewing area. The estimated construction cost for this component of the 2021 Project is $11,700,000. Construction is expected to commence in June 2021 and be completed in October 2022.

Construction of County Offices at 651 Pine. This component of the 2021 Project consists of the demolition of the former County Administration complex at 651 Pine Street, Martinez, California including remediation and demolition of approximately 72,000 square feet in the 12-story tower and approximately 50,000 square feet in the adjacent five story North Wing building. This component also includes the relocation of telecommunications infrastructure located in and on the Tower, including microwave and radio antennas serving the public safety communication system as well as telephone and fiberoptic communications equipment serving multiple County facilities in the downtown Martinez area. Following demolition, the County will construct an approximately 20,000 square foot, two-story County office building above approximately 80 new parking spaces (with the first story consisting of parking and the second story consisting of office space) where the previous Tower and North Wing buildings stood. In addition, there will be public plaza and amenity space constructed across from the existing 651 Pine Street complex to serve both the New Administration Building, located at 1025 Escobar Street, Martinez, California and the new County office building, located on a portion of the current 651 Pine Street complex. The estimated construction cost for this component of the 2021 Project is $64,000,000. Construction is expected to commence December of 2021 and be completed by June of 2024.

Fire Stations

<u>Fire Station No. 9.</u> This component of the 2021 Project consists of the construction of an approximately10,000 square foot one-story fire station to be located on an approximately one acre site at Center Avenue and Willow Street in Pacheco, California. This fire station will contain approximately 5,000 square feet of living area, including four firefighter dorm rooms, three gender-neutral restrooms, and living quarters for a Battalion Chief, with adjacent office space; approximately 5,000 square feet containing three apparatus bays, a separate support area for turnout, self-contained breathing apparatus ("SCBA"), and cleanup spaces; and visitor parking spaces, secured firefighter parking, and a generator and an emergency fuel tank. The estimated construction cost for this component of the 2021 Project is $16,000,000. Construction is expected to commence in October 2021 and be completed in January 2023.

<u>Fire Station No. 86.</u> This component of the 2021 Project consists of the construction of an approximately 10,000 square foot one-story fire station to be located on an approximately two acre site at Willow Pass Road and Goble Drive in Bay Point, California. This fire station will contain approximately 5,000 square feet of living area, including seven firefighter dorm rooms and three gender-neutral restrooms; approximately 5,000 square feet containing three apparatus bays, a separate support area on for turnout, SCBA, and cleanup spaces; and visitor parking spaces, secured firefighter parking, and a generator and an emergency fuel tank. The estimated construction cost for this component of the 2021 Project is $11,000,000. Construction is expected to commence in May 2021 and be completed in October 2022.

In connection with the construction of the Fire Stations, the County has entered into an Installment Sale Agreement dated ______, 2021 (the "Installment Agreement"), with the Contra Costa County Fire Protection District (the "Fire District"), pursuant to which the County will construct the fire stations and sell them to the Fire District and the Fire District will purchase from and pay to the County the costs related to the construction of the fire stations. **The amounts payable by the Fire District to the County pursuant to the Installment Agreement are not**

pledged to the payment of the 2021 Bonds and are not available to Bondholders for any purpose.

Refunding of Prior Bonds

The Authority issued the Prior Bonds pursuant to a Trust Agreement, dated as of February 1, 1999, as supplemented by the First Supplemental Trust Agreement, dated as of January 1, 2001, the Second Supplemental Trust Agreement, dated as of May 1, 2001, the Third Supplemental Trust Agreement, dated as of June 1, 2002, the Fourth Supplemental Trust Agreement, dated as of July 1, 2002, the Fifth Supplemental Trust Agreement, dated as of July 1, 2003, the Sixth Supplemental Trust Agreement, dated as of March 1, 2007 and the Seventh Supplemental Trust Agreement, dated as of August 1, 2007 (as previously amended and supplemented, the "Prior Trust Agreement"), by and between the Authority and BNY Western Trust Company, as succeeded by Wells Fargo Bank, National Association, as successor trustee (the "Prior Trustee"), and acknowledged by the County. The Prior Bonds were delivered to finance and refinance the costs of acquiring, constructing and renovating certain County facilities and to provide funds to acquire and install other capital improvements for the County.

A portion of the proceeds from the sale of the 2021 Bonds, together with other available funds, will be deposited with the Prior Trustee to pay the redemption price of and accrued interest on the Prior Bonds on the redemption date. Upon such deposit, the Prior Bonds will no longer be deemed outstanding under the Prior Trust Agreement.

The Refunded Bonds will consist of the following:

$13,130,000
Contra Costa County Public Financing Authority
Lease Revenue Bonds
2010 Series A-2 (Capital Project I – Taxable Build America Bonds)
Dated Date: November 16, 2010
Redemption Date: _________, 2021
Redemption Price: 100%

Maturity Date (June 1)	Amount	Interest Rate	CUSIP (21226P)†
2021	$1,135,000	5.750%	JS8
2022	1,175,000	5.900	JT6
2023	1,220,000	6.000	JU3
2024	1,270,000	6.100	JV1
2025	1,320,000	6.250	JW9
2026	500,000	6.500	JX7
2030	6,510,000	6.800	KU1

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by S&P Capital IQ. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. The CUSIP® numbers are provided for convenience of reference only. None of the County, the Underwriter, their agents, or their counsel is responsible for the selection or uses of the CUSIP® numbers, and no representation is made as to their correctness.

$20,700,000
Contra Costa County Public Financing Authority
Lease Revenue Bonds
2010 Series A-3 (Capital Project I – Taxable Recovery Zone Bonds)
Dated Date: November 16, 2010
Redemption Date: _________, 2021
Redemption Price: 100%

Maturity Date (June 1)	Amount	Interest Rate	CUSIP (21226P)†
2035	$9,645,000	6.900%	KD9
2040	11,055,000	7.000	KE7

$7,425,000
Contra Costa County Public Financing Authority
Lease Revenue Bonds
2010 Series B (Refunding)
Dated Date: November 16, 2010
Redemption Date: _________, 2021
Redemption Price: 100%

Maturity Date (June 1)	Amount	Interest Rate	CUSIP (21226P)†
2021	$1,370,000	3.750%	KQ0
2022	250,000	5.000	KR8
2022	1,180,000	4.000	KY3
2023	1,500,000	4.000	KS6
2024	250,000	5.000	KT4
2024	1,315,000	4.125	KZ0
2025	1,560,000	4.250	KV9

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by S&P Capital IQ. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. The CUSIP® numbers are provided for convenience of reference only. None of the County, the Underwriter, their agents, or their counsel is responsible for the selection or uses of the CUSIP® numbers, and no representation is made as to their correctness.

$7,155,833.95
Contra Costa County Public Financing Authority
Lease Revenue Obligations
2012 Series A
Dated Date: October 11, 2012
Redemption Date: _________, 2021
Redemption Price: 100%

Maturity Date (June 1)	Amount	Interest Rate
2021	$942,968.70	2.680%
2022	968,240.26	2.680
2023	994,189.10	2.680
2024	1,020,833.37	2.680
2025	1,048,191.70	2.680
2026	1,076,283.24	2.680
2027	1,105,127.58	2.680

THE FACILITIES

The County will lease the Facilities summarized in Table 1 pursuant to the Site Lease, and the Authority will lease back each of those Facilities to the County pursuant to the Facilities Lease. The Facilities consist of two County properties and sites thereof and include site development, landscaping, utilities, equipment, furnishings, improvements and appurtenances, and related facilities located on the real property, including any future improvements made to such Facilities.

The County covenants in the Facilities Lease to use each Facility for County and public purposes and so long as each such Facility is available for its use and occupancy, the County covenants to take such actions as may be necessary to include all Base Rental Payments and Additional Payments with respect to each Facility in its annual budgets and to make the necessary annual appropriations therefor. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 BONDS."

The Insured value of each Facilities included in Table 1 is based upon the insured value for Fiscal Year 2020-21. Each August, the insurer reviews third quarter factors for the western section of the Country developed by a national provider of real estate information, analytics, and services to update County real property and content values for insurance purposes. The actual market value of each Facility may differ materially from the estimated insured value summarized in Table 1. The Authority has only a leasehold interest in each Facility and is not authorized to sell either Facility.

The Facilities consist of the following:

West County Health Center. This Facility is located at 13601 San Pablo Avenue in San Pablo, California on an approximately 2.84 acre site. The West County Health Center consists of an approximately 52,553 square foot, two-story, stucco and glass, LEED-Silver certified by the Green Building Council public health center constructed in 2012. Services provided at this Facility include routine and preventative family care services, prenatal care, women's health, and other general, diagnostic, and specialty medical services.

Contra Costa Regional Medical Center. This Facility is located on an approximately ____-acre site at 2500 Alhambra Avenue in Martinez, California. This Facility consists of an approximately ____ square foot, ____-story hospital, with 176-beds, an eight-bed intensive care unit, a 17-bed emergency department, and a level II (specialty care nursery for moderately ill infants with problems expected to resolve rapidly and not expected to need subspecialty services on an urgent basis) neonatal intensive care unit.

For summary descriptions and estimated valuations of the Facilities, see Table 1–"Estimated Value of the Facilities."

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Table 1
Estimated Value of the Facilities

Facilities	Address	Original Completion Year	Approximate Acreage of Site	Approximate Building Square Footage	Insured Value†	[Scheduled Release Year]
West County Health Center	13601 San Pablo Avenue, Martinez, CA	2012	2.84	52,553	$30,293,000	20__
Contra Costa Regional Medical Center	2500 Alhambra Avenue, Martinez, CA	1998	________	60,000	[129,466,000]	20__
TOTAL FACILITIES					$159,759,000	

† Based upon the insured value for Fiscal Year 2020-21.

Upon issuance of the 2021 Bonds, the aggregate insured value of the leased Facilities will be at least equal to the par amount of the 2021 Bonds and the annual Base Rental Payments will not exceed the annual fair rental value of the Facilities. See also "CERTAIN RISK FACTORS–Base Rental Payments Not a Debt of the County; Other County Obligations."

Pursuant to the terms of the Facilities Lease, the County and the Authority may release or substitute other properties for the Facilities or portions thereof upon the satisfaction of certain conditions. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 BONDS–Addition; Substitution, and Release of Property."

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[Location Map of the Facilities]

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds related to the issuance of the 2021 Bonds.

Table 2
Estimated Sources and Uses of Funds

SOURCES:	**2021 Series A**	**2021 Series B**	**Total**
Principal Amount of 2021 Bonds			
Funds Held Under the Prior Trust Agreement			
Net Original Issue Premium			
TOTAL SOURCES			
USES:			
Deposit to 2021 Project Account			
Deposit with Prior Trustee(1)			
Costs of Issuance(2)			
Underwriter's Discount			
TOTAL USES			

(1) To pay the redemption price of the Prior Bonds. See "PLAN OF FINANCE."
(2) Includes legal and professional fees, rating agency, and title insurance fees, printing costs and other miscellaneous costs of issuance.

THE 2021 BONDS

General

The 2021 Bonds are limited obligations of the Authority payable solely from Revenues, consisting primarily of Base Rental Payments to be made by the County under the Facilities Lease.

The 2021 Bonds will be dated their date of issuance, issued as fully registered bonds 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 of the 2021 Bonds. Ownership interests in the 2021 Bonds may be purchased in book-entry form only, in the denominations hereinafter set forth. Purchasers will not receive physical certificates representing their beneficial ownership interest in the 2021 Bonds. So long as the 2021 Bonds are registered in the name of Cede & Co., payment of principal of premium, if any, and interest on the 2021 Bonds will be payable to DTC. See APPENDIX H– "DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Ownership interests in the 2021 Bonds will be in Authorized Denominations of $5,000 or any integral multiple thereof. The 2021 Bonds will mature on the dates and in the principal amounts, and the interest payable thereon will be computed at the rates, all as set forth on the inside cover page of this Official Statement.

Interest on the 2021 Bonds is payable on June 1 and December 1 (each an "Interest Payment Date") of each year, commencing June 1, 2021 calculated from their date of issuance on the basis of a 360-day year composed of twelve 30-day months.

Redemption Provisions

2021 Series A Bonds

Optional Redemption. [The 2021 Series A Bonds maturing on or prior to June 1, 20__ are ***not*** subject to optional redemption.

The 2021 Series A Bonds maturing on or after June 1, 20__ are subject to redemption prior to their stated maturities at the option of the Authority, at the direction of the County, in whole or in part, on any Business Day (in such amounts as may be specified by the Authority), by lot, at the Redemption Price thereof, plus accrued interest to the Redemption Date, without premium.

[Mandatory Sinking Fund Redemption. The 2021 Series A Bonds are subject to mandatory sinking fund redemption prior to maturity, in part on June 1 of each year on and after June 1, 20__, by lot, from and in the amount of the mandatory sinking account payments set forth below, at a Redemption Price equal to the sum of the principal amount thereof plus accrued interest thereon to the Redemption Date, without premium:]

2021 Series A Bonds

Mandatory Sinking Account Payment Date (June 1)	Mandatory Sinking Account Payment
†	

† Maturity.

Extraordinary Redemption. The 2021 Series A Bonds are subject to redemption by the Authority on any date prior to their respective stated maturities, upon notice as provided in the Trust Agreement, as a whole or in part by lot within each stated maturity in integral multiples of Authorized Denominations, from prepayments made by the County pursuant to the Facilities Lease from insurance (including proceeds of title insurance) and eminent domain proceeds, at a redemption price equal to the sum of the principal amount thereof, without premium, plus accrued interest thereon to the Redemption Date. Whenever less than all of the Outstanding 2021 Series A Bonds are to be redeemed on any one date, the Trustee will select, in accordance with written directions from the Authority, the mandatory sinking account payments against which will be credited the 2021 Series A Bonds to be redeemed so that the aggregate annual principal amount of and interest on 2021 Series A Bonds which are payable after such Redemption Date will be reduced pro rata over the remaining years of the lease terms (as set forth in the Facilities Lease) for the Facilities which generated the insurance or eminent domain proceeds.

2021 Series B Bonds

Optional Redemption. The 2021 Series B Bonds maturing on or prior to June 1, 20__ are ***not*** subject to optional redemption.

The 2021 Series B Bonds maturing on or after June 1, 20__ are subject to redemption prior to their stated maturities at the option of the Authority, at the direction of the County, in whole or in part, on any Business Day (in such amounts as may be specified by the Authority), by lot, at the Redemption Price thereof, plus accrued interest to the Redemption Date, without premium.

[Mandatory Sinking Fund Redemption. The 2021 Series B Bonds are subject to mandatory sinking fund redemption prior to maturity, in part on June 1 of each year on and after June 1, 20__, by lot, from and in the amount of the mandatory sinking account payments set forth below, at a Redemption Price equal to the sum of the principal amount thereof plus accrued interest thereon to the Redemption Date, without premium:]

2021 Series B Bonds

Mandatory Sinking Account Payment Date (June 1)	Mandatory Sinking Account Payment
†	

† Maturity.

Extraordinary Redemption. The 2021 Series B Bonds are subject to redemption by the Authority on any date prior to their respective stated maturities, upon notice as provided in the Trust Agreement, as a whole or in part by lot within each stated maturity in integral multiples of Authorized Denominations, from prepayments made by the County pursuant to the Facilities Lease from insurance (including proceeds of title insurance) and eminent domain proceeds, at a redemption price equal to the sum of the principal amount thereof, without premium, plus accrued interest thereon to the Redemption Date. Whenever less than all of the Outstanding 2021 Series B Bonds are to be redeemed on any one date, the Trustee will select, in accordance with written directions from the Authority, the mandatory sinking account payments against which will be credited the 2021 Series B Bonds to be redeemed so that the aggregate annual principal amount of and interest on 2021 Series B Bonds which are payable after such Redemption Date will be reduced pro rata over the remaining years of the lease terms (as set forth in the Facilities Lease) for the Facilities which generated the insurance or eminent domain proceeds.

Redemption Procedures

Selection of 2021 Bonds for Redemption. The Authority will designate which maturities of the series of 2021 Bonds and the principal amount of the series of 2021 Bonds which are to be redeemed. If less than all Outstanding 2021 Bonds of a series maturing by their terms on any one date are to be redeemed at any one time, the Trustee is required to select the series of 2021 Bonds of such maturity date to be redeemed by lot and will promptly notify the Authority in writing of the numbers of the series of 2021 Bonds so selected for redemption. For purposes of such selection, the series of 2021 Bonds are deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately redeemed. In the event Term 2021 Bonds of a series are designated for redemption, the Authority may designate which sinking account payments are allocated to such redemption.

Notice of Redemption. Notice of redemption will be mailed by first-class mail by the Trustee, not less than 20 nor more than 60 days prior to the redemption date to the respective Bondholders of the series of 2021 Bonds designated for redemption at their addresses appearing on the registration books of the Trustee. Each notice of redemption is required state the date of such notice, the date of issue of the series of 2021 Bonds, the redemption date, the Redemption Price, the place or places of redemption (including the name and appropriate address of the Trustee), the CUSIP number (if any) of the maturity date or maturities, and, if less than all of any such maturity is to be redeemed, the distinctive certificate numbers of the series of 2021 Bonds of such maturity, to be redeemed and, in the case of the series of 2021 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice is also required also state that on said date there will become due and payable on each of said series of 2021 Bonds the Redemption Price thereof, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon will cease to accrue, and will require that such series of 2021 Bonds be then surrendered at the address of the Trustee specified in the redemption notice. Failure to receive such notice will not invalidate any of the proceedings taken in connection with such redemption.

Conditional Notice of Redemption. The Trustee may give a conditional notice of redemption prior to the receipt of all funds or satisfaction of all conditions necessary to effect the redemption, provided that no redemption will occur unless and until all conditions have been satisfied and the Trustee has on deposit and available or, if applicable, has received, all of the funds necessary to effect the redemption; otherwise, such redemption is required to be cancelled by the Trustee and the Trustee is required to mail notice of such cancellation to the recipients of the notice of redemption being cancelled.

Cancellation of Notice of Redemption. The Authority may, at its option, on or prior to the date fixed for redemption in any notice of optional redemption, rescind and cancel such notice of redemption by Written Request to the Trustee and the Trustee will mail notice of such cancellation to the recipients of the notice of redemption being cancelled.

Effect of Redemption. If notice of redemption has been given as required in the Trust Agreement and money for the payment of the Redemption Price of the series of 2021 Bonds called for redemption plus accrued interest to the redemption date is held by the Trustee, then on the redemption date designated in such notice the series of 2021 Bonds so called for redemption will become due and payable, and from and after the date so designated interest on such series of 2021 Bonds will cease to accrue, and the Bondholders of such series of 2021 Bonds will have no rights in respect thereof except to receive payment of the Redemption Price thereof plus accrued interest to the Redemption Date.

SECURITY AND SOURCES OF PAYMENT FOR THE 2021 BONDS

General

Pursuant to the Facilities Lease, the Authority leases the Facilities to the County. As rental for the use and occupancy of the Facilities, the County covenants to pay Base Rental Payments to the Authority, which payments are pledged to the Trustee for the benefit of the Owners of the 2021 Bonds. The Base Rental Payments, which are subject to abatement, are calculated to generate sufficient Revenues to pay principal of and interest on the 2021 Bonds when due. See also "–Abatement" and "CERTAIN RISK FACTORS–Abatement."

The County covenants in the Facilities Lease to take such action as may be necessary to include all Base Rental Payments and Additional Payments due under the Facilities Lease in its annual budgets and to make the necessary annual appropriations therefor. By the third Business Day immediately preceding each Interest Payment Date, the County must pay to the Trustee Base Rental Payments (to the extent required under the Facilities Lease) which scheduled Base Rental Payments are sufficient to pay, when due, the principal of and interest on the 2021 Bonds. **Base Rental Payments are not subject to acceleration.**

Under the Facilities Lease, the County agrees to pay Additional Payments for the payment of all expenses and all costs of the Authority and the Trustee related to the lease of the Facilities, including expenses of the Trustee payable by the Authority under the Trust Agreement, and fees of accountants, attorneys and consultants. The County is responsible for repair and maintenance of each of the related Facilities during the term of the Facilities Lease.

The Base Rental Payments will be abated proportionately during any period in which by reason of any damage to or destruction (other than by condemnation), there is substantial interference with the use and occupancy of such Facilities by the County, in the proportion in which the cost of that portion of the Facilities rendered unusable bears to the cost of the whole of the Facilities. During any such period of abatement, except to the extent that proceeds of insurance or amounts held by the Trustee in the Revenue Fund are otherwise available to pay the 2021 Bonds, Base Rental Payments from the County will not be available to pay the 2021 Bonds. See "–Abatement."

If the whole of a Facility under the Facilities Lease or so much thereof as to render the remainder unusable is taken under power of eminent domain, the term of the Facilities Lease with respect to such Facility will cease as of the day possession is so taken. If less than the whole of the related Facility under the Facilities Lease is taken by eminent domain, there will be a partial abatement of the rental due under the Facilities Lease in an amount equivalent to the amount by which the annual payments of principal of and interest on the 2021 Bonds then Outstanding will be reduced by the application of the award in eminent domain to the redemption of the 2021 Bonds Outstanding.

If the County defaults under the Facilities Lease, the Authority may (i) terminate the Facilities Lease and take possession of the Facility for the term of such Site Lease or (ii) retain the Facilities Lease and seek to hold the County liable for all Base Rental Payments and Additional Payments thereunder (without acceleration) as they become due on an annual basis. See APPENDIX E–"SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS–FACILITIES LEASE–Defaults and Remedies." Base Rental Payments and Additional Payments may not be accelerated. See "CERTAIN RISK FACTORS."

Pledge of Revenues

The Revenues consist primarily of the Base Rental Payments made by the County to the Authority under the Facilities Lease. In accordance with the Trust Agreement, all Revenues are irrevocably pledged and assigned by the Authority to the payment of interest and premium, if any, on and principal of the 2021 Bonds and will not be used for any other purpose while any of the 2021 Bonds remain Outstanding; *provided, however,* that out of the Revenues there may be applied such sums as are permitted under the Trust Agreement. This pledge constitutes a first lien on the Revenues in accordance with the terms of the Trust Agreement.

Pursuant to the Facilities Lease, the Authority has directed the County to pay all Base Rental Payments directly to the Trustee to be held in trust in the Revenue Fund established under the Trust Agreement (the "Revenue Fund") for the benefit of the Bondholders. The County covenants under the Facilities Lease that as long as the Facilities are available for the County's use and occupancy, it will take such action as may be necessary to include all Base Rental Payments and Additional Payments due under the Facilities Lease in its annual budgets and to make the necessary annual appropriations therefor.

Base Rental Payments

Base Rental Payments are calculated on an annual basis for twelve-month periods commencing on June 1 and ending on May 31, and each annual Base Rental Payment is divided into two interest components, due on June 1 and December 1, and one principal component, due on June 1. Each Base

Rental Payment with respect to the 2021 Bonds will be payable by the County to the Authority on the third Business Day immediately preceding its due date. The interest components of the Base Rental Payments shall be paid by the County as and constitute interest paid on the principal components of the Base Rental Payments to be paid by the County hereunder, computed on the basis of a 360-day year composed of twelve 30-day months. Each annual payment of Base Rental (to be payable in installments as aforesaid) shall be for the use of the Facilities.

Pursuant to the Facilities Lease, the County is required to make all Base Rental Payments to the Trustee for deposit in the interest or principal accounts established for the 2021 Bonds within the Revenue Fund (the "Interest Account" and the "Principal Account" together, the "Principal Accounts"). In accordance with the Trust Agreement, the Trustee will transfer such amounts as are necessary to the related Interest Account or the related Principal Account, as the case may be, to pay principal of and interest on the 2021 Bonds as the same become due and payable. Following the transfers to pay principal or interest, any excess amount in the Revenue Fund will be returned to the County as an excess payment of Base Rental Payments.

Upon the expiration of the term of the Facilities Lease with respect to a particular Facility pursuant to the Facilities Lease, the respective Facility will be released from the Facilities Lease without compliance with the release requirements set forth in the Facilities Lease. See also "–Addition; Substitution, and Release of Property."

The County represents that it has not failed to include Base Rental Payments in its annual budgets.

See APPENDIX E–"SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS–TRUST AGREEMENT–Revenue Fund."

Flow of Funds

All Revenues and all other amounts pledged under the Trust Agreement when and as received are required to be transferred by the Authority to the Trustee for deposit in the Revenue Fund.

All money in the Revenue Fund is required to be set aside by the Trustee in the following respective special accounts or funds within the Revenue Fund in the following order of priority:

First: Interest Account - On or before each Interest Payment Date, the Trustee is required to set aside from the Revenue Fund and deposit in the Interest Account that amount of money which is equal to the amount of interest becoming due and payable on all Outstanding Bonds on such Interest Payment Date, and

Second: Principal Account - On or before each June 1, commencing June 1, 20[21], the Trustee is required to set aside from the Revenue Fund and deposit in the Principal Account an amount of money equal to the amount of all sinking fund payments required to be made on such June 1 into the respective sinking fund accounts for all Outstanding Term Bonds and the principal amount of all Outstanding Serial Bonds maturing on such June 1. On or before each Redemption Date, the Trustee shall set aside from the Revenue Fund and deposit in the Principal Account an amount of money equal to the Redemption Price required to be paid on such Redemption Date.

THE 2021 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM REVENUES AND ARE NOT SECURED BY A LEGAL OR EQUITABLE PLEDGE OF, OR CHARGE OR LIEN UPON ANY PROPERTY OF THE AUTHORITY OR THE COUNTY OR ANY OF THEIR INCOME OR RECEIPTS, EXCEPT THE REVENUES (AS DESCRIBED HEREIN). NEITHER THE FULL FAITH NOR THE CREDIT OF THE AUTHORITY OR THE COUNTY IS PLEDGED FOR THE PAYMENT OF THE INTEREST ON OR PRINCIPAL OF THE 2021 BONDS. NEITHER THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE 2021 BONDS NOR THE OBLIGATION TO MAKE BASE RENTAL PAYMENTS UNDER THE FACILITIES LEASE CONSTITUTES A DEBT, LIABILITY OR OBLIGATION OF THE AUTHORITY, THE COUNTY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS FOR WHICH ANY ENTITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH ANY ENTITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE 2021 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE AUTHORITY HAS NO TAXING POWER.

Insurance

Fire and Extended Coverage Insurance. The Facilities Lease requires the County to procure or cause to be procured and maintain or cause to be maintained, throughout the term of the Facilities Lease, insurance against loss or damage to any structures constituting any part of the Facilities by fire and lightning, with extended coverage insurance, vandalism and malicious mischief insurance and sprinkler system leakage insurance and earthquake insurance, if available on the open market from reputable insurance companies at a reasonable cost. Said extended coverage insurance is required to, as nearly as practicable, cover loss or damage by explosion, windstorm, flood, riot and riot attending a strike, aircraft, vehicle damage, hail, smoke and such other hazards as are normally covered by such insurance. Such insurance shall be in an amount equal to the replacement cost (without deduction for depreciation) of all structures constituting any part of the Facilities, excluding the cost of excavations, of grading and filling, and of the land (except that such insurance may be subject to deductible clauses for any one loss of not to exceed $250,000 or comparable amount adjusted for inflation or more in the case of earthquake insurance), or, in the alternative, be in an amount and in a form sufficient (together with moneys held under the Trust Agreement), in the event of total or partial loss, to enable the County to prepay all or any part of the Base Rental Payments then unpaid, pursuant to the Facilities Lease and to redeem outstanding Bonds.

In the event of any damage to or destruction of any part of the Facilities, caused by the perils covered by such insurance, the Authority is required to cause the proceeds of such insurance to be used for the repair, reconstruction or replacement of the damaged or destroyed portion of the Facilities, and the Trustee is required to hold said proceeds separate and apart from all other funds, in a special fund to be designated the “Insurance and Condemnation Fund,” to the end that such proceeds are required to be applied to the repair, reconstruction or replacement of the Facilities to at least the same good order, repair and condition as they were in prior to the damage or destruction, insofar as the same may be accomplished by the use of said proceeds. The Trustee is required to permit withdrawals of said proceeds from time to time upon receiving the Written Request of the Authority, stating that the Authority has expended moneys or incurred liabilities in an amount equal to the amount therein requested to be paid over to it for the purpose of repair, reconstruction or replacement, and specifying the items for which such moneys were expended, or such liabilities were incurred. Any balance of said proceeds not required for such repair, reconstruction or replacement is required to be treated by the Trustee as Base Rental Payments and deposited into the Revenue Fund applied in the manner provided in the Trust Agreement, however, that if the insurance proceeds were paid to cover damage to property of the County that does not constitute part of the Facilities, including, but not limited to furniture and office equipment, then such proceeds are required to be paid to the County. Alternatively, the Authority, at its option, and if the proceeds of such insurance together with any other moneys then available for the purpose are at least sufficient to redeem an aggregate principal amount of outstanding Bonds, equal to the amount of Base Rental attributable to the portion of the Facilities so destroyed or damaged (determined by reference to the proportion which the cost of such portion of the Facilities bears to the cost of the Facilities), may elect not to repair, reconstruct or replace the damaged or destroyed portion of the Facilities and cause said proceeds to be used for the redemption of Outstanding Bonds pursuant to the provisions of the Trust Agreement.

The Authority and the County covenant to promptly apply for Federal disaster aid or State disaster aid in the event that the Facilities are damaged or destroyed as a result of an earthquake occurring at any time. Any proceeds received as a result of such disaster aid are required to be used to repair, reconstruct, restore or replace the damaged or destroyed portions of the Facilities, or, at the option of the County and the Authority, to enable the County to prepay all or any part of the Base Rental Payments then unpaid, pursuant to the Facilities Lease, and to redeem outstanding Bonds if such use of such disaster aid is permitted.

As an alternative to providing the fire and extended coverage insurance, or any portion thereof, the County may provide a self-insurance method or plan of protection if and to the extent such self-insurance method or plan of protection affords reasonable coverage for the risks required to be insured against, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State other than the County. So long as such method or plan is being provided to satisfy the requirements of the Facilities Lease, there is required to be filed annually with the Trustee a statement of an actuary, insurance consultant or other qualified person (which may be the Risk Manager of the County), stating that, in the opinion of the signer, the substitute method or plan of protection is in accordance with the requirements of the Facilities Lease and, when effective, would afford reasonable coverage for the risks required to be insured against. A Certificate of the County setting forth the details of such substitute method or plan is also required to be filed with the Trustee. In the event of loss covered by any such self-insurance method, the liability of the County will be limited to the amounts in the self-insurance reserve fund or funds created under such method.

Liability Insurance. The Facilities Lease requires the County to procure or cause to be procured and maintain or cause to be maintained, throughout the term of the Facilities Lease, a standard comprehensive general liability insurance policy or policies in protection of the Authority and its members, directors, officers, agents and employees and the Trustee, indemnifying said parties against all direct or contingent loss or liability for damages for personal injury, death or property damage occasioned by reason of the operation of the Facilities, with minimum liability limits of $1,000,000 for personal injury or death of each person and $3,000,000 for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of $200,000 for damage to property resulting from each accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of $3,000,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance carried by the County.

As an alternative to providing the standard comprehensive general liability insurance described in the preceding paragraph, or any portion thereof, the County may provide a self-insurance method or plan of protection if and to the extent such self-insurance method or plan of protection affords reasonable protection to the Authority, its members, directors, officers, agents and employees and the Trustee, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State other than the County. So long as such method or plan is being provided to satisfy the requirements of the Facilities Lease, there is required to be filed annually with the Trustee a statement of an actuary, independent insurance consultant or other qualified person (which may be the Risk Manager of the County), stating that, in the opinion of the signer, the substitute method or plan of protection is in accordance with the requirements of the Facilities Lease and, when effective, would afford reasonable protection to the Authority, its members, directors, officers, agents and employees and the Trustee against loss and damage from the hazards and risks covered thereby. A Certificate of the County setting forth the details of such substitute method or plan is also required to be filed with the Trustee.

Rental Interruption or Use and Occupancy Insurance. The Facilities Lease requires the County to procure or cause to be procured and maintain or cause to be maintained, rental interruption or use and occupancy insurance to cover loss, total or partial, of the rental income from or the use of the Facilities as the result of any of the hazards covered by the insurance required by the Facilities Lease (provided with respect to earthquake insurance, only if available on the open market from reputable insurance companies at a reasonable cost, as determined by the County), in an amount sufficient to pay the part of the total rent attributable to the portion of the Facilities rendered unusable (determined by reference to the proportion which the cost of such portion bears to the cost of the Facilities) for a period of at least two years, except that such insurance may be subject to a deductible clause of not to exceed $250,000 or a comparable amount adjusted for inflation (or more in the case of earthquake coverage), and with the additional exception that with respect to coverage for terrorism related loss, the period may be only one year, provided that the County use its best efforts to obtain such coverage for a period of at least two years assuming it is available on the open market from reputable insurance companies at a reasonable cost, as determined by the County. Any proceeds of such insurance is required to be used by the Trustee to reimburse to the County any rental paid by the County under the Facilities Lease attributable to such structure for a period of time during which the payment of Base Rental under the Facilities Lease is abated, and any proceeds of such insurance not so used is required to be applied as provided in the Facilities Lease (to the extent required for the payment of Base Rental) and any remainder is required to be treated as Revenues. The County may *not* self-insure for rental interruption insurance.

Worker's Compensation Insurance. The County is also required to maintain worker's compensation insurance issued by a responsible carrier authorized under the laws of the State to insure its employees against liability for compensation under the Worker's Compensation Insurance and Safety Act now in force in the State, or any act hereafter enacted as an amendment or supplement thereto. As an alternative, such insurance may be maintained as part of or in conjunction with any other insurance carried by the County. Such insurance may be maintained by the County in the form of self-insurance.

Title Insurance. The County is also required to obtain, for the benefit of the Authority, title insurance on the Facilities, in an amount equal to the aggregate principal amount of the 2021 Bonds, issued by a company of recognized standing duly authorized to issue the same, subject only to Permitted Encumbrances.

For a description of insurance and self-insurance programs of the County, see APPENDIX B–"COUNTY FINANCIAL INFORMATION–Insurance and Self-Insurance Programs."

Additional Bonds

The Authority may only issue additional bonds under the Trust Agreement ("Additional Bonds") secured on a parity with the Bonds for the sole purpose of acquiring (by purchase or lease) or constructing facilities to be added to the Facilities or for the refunding of Outstanding Bonds. APPENDIX E–"SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS–TRUST AGREEMENT–Conditions for the Issuance of Additional Bonds."

Addition; Substitution and Release of Property

The County and the Authority may add, substitute or release real property as part of the Facilities, but only after the County files with the Authority and the Trustee, with written notice to each rating agency then providing a rating for the 2021 Bonds, all of the following:

(i) Executed copies of the Facilities Lease or amendments thereto containing the amended description of the Facilities.

(ii) A Certificate of the County with copies of the Facilities Lease or the Site Lease, if needed or amendments thereto containing the amended description of the Facilities stating that such documents have been duly recorded in the official records of the County Recorder of the County.

(iii) A Certificate of the County, supported by expert knowledge (which may be that of the Real Estate Manager of the County) or construction cost information evidencing that the fair market value or the insured value of the Facilities that will constitute the Facilities after such addition, substitution or release will be at least equal to the aggregate outstanding principal amount of the Base Rental Payments after such addition, substitution or release and that the annual fair rental value of the Facilities after such addition, substitution, or release will be at least equal to the maximum annual Base Rental Payments coming due and payable under the Facilities Lease after such addition, substitution or release, and that the useful life of such Facilities will at least extend to the final Base Rental Payment date.

(iv) In connection with any addition or substitution of property, a leasehold owner's title insurance policy or policies or a commitment for such policy or policies or an amendment or endorsement to an existing title insurance policy or policies resulting in title insurance with respect to the Facilities after such addition or substitution in an amount at least equal to the aggregate principal amount of Bonds Outstanding at the time of such addition or substitution.

(v) A Certificate of the County stating that (i) such addition, substitution or release does not adversely affect the County's use and occupancy of such Facilities (as such term will be defined following the addition, substitution or release), and (ii) no event of default under the Facilities Lease has occurred and is continuing.

(vi) In connection with any substitution or release of property, (i) a Certificate of the County stating that the substitution or release will not cause the County to violate its covenants, representations and warranties under the Facilities Lease, and (ii) the written consent of the provider of the Reserve Facility (which consent shall not be unreasonably withheld).

(vii) In connection with any substitution of property, a Certificate of the County stating that the Facility to be added is of approximately the same or greater degree of essentiality to the County as the Facility being replaced.

(viii) In connection with the addition of property, a Certificate of the County stating that the Facility to be added is an essential facility of the County.

(ix) An Opinion of Bond Counsel stating that such amendment or modification (A) complies with the terms of the Constitution and laws of the State and of the Trust Agreement; (B) will, upon the execution and delivery thereof, be valid and binding upon the Authority and the County; and (C) if the 2021 Bonds Outstanding with respect thereto were issued on a tax-exempt basis, will not cause the interest on such Series of 2021 Bonds to be included in gross income for federal income tax purposes.

There is no requirement under the Facilities Lease that any substitute Facilities be of the same or a similar nature or function as the then-existing Facilities.

Option to Purchase

Pursuant to the Facilities Lease, the County has the option to purchase the interest of the Authority in any part of the Facilities upon payment of an option price consisting of moneys or securities satisfying the requirements specified in the Trust Agreement (and which securities are not callable by the issuer thereof prior to maturity) in an amount sufficient (together with the increment, earnings and interest on such securities) to provide funds to pay the aggregate amount for the entire remaining term of the Facilities Lease of the part of the total rent thereunder attributable to such part of the Facilities (determined by reference to the proportion which the cost of such part of the Facilities bears to the cost of all of the Facilities).

Payment of the option price is required to be made to the Trustee, will be treated as rental payments, and is required to be applied by the Trustee to pay the principal of the Series of 2021 Bonds and interest on such 2021 Bonds and to redeem 2021 Bonds if such 2021 Bonds are subject to redemption pursuant to the terms of the Trust Agreement.

Sale of Personal Property

The County, in its discretion, may request the Authority to sell or exchange any personal property which may at any time constitute a part of the Facilities, and to release said personal property from the Facilities Lease, if (i) in the opinion of the County the property so sold or exchanged is no longer required or useful in connection with the operation of the Facilities, (ii) the consideration to be received from the property is of a value substantially equal to the value of the property to be released, and (iii) if the value of any such property is, in the opinion of the Authority, exceeds the amount of $100,000, the Authority is required to have been furnished with a certificate of an independent engineer or other qualified independent professional consultant (satisfactory to the Authority) certifying the value thereof and further certifying that such property is no longer required or useful in connection with the operation of the Facilities. In the event of any such sale, the full amount of the money or consideration received for the personal property so sold and released is required to be paid to the Authority. Any money so paid to the Authority may, so long as the County is not in default under any of the provisions of the Facilities Lease, be used upon the Written Request of the County to purchase personal property, which property shall become a part of the Facilities leased under the Facilities Lease.

Abatement

Base Rental Payments and Additional Payments will be abated proportionately, during any period in which by reason of any damage or destruction (other than by condemnation) there is substantial interference with the use and occupancy of the Facilities by the County, in the proportion in which the cost of that portion of the Facilities rendered unusable bears to the cost of the whole of the Facilities. Such abatement will continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction. In the event of any such damage or destruction, the Facilities Lease will continue in full force and effect and the County waives any right to terminate the Facilities Lease by virtue of any such damage or destruction.

DEBT SERVICE SCHEDULE

The following table shows the debt service schedule relating to the Bonds (assuming no optional or extraordinary redemptions).

Table 3
Debt Service Schedule

Fiscal Year Ended June 30	2021 Series A Bonds			2021 Series B Bonds			Total Fiscal Year Debt Service
	Principal	Interest	Total	Principal	Interest	Total	
[2021]							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
2029							
2030							
2031							
2032							
2033							
2034							
2035							
2036							
2037							
2038							
2039							
2040							
[2041]							

CERTAIN RISK FACTORS

The following factors, along with the other information in this Official Statement, should be considered by potential investors in evaluating the purchase of the 2021 Bonds. However, the following does not purport to be an exhaustive listing of risks and other considerations, which may be relevant to investing in the 2021 Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.

Limited Obligation

The 2021 Bonds are not County debt and are limited obligations of the Authority. Neither the full faith and credit of the Authority nor the County is pledged for the payment of the interest on or principal of the 2021 Bonds nor for the payment of Base Rental Payments. The Authority has no taxing power. The obligation of the County to pay Base Rental Payments when due is an obligation payable from amounts in the General Fund of the County. The obligation of the County to make Base Rental Payments under the Facilities Lease does not constitute an obligation of the County for which the County is obligated to levy or pledge any form of taxation or for which the County has levied or pledged any form of taxation. Neither the 2021 Bonds nor the obligation of the County to make Base Rental Payments under the Facilities Lease constitute a debt or indebtedness of the Authority, the County, the State or any of its political subdivisions, within the meaning of any constitutional or statutory debt limitation or restrictions.

Base Rental Payments Not a Debt of the County; Other County Obligations

The Base Rental Payments due under the Facilities Lease (and insurance costs, payment of costs of repair and maintenance of the Facilities, taxes and other governmental charges and assessments levied against the Facilities) are not secured by any pledge of taxes or any other revenues of the County but are payable from any funds lawfully available to the County. The County may incur other obligations in the future payable from the same sources as the Base Rental Payments. In the event the County's revenue sources are less than its total obligations, the County could choose to fund other municipal services before making Base Rental Payments. The same result could occur if, because of State constitutional limits on expenditures, the County is not permitted to appropriate and spend all of its available revenues. The County's appropriations, however, have never exceeded the limitations on appropriations under Article XIII B of the California Constitution. For information on the County's current limitations on appropriations, see "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS–Article XIII B of the California Constitution."

Valid and Binding Covenant to Budget and Appropriate

Pursuant to the Facilities Lease, the County covenants to take such action as may be necessary to include the related Base Rental Payments due in its annual budgets and to make necessary appropriations for all such payments. Such covenants are deemed to be duties imposed by law, and it is the duty of the public officials of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform such covenants. A court, however, in its discretion may decline to enforce such covenants. Upon issuance of the 2021 Bonds, Bond Counsel will render its opinion (substantially in the form of APPENDIX F–"PROPOSED FORM OF BOND COUNSEL OPINION") to the effect that, subject to the limitations and qualifications described therein, the Facilities Lease constitutes a valid and binding obligation of the County. As to the Authority's practical realization of remedies upon default by the County, see "–Limitations on Remedies."

Abatement

During any period there is loss or substantial interference in the use and occupancy of a Facility by the County caused by damage or destruction (other than by condemnation) Base Rental Payments will be abated proportionately in the proportion in which the cost of that portion of the Facilities rendered unusable bears to the cost of the whole Facilities, the related Base Rental Payments are subject to abatement. In the event that any Facility or any component thereof, if damaged or destroyed by an insured casualty, could not be replaced during the period of time that proceeds of the County's rental interruption insurance will be available in lieu of Base Rental Payments plus the period for which funds are available from the Revenue Fund, or in the event that casualty insurance proceeds or condemnation proceeds are insufficient to provide for complete repair, reconstruction or replacement of the Facilities or redemption of the Series of 2021 Bonds, there could be insufficient funds to make payments to Owners of the Series of 2021 Bonds in full. See APPENDIX E–"SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS–FACILITIES LEASE–Rental Abatement."

It is not possible to predict the circumstances under which such an abatement of rental may occur. In addition, there is no statute, case or other law specifying how such an abatement of rental should be measured. Abatement, therefore, could have an uncertain and material adverse effect on the security for and payment of the 2021 Bonds.

No Reserve Fund

The Authority has not funded a debt service reserve fund for the Series 2021 Bonds.

Limited Recourse on Default; No Acceleration of Base Rental Payments

The enforcement of remedies provided in the Facilities Lease and the Trust Agreement could be both expensive and time consuming. The Trustee has no interest in the Authority's title to any of the Facilities, and has no right to terminate the Facilities Lease or reenter or relet the Facilities. Upon the occurrence of one of the "events of default" described below, the County will be deemed to be in default under the Facilities Lease and the Authority may exercise any and all remedies available pursuant to law or granted pursuant to the Facilities Lease. Upon any such default, including a failure to pay Base Rental Payments, the Authority may either (1) terminate the Facilities Lease and seek to recover certain damages or (2) without terminating the Facilities Lease, (i) continue to collect rent from the County on an annual basis by seeking a separate judgment each year for that year's related defaulted Base Rental Payments and/or (ii) reenter the related Facilities and relet them. In the event of default, there is no right to accelerate the total Base Rental Payments due over the term of the Facilities Lease, and the Trustee has no possessory interest in the Facility and is not empowered to sell the Facilities or any of the Facilities.

Events of default under the Facilities Lease include: (i) the failure of the County to pay any rental payment under the Facilities Lease when the same become due (ii) the failure of the County to keep, observe or perform any term, covenant or condition of the Facilities Lease required to be kept or performed by the County for a period of 60 days after notice of the same has been given to the County by the Authority or the Trustee or for such additional time as reasonably required in the sole discretion of the Authority, to correct the same and (iii) assignment or transfer of the County's interest in the Facilities Lease, either voluntarily or by operation of law or otherwise, without the written consent of the Authority; (iv) the County or any assignee files any petition or institutes any proceeding under any act or acts, State or federal, dealing with or relating to the subject or subjects of the bankruptcy or insolvency or under any amendment of such act or acts, either as a bankrupt or as an insolvent, or as a debtor, or in any similar capacity, wherein or whereby the County asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of its debts or obligations, or offers to its creditors to effect a composition or extension of time to pay the debts of the County or asks, seeks or prays for reorganization or to effect a plan of reorganization, or for a readjustment of the debts of the County, or for any other similar relief, or if any such petition or any such proceedings of the same or similar kind or character be filed or be instituted or taken against the County, or if a receiver of the business or of the property or assets of the County is appointed by any court, except a receiver appointed at the instance or request of the Authority, or if the County makes a general or any assignment for the benefit of the County's creditors, (v) the County abandons or vacates the related Facilities, or (vi) any representation or warranty made by the County in the Facilities Lease proves to have been false, incorrect, misleading or breached in any material respect on the date when made.

Upon a default, the Trustee may elect to proceed against the County to recover damages pursuant to the Facilities Lease. Any suit for money damages would be subject to statutory and judicial limitations on lessors' remedies under real property leases, other terms of the Facilities Lease and limitations on legal remedies against counties in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest.

Limitations on Remedies

The rights of the Bondholders are subject to the limitations on legal remedies against counties in the State, including applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights generally, now or hereafter in effect, and to the application of general principles of equity, including concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law.

Under Chapter 9 of the Bankruptcy Code, which governs the bankruptcy proceedings for public agencies such as the County, there are no involuntary petitions in bankruptcy. If the County were to file a petition under Chapter 9 of the Bankruptcy Code, the Bondholders, the Trustee and the Authority could be prohibited from taking any steps to enforce their rights under the Facilities Lease, and from taking any steps to collect amounts due from the County under the Facilities Lease.

All legal opinions with respect to the enforcement of the Facilities Lease and the Trust Agreement will be expressly subject to a qualification that such agreements may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting creditors' rights generally and by applicable principles of equity if equitable remedies are sought.

Bankruptcy

The rights and obligations of the County and the Authority under the 2021 Bonds, the Facilities Lease, the Site Lease, the Trust Agreement, and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against joint powers authorities and counties in the State.

The County is a political subdivision of the State permitted, under certain circumstances, to file for municipal bankruptcy under chapter 9 ("Chapter 9") of the United States Bankruptcy Code (the "Bankruptcy Code"). Chapter 9 permits only a voluntary filing by the County, not involuntary filings.

Among the adverse effects of such a bankruptcy might be: (a) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent collection of payments from the County or the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the County; (b) the avoidance of preferential transfers occurring during the relevant period prior to the filing of a bankruptcy petition; (c) the occurrence of unsecured or court-approved secured debt which may be secured by a lien with priority over the lien of the Trust Agreement or the release of Revenues to the County, free and clear of the lien of the Trust Agreement, in each case provided that the bankruptcy court determines that the rights of the Trustee and the Holders of the 2021 Bonds will be adequately protected; or (d) the possibility of the adoption of a plan for the adjustment of a county's debt without the consent of all creditors, which plan may restructure, delay, compromise or reduce the amount of the claim of the Holders of the 2021 Bonds if the bankruptcy court finds that such a plan is fair and equitable. The County may also be able, without the consent and over the objection of the Trustee and the Holders of the 2021 Bonds, to alter the priority, interest rate, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Trust Agreement and the 2021 Bonds, provided that the bankruptcy court determines that the alterations are fair and equitable.

Such adverse effects may result in the parties (including the Holders of the 2021 Bonds) being prohibited from taking any action to collect any amount from the County or to enforce any obligation of the County, unless the permission of the bankruptcy court is obtained. These restrictions may also prevent the Trustee from making payments to the Holders of the 2021 Bonds from funds in the Trustee's possession. There may also be delays in payments on the 2021 Bonds while the court considers any of these issues. There may be other possible effects of a bankruptcy of the County that could result in delays or reductions in payments on the 2021 Bonds, or result in losses to the Holders of the 2021 Bonds. Regardless of any specific adverse determinations in a County bankruptcy proceeding, the fact of a County bankruptcy proceeding could have an adverse effect on the liquidity and value of the 2021 Bonds.

A bankruptcy filing by the County could also limit remedies under the Facilities Lease or permit the County to assign the Facilities Lease to a third party without complying with any relevant provisions of the transaction documents. Among other limitations, a debtor in bankruptcy may choose to assume or reject executory contracts and leases. It is not clear whether a bankruptcy court would treat the Facilities Lease as an unexpired lease or executory contract under Section 365 ("Section 365") of the Bankruptcy Code (a "True Lease") or a loan or other financing arrangement (a "Financing Arrangement"). The Bankruptcy Code specifies different consequences for True Leases and Financing Arrangements. Were a bankruptcy court to find that the Facilities Lease is a True Lease, the Bankruptcy Code permits the County to reject the Facilities Lease and return possession of the Facilities to the lessor, leaving the Trustee, on behalf of Holders of the 2021 Bonds, with a general, unsecured claim that would likely be limited by the cap on landlord claims provided in the Bankruptcy Code, *i.e.*, to the rent payable under the Facilities Lease (without acceleration) for the greater of one year or 15% of the remaining term of the Facilities Lease, but not to exceed three years, following the earlier of (a) the date the bankruptcy petition was filed, and (b) the date on which the Authority repossessed or the County surrendered the leased property, plus any unpaid rentals under the Facilities Lease (without acceleration) on the earlier of such dates. Thus, if the Facilities Lease is treated as a True Lease under Section 365 and rejected in a County bankruptcy, any damage claim could be severely limited, resulting in reduced funds available to pay the 2021 Bonds. Alternatively, if a bankruptcy court found that the Facilities Lease was a Financing Arrangement, the Trustee, on behalf of Holders of the 2021 Bonds, may have a secured claim only up to the value of the economic value of the secured interest in the Facilities. Such value would be subject to determination by the bankruptcy court. Any portion of the claim of the Trustee, on behalf of the Holders of the 2021 Bonds that exceeded such value would likely be treated as unsecured.

Pension Issues in Bankruptcy. In a bankruptcy of the County, if a material unpaid liability is owed to the Contra Costa County Employees' Retirement Association ("CCCERA") or any other pension system (collectively the "Pension Systems") on the filing date, or accrues thereafter, such circumstances could create additional uncertainty as to the County's ability to make Base Rental Payments or other Lease Payments. Given that municipal pension systems in the State are usually administered pursuant to State constitutional provisions and, as applicable, other state, county and/or city law, the Pension Systems may take the position, among other possible arguments, that their claims enjoy a higher priority than all other claims, that Pension Systems have the right to enforce payment by injunction or other proceedings outside of a County bankruptcy case, and that Pension System claims cannot be the subject of adjustment or other impairment under the Bankruptcy Code because that would purportedly constitute a violation of state statutory, constitutional and/or municipal law. It is uncertain how a bankruptcy judge in a County bankruptcy would rule on these matters. Issues of pension underfunding claim priority, pension contribution enforcement, and related bankruptcy plan treatment of such claims (among other pension-related matters) were the subject of litigation in the Chapter 9 cases and related appeals, including those of Stockton, California and San Bernardino, California.

Military Conflicts and Terrorist Activities

Military conflicts and terrorist activities may adversely impact the finances of the County. The County is unable to determine the effect of future terrorist events, if any, on, among other things, the County's current and future budgets, tax revenues, available reserves and additional public safety expenditures. The County conducted a review of certain existing safety and security measures after the events of September 11, 2001 and participates in additional security and public safety precautions taken in conjunction with "code" designations (*i.e.*, red, orange, yellow) announced by the federal government. Such precautions include coordination of safety and medical personnel, although specific anti-terrorist programs are not divulged publicly. The County does not guarantee that such actions will be adequate in the event that terrorist activities are directed against the County or its residents. The County cannot guarantee that additional safety or security related precautions taken by or affecting the County will not have a material adverse financial impact on the County.

Although, the County maintains various insurance coverages on its properties, including terrorism coverage for real and personal property, the County makes no representation that this insurance coverage will continue to be maintained in the future or as to the ability of any insurer to fulfill its obligations under any insurance policy. See also APPENDIX B–"COUNTY FINANCIAL INFORMATION–Insurance and Self-Insurance Programs."

There are three petroleum refineries located within the County, and during the past five Fiscal Years, the owners of these refineries were among the top 10 principal property taxpayers in the County. A terrorist act against any of these refineries or any principal taxpayer resulting in damage or destruction to facilities or infrastructure could have a material impact on revenues of the County. See also APPENDIX B–"COUNTY FINANCIAL INFORMATION."

Risk of Earthquake and Other Natural Disasters

The occurrence of any natural disaster in the County, including, without limitation, earthquake, fire, windstorm, drought, landslide, mudslide, flood or a rise in sea levels as result of climate change, could have an adverse material impact on the economy within the County, its General Fund, and the Revenues available to make Base Rental Payments.

There are several earthquake faults in the greater San Francisco Bay Area that could result in damage to the Facilities, buildings, roads, bridges, and property within the County in the event of an earthquake. Past experiences, including the 1989 Loma Prieta earthquake, measuring 6.9 on the moment magnitude scale (7.1 on the Richter scale) with an epicenter approximately 60 miles south of the County and the 2014 Napa earthquake, measuring 6.0 on the moment magnitude scale with an epicenter approximately 33 miles northwest of the County, resulted in some structural damage to the infrastructure and property in the County, the repair of which was covered by insurance. Earthquake faults that could affect the County include but may not be limited to the Hayward Fault in the western part of the County, and the Concord/Green Valley, Diablo and Calaveras Faults within the eastern portions of the County.

The Facilities Lease does not require the County to maintain insurance on the Facilities against earthquake risk unless such insurance is available from a reputable insurance company at a reasonable cost to the County. The County has purchased an earthquake insurance policy that expires on March 31, [2021] to cover all County property, including the Facilities. The County currently expects this insurance will be renewed.

The occurrence of natural disasters within the County could result in substantial damage within the County and to the Facilities which, in turn, could substantially reduce the ability of the County to make Base Rental Payments or cause an abatement in Base Rental Payments. Reduced ability to pay Base Rental Payments could affect the payment of the principal of and interest on the Series 2021 Bonds. The County maintains liability insurance and property casualty insurance on the Facilities, however, there can be no assurance that specific losses will be covered by insurance or, if covered, that claims will be paid in full by the applicable insurers. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 BONDS–Insurance" and APPENDIX B–"COUNTY FINANCIAL INFORMATION–Insurance and Self-Insurance Programs."

Risk of Declines in Assessed Valuation

Property tax levied against the assessed value of property within the County generally represents approximately ___% of General Fund revenues annually. Possible causes for a reduction in assessed values include the complete or partial destruction of taxable property within the County caused by natural or manmade disasters, such as flood, sea level rise, fire, toxic dumping, acts of terrorism, etc., or reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes). Any significant reduction in assessed value would have a material effect on Revenues available to make Base Rental Payments on the 2021 Bonds.

Climate Change

General. The adoption by the State of the California Global Warming Solutions Act of 2006 (Assembly Bill No. 32) and subsequent companion bills demonstrate the commitment by the State to take action and reduce greenhouse gases ("GHG") to 1990 levels by 2020 and 80% below 1990 levels by 2050. The State Attorney General's Office, in accordance with the terms of Senate Bill No. 375, now requires that local governments examine local policies and large-scale planning efforts to determine how to reduce GHG emissions. Additionally, in 2006, the State adopted Senate Bill No. 32, which established a revised Statewide GHG emission reduction target of 40% below 1990 levels by 2030.

Additionally, the State's 100 Percent Clean Energy Act of 2018 ("Senate Bill No. 100"), establishes targets for making the State's power sources emissions free by December 31, 2045. Achieving that goal will require the State to increase its renewable energy portfolio as a source of electricity and will require utility companies, including those companies from whom the County may purchase energy from, to source energy from renewable zero-carbon resources.

County Climate Change Policy. In 2005, the County released the "*Contra Costa County Climate Protection Report,*" which provided an initial GHG inventory, reported existing County efforts to reduce GHG emissions and potential actions that could reduce GHG emissions in the future. The Board of

Supervisors then adopted a resolution in February 2007 to join Local Governments for Sustainability and to conduct a GHG emissions inventory of the County's countywide and municipal emissions. In October 2007, the Board of Supervisors adopted a resolution to complete a climate action plan for the county's municipal facilities and operations, which was funded by the Bay Area Air Quality Management District (BAAQMD).

In December 2008 the Board of Supervisors adopted a Municipal Climate Action Plan (the "2008 Plan") which reviewed GHG emissions from County operations. The 2008 Plan established formal GHG reduction targets, GHG reduction measures and methods for analysis and monitoring of GHG reduction measures for the County.

On December 15, 2015, the Board of Supervisors adopted an updated Climate Action Plan (the "2015 Plan") for the County identifying the strategy for achieving the Assembly Bill No. 32 GHG emissions reduction targets and further addressed climate change locally. The 2015 Plan includes sections covering the scientific and regulatory environment, an updated GHG inventory and forecast, a GHG reduction strategy and implementation plan.

[Statement Regarding Progress Towards GHG emission reduction goals?]

Sea Level Rise. In May 2009, the California Climate Change Center released a final paper (for informational purposes only) entitled "*The Impacts of Sea-Level Rise on the California Coast*" prepared by the Pacific Institute and funded by the California Energy Commission, the California Environmental Protection Agency, the Metropolitan Transportation Commission, the California Department of Transportation, and the California Ocean Protection Council. This paper posits that increases in sea level will be a significant consequence of climate change over the next century.

Climate change models predict more intense rainfall events, more frequent or extensive runoff, and more frequent and severe flood events. Localized flood events may increase in periods of heavy rain. Although climate change is likely to lead to a drier climate overall, risks from regular, more intense rainfall events can generate more frequent and/or more severe flooding that upsets California's managed balance between storage and protection. Additionally, erosion may increase and water quality may decrease as a result of increased rainfall amounts.

The Pacific Institute identified several portions of shoreline areas within the County which may be affected by sea level rise. Local impacts of climate change are not definitive, but the County, including and portions of the unincorporated areas of Bay Point (formerly West Pittsburg), North Richmond, and Rodeo could experience changes to local and regional weather patterns; rising bay water levels; increased risk of flooding; changes in salinity and tidal patterns of San Francisco and San Pablo bays; coastal erosion; water restrictions; and vegetation changes.

In addition, the County participated in the Adapting to Rising Tides (ART) project to identify risks of sea level rise throughout the County. In March 2017, a final report (the "ART Study-West") was released identifying the major risks to West and Central Contra Costa County, from Richmond to unincorporated Bay Point. In summary, the report estimates that sea levels may rise 2-12 inches by 2030, 5-24 inches by 2050, and 17-66 inches by 2100 in Contra Costa County. Using these estimates combined with National Research Council data, the ART Study-West quantifies the damage posed by sea-level rise across Contra Costa County, with particular emphasis on what is at risk across sectors and for the most vulnerable communities in the County.

A separate study is being completed for the eastern portion of the County (the "ART Study-East") in collaboration with Adapting to Rising Tides, the Delta Stewardship Council and the County. The ART

Study-East project concentrates on the threats from current and future flooding in the Sacramento/San Joaquin Delta region, from the City of Pittsburg to the Clifton Court Forebay (located southeast of the unincorporated community of Byron). This study is currently in progress and is expected to be completed in 20_____.

Sea level rise occurs as a result of rising average ocean temperatures, thermal expansion, and melting of snow and ice. While many different climate change effects will impact the County, sea level rise has been extensively researched and quantified, allowing for a clearer geographic understanding of its effects. The rate and amount of sea level rise will be influenced by rising average temperatures and the speed of melting glacial ice. There is a degree of uncertainty in many projections, and the present rate of sea level rise is faster than many previous projects have estimated. On average, the Pacific Institute paper projected that the County will experience a 40% increase in acreage vulnerable to a 100-year flood event between 2000 and 2100.

Wildfires. The State continues to battle devastating wildfires. According to recent research, California's annual wildfire extent increased fivefold since the 1970's. It is believed that this trend was mainly due to an eightfold increase in summertime forest-fire area and was very likely driven by drying of fuels promoted by human-induced warming.[1] This trend is likely to continue, resulting in significant economic and public safety challenges for the State, the San Francisco Bay Area, and the County.

Climate change concerns are leading to new laws and regulations at the federal, State and local levels. Research suggests that the State will experience hotter and drier conditions, reductions in winter snow and increases in winter rains, sea level rise, significant changes to the water cycle, increased occurrences of extreme and unpredictable weather events, and increased catastrophic wildfires and severity of flood events. The compound impacts of which will affect economic systems throughout the State, the San Francisco Bay Area region, and the County. The County is unable to predict the impact that such laws and regulations, if adopted, and the effects of climate change will have on the Revenues available to make Base Rental Payments, however, the effects could be material.

Drought. From 2012 through 2016, the State experienced "exceptional drought conditions" (the most severe drought classification) according to the U.S. Drought Monitor. Other notable historical droughts included 2007-09, 1987-92, 1976-77, and off-and-on dry conditions spanning more than a decade in the 1920s and 1930s.

Droughts cause public health and safety impacts, as well as economic and environmental impacts. Public health and safety impacts are primarily associated with catastrophic wildfire risks and drinking water shortage risks for small water systems in rural areas and private residential wells. Examples of other impacts include costs to homeowners due to loss of residential landscaping, degradation of urban environments due to loss of landscaping, agricultural land fallowing and associated job loss, degradation of fishery habitat, and tree mortality with damage to forest ecosystems.

It is not possible for the County to make any representation regarding the extent to which drought conditions could cause reduced economic activity within the County or the extent to which droughts may have in the future on General Fund revenues of the County.

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[1] Williams, A. P., Abatzoglou, J. T.,Gershunov, A., Guzman-Morales, J., Bishop, D. A., Balch, J. K., & Lettenmaier, D. P. (2019). Observed impacts of anthropogenic climate change on wildfire in California. Earth's Future, Vol. 7, Issue 8, 892–910. https://doi.org/10.1029/2019EF001210

Potential Impacts of Coronavirus and Other Health-Related Risks

Background. On January 7, 2020, the Centers for Disease Control and Prevention established an incident management system for, and has since responded to, an outbreak of respiratory disease caused by a novel coronavirus that was first detected in China and which has now been detected worldwide, including the United States. The virus has been named "SARS-CoV-2" and the disease it causes has been named "coronavirus disease 2019" ("COVID-19"). On January 30, 2020, the International Health Regulations Emergency Committee of the World Health Organization ("WHO") declared the COVID-19 outbreak a "public health emergency of international concern."

On January 31, 2020, Health and Human Services Secretary declared a public health emergency for the United States to aid the nation's healthcare community in responding to COVID-19, and on March 11, 2020, WHO declared COVID-19 to be a pandemic.

On March 4, 2020, the Governor of the State declared a State of Emergency to make additional resources available, formalize emergency actions currently underway across multiple State agencies, including the California Department of Public Health, the California Health and Human Services Agency, the Governor's Office of Emergency Services and other agencies, and help the State prepare for broader spread of COVID-19. A week later, the Governor announced that State public health officials issued an updated policy determining that all gatherings in the State of more than 250 should be postponed or canceled until at least the end of March 2020. And, on March 10, 2020, the Board of Supervisors adopted resolutions proclaiming the existence of a local emergency and requesting the Governor to proclaim a state of emergency within the County and the County Department of Health Services issued guidance for social distancing, including the cancellation or postponement of events for greater than 49 people.

Federal Responses and Relief Actions. On March 13, 2020, a national emergency was declared by the President to combat COVID-19. This declaration provides access to the Federal Emergency Management Agency (FEMA) Public Assistance program, which allows for a 75% federal cost share on certain emergency protective measures taken at the direction or guidance of public health officials in response to the COVID-19 pandemic. Qualifying expenditures are those that are not supported by the authority of another federal agency (*i.e.* reimbursement for response activities funded by another federal agency grant program). Examples of reimbursable activities include the activation of Emergency Operations Centers, National Guard costs, law enforcement, and other measures necessary to protect public health and safety.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act established the Coronavirus Relief Fund (CRF) and appropriated $150 billion to the CRF. The CRF is to be used to make payments for specified uses to states and certain local governments with populations over 500,000; the District of Columbia and U.S. Territories; and Tribal governments.

On April 22, 2020, the County received an allocation of $201,281,393.70 from the U.S. Treasury as a direct allocation from the CRF as it is a local jurisdiction with a population exceeding 500,000. The CARES Act includes certain restrictions on the use of the CRF direct allocation and the County is reviewing how to best direct this revenue in concert with other potential cost recovery items.

State Responses and Actions. On March 19, 2020, the Governor issued Executive Order N-33-10 requiring all residents to remain home or at their places of residence, except as needed to maintain continuity of operation of 16 critical infrastructure sectors identified by the federal government (essential businesses).

Following the President's emergency declaration, the Governor requested that the federal government declare a major disaster in California due to COVID-19. That request was approved by the President on March 22, 2020, which activated additional federal resources directed to assist the State, including deployment of mobile hospital units and a U.S. Navy hospital ship among other things. The County was a recipient of mobile field hospital equipment and took delivery of those resources at the Craneway Pavilion in Richmond, which will serve as a 250-bed alternate care site supporting the capacity of the County's hospital and clinic system. On April 28, 2020, the Board of Supervisors ratified a renewal of the license agreement for the Craneway Pavilion through May 2020.

The California Governor's Office of Emergency Services (CalOES) is facilitating the collection of FEMA Requests for Public Assistance (RPA) from agencies (public and private) impacted by the COVID-19 pandemic and has requested that impacted agencies adopt required Project Assurances for Federal Assistance and a resolution designating agents that can act on behalf of the impact agency.

[On August 28, 2020 the Governor announced "The California Blueprint for a Safer Economy" (the "Blueprint), a tool for reducing COVID-19 in the State with revised criteria for loosening and tightening restrictions on activities. Every county in the State is assigned to a tier based on its test positivity and adjusted case rate for tier assignment. There are four tiers, designated by color: purple (widespread), red (substantial), orange (moderate), and yellow (minimal) to designate community disease transmission with each tier having a different level of associated restrictions. Based upon size, counties can travel between tiers based upon performance in two case measures, among other things:

"Adjusted Case Rate," the average daily number of COVID-19 cases over seven days, excluding persons out of State or with unknown county of residence and persons incarcerated, divided by the number of people living in the county multiplied by a case rate adjustment factor (as set forth in the Blueprint); and

"Testing Positivity Rate," the total number of positive polymerase chain reaction ("PCR") tests for COVID-19 over a seven-day period (based on specimen collected date) divided by the total number of PCR tests conducted, excluding persons out of State or with unknown county of residence and persons incarcerated, multiplied by 100.

Additionally, the California Health Equity Metric (the "Metric") took effect on October 6, 2020. The Metric is designed to help guide counties in their continuing efforts to reduce COVID-19 cases in all communities and requires more intensive efforts to prevent and mitigate the spread of COVID-19 among Californians who have been disproportionately impacted by the pandemic. In order to advance to the next less restrictive tier, each county will need to meet an equity metric or demonstrate targeted investments to eliminate disparities in levels of COVID-19 transmission, depending on the size of a specific county

On November 16, 2020, in light of the recent, unprecedented surge in the rate of increase of COVID-19 cases, the Governor made the following changes to the tier framework, described above, effective until further notice:

- Tier assignments may occur any day of the week and may occur more than once a week when the California Department of Public Health ("CDPH") determines that the most recent reliable data indicate that immediate action is needed to address COVID-19 transmission in a county;

- Counties may be moved back more than one tier if CDPH determines that the data support the more intensive intervention. Key considerations will include the rate of increase in new cases and/or test positivity, more recent data as noted below, public health capacity, and other epidemiological factors;

- The most recent reliable data will be used to complete the assessment; and
- In light of the extreme circumstances requiring immediate action, counties will be required to implement any sector changes the day following the tier announcement.

As of the date of this Official Statement, the County is in the _________ (_____) tier.]

County Responses and Actions. The County has activated the Emergency Operations Center (EOC) and several Department Operations Centers (DOC) to assist in the response to the pandemic. Those operations centers are the hub for procurement and distribution of services and equipment necessary to respond to the emergency.

On March 16, 2020, the County, along with Health Officers from the San Francisco Bay Area, announced Public Health Orders requiring residents to stay home to limit the spread of COVID-19. These "shelter-in-place" orders were initially in effect through April 7, 2020. Pursuant to County Code Section 42-2.602, on March 20, 2020, the County Administrator, in his capacity of Administrator of Emergency Services, issued an emergency blanket purchase order in the amount of $20 million for the procurement of services and supplies necessary to facilitate the COVID-19 response within the County.

On March 31, 2020 the shelter-in-place order was extended through May 3, 2020 and both expanded and clarified certain activities to be deemed non-essential to include use of shared recreational facilities and most construction activities, among other things. On April 17, 2020, the County and the Health Officers issued a "Cover Your Face" order, which went into effect on April 22, 2020 and requires face coverings when working in or visiting an essential business, riding on public transportation, and visiting a healthcare facility. Since March 31, the initial County shelter-in-place order has been extended several times, most recently on December 4, 2020. These interventions are designed to reduce harm from the spread of the coronavirus in the community. Because COVID-19 spreads so easily, it is believed that without dramatic intervention like these orders, the number of patients requiring medical attention in hospitals could dramatically increase and quickly overwhelm hospital facilities and increase the risks to health care workers and other first responders. Also see the discussion in APPENDIX B–"COUNTY FINANCIAL INFORMATION–Major General Fund Revenues."

Currently, the spread of COVID-19 is altering the behavior of businesses and the public in a manner that is having negative effects on global and local economies. There can be no assurances that the spread of COVID-19 will not have a longer-term material adverse impact on the economy and the financial condition of the County. Potential impacts to the County associated with COVID-19 transmission include, but are not limited to, reductions in commercial activity, with corresponding decreases in major revenues such as sales tax and increases in expenditures to clean, sanitize, and maintain County facilities as a result of public health risks. The degree to which any such impact to the operations and finances of the County is extremely difficult to predict due to the evolving nature of COVID-19 transmission, including uncertainties relating to (i) the duration of the outbreak, (ii) the severity of the outbreak, and (iii) the ultimate geographic spread of the outbreak, as well as with regard to what actions may be taken by governmental authorities to contain or mitigate its impact.

Cybersecurity

The County, like many other public and private entities, relies on computer and other digital technology and systems to conduct its operations. The County and its departments are potentially subject to multiple cyber threats including, but not limited to, hacking, viruses, malware, ransomware, and other attacks on computers and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to County systems for the purposes of misappropriating assets or information or causing operational disruption or damage. The County maintains insurance coverage for cyber threat losses if a successful breach occurs, however, the County makes no representation that such insurance would be sufficient to cover all losses in the event of a material and sustained cyber breach. In January 2020, the County Library branches and its administrative offices experienced a ransomware attack of its computer system resulting in the affected servers being taken offline, and in February 2020, a second outage occurred. The County Library is working with law enforcement and IT experts to gather information and prevent future attacks. The County Library does not collect social security numbers or store credit card payment information, and in 2019 ceased collecting driver's license information and removed that information form customer records. Currently, there is no evidence that any personal patron data was compromised. The County Library computer system is not integrated with the general County computer systems

No assurances can be given that the security and operational control measures of the County will be successful in guarding against any and each cyber threat and attack. The results of any attack on the computer and information technology systems of the County could have a material adverse impact on the operations and finances of the County and damage the digital networks and systems. The resulting impacts on the operations of the County and the costs of remedying any such damage could be material and result in a delay of payments of the Base Rental Payments or the ability of the County to comply with its reporting obligations under the Continuing Disclosure Agreement.

Hazardous Substances

Owners and operators of real property may be required by law to remedy conditions of the property relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance whether or not the owner (or operator) has or had anything to do with creating or handling the hazardous substance. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly and adversely affect the operations and finances of the County.

Although the County handles, uses and stores certain hazardous substances, including but not limited to, solvents, paints and certain other chemicals on or near the Facilities, the County knows of no existing hazardous substances which require remedial action on or near the Facilities. However, it is possible that such substances do currently or potentially exist and that the County is not aware of them.

Limited Liability of Authority to the Owners

Except as expressly provided in the Trust Agreement, the Authority will not have any obligation or liability to the Owners of the 2021 Bonds with respect to the payment when due of the Base Rental Payments by the County, or with respect to the performance by the County of other agreements and covenants required to be performed by it contained in the Facilities Lease, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained in the Trust Agreement.

State Funding of Counties

The County receives a significant portion of its funding from subventions by the State. In Fiscal Year 2019-20, approximately 23% (representing approximately [384.9] million) of the Recommended General Fund Budget consisted of payments from the State. For Fiscal Year 2020-21, approximately 23% (representing approximately [408.6] million) of the Recommended General Fund Budget is expected to consist of payments from the State. As a result, decreases in the revenues received by the State can affect subventions made by the State to the County and other counties in the State. The potential impact of State budget actions on the County in particular, and other counties in the State generally, in this and future Fiscal Years is uncertain. For a discussion of the potential impact of State budget actions on the County in particular, and counties in the State generally, see APPENDIX B–"COUNTY FINANCIAL INFORMATION–State Budgets."

Loss of Tax Exemption

As discussed under "TAX MATTERS," interest on the 2021 Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of issuance, as a result of acts or omissions of the Authority or the County subsequent to the issuance of the 2021 [Bonds in violation of the covenants contained in the Trust Agreement or the Facilities Lease. The Trust Agreement *does not* contain a special redemption provision triggered by the occurrence of an event of taxability. As a result, if interest on the 2021 Bonds were to become includable in gross income for purposes of the federal income tax, the 2021 Bonds would continue to remain outstanding until maturity or unless earlier redeemed pursuant to optional redemption.

IRS Examination

The IRS has an ongoing program of examining tax and revenue anticipation notes, other working capital financings and other tax-exempt obligations to determine whether, in the view of the IRS, interest on such obligations is properly excluded from gross income for federal income tax purposes.

In 2011, the IRS selected three series of tax allocation revenue bonds issued by the Authority in 1999, 2003 and 2007 for examination. The Authority provided certain information relating to those bonds to the IRS as requested and made a settlement payment to the IRS with respect to those bonds. In January 2013, the IRS completed and closed its examination of those bonds with no change in position that interest received by bondholders of those bonds is excludable from gross income under Section 103 of the Code.

It is possible that the 2021 Bonds or other tax-exempt obligations of the County may be selected for examination under such program. There is no assurance that an IRS examination of the 2021 Bonds or other tax-exempt obligations of the County will not adversely affect the market value of the 2020 Bonds. See "TAX MATTERS."

Pension and Other Post-Employment Benefit Liability

Many factors influence the amount of the pension and other post-employment benefit liabilities of the County, including, without limitation, inflationary factors, changes in laws, changes in the levels of benefits provided or in the contribution rates of the County, increases or decreases in the number of covered employees, changes in actuarial assumptions or methods (including but not limited to the assumed rate of return), and differences between actual and anticipated investment experience of the plans. Any of these factors could give rise to additional liability of the County as a result of which the County would be obligated to make additional payments in order to fully fund its obligations. See

APPENDIX B–"COUNTY FINANCIAL INFORMATION–Pension Plan" and "–Other Post-Employment Benefits."

Changes in Law

Initiative measures have been proposed or adopted which affect the ability of local governments to increase taxes and rates. Article XIII A, Article XIII B, Article XIII C, Article XIII D, and Propositions 218, 1A, 22 and 26, were each adopted as measures that qualified for the ballot through the State's initiative process. From time to time, other initiative measures could be adopted, which may place further limitations on the ability of the State and the County to increase revenues or to increase appropriations which may affect the revenues available to make the Base Rental Payments or the ability of the County to expend its revenues. There is no assurance that the electorate or the State Legislature will not at some future time approve additional limitations which could affect the ability of the County to make payments under the Facilities Lease and adversely affect the security for the 2021 Bonds.

Secondary Market

There can be no guarantee that there will be a secondary market for the 2021 Bonds or, if a secondary market exists, that any 2021 Bonds can be sold for any particular price. Prices of municipal securities for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price. No assurance can be given that the market price for the 2021 Bonds will not be affected by the introduction or enactment of any future legislation, or changes in interpretation of existing law.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS

Described below are certain measures which have impacted or may in the future impact the County's General Fund Budget.

Article XIII A of the California Constitution

General. In 1978, California voters approved Proposition 13, adding Article XIII A to the California Constitution. Article XIII A was subsequently amended on several occasions in various respects. Article XIII A limits the amount of any ad valorem tax on real property to 1% of the full cash value thereof, except that additional ad valorem taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978 and on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters voting on such indebtedness and or bonded indebtedness incurred by a school district, community college district or county office of education for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities approved by 55% of the voters voting on the proposition. 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" or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIII A has been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, and to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster or in the event of certain transfers to children or spouses or of the elderly or disabled to new residences.

Legislation Implementing Article XIII A

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the County and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years. See APPENDIX B–"COUNTY FINANCIAL INFORMATION–*Ad Valorem* Property Taxes."

Article XIII B of the California Constitution

On October 6, 1979, California voters approved Proposition 4, known as the Gann Initiative, which added Article XIII B to the California Constitution. Propositions 98 and 111, approved by the California voters in 1988 and 1990, respectively, substantially modified Article XIII B. 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 and population. The initial version of Article XIII B provided that the "base year" for establishing an appropriations limit was the 1978-79 fiscal year, which was then adjusted annually to reflect changes in population, consumer prices and certain increases in the cost of services provided by these public agencies. Proposition 111 revised the method for making annual adjustments to the appropriations limit by redefining changes in the cost of living and in population. It also required that beginning in Fiscal Year 1990-91 each appropriations limit must be recalculated using the actual 1986-87 appropriations limit and making the applicable annual adjustments as if the provisions of Proposition 111 had been in effect.

Appropriations subject to limitations of a local government under Article XIII B include generally any authorization to expend during a fiscal year the proceeds of taxes levied by or for that entity and the proceeds of certain State subventions to that entity, exclusive of refunds of taxes. Proceeds of taxes include, but are not limited to all tax revenues plus the proceeds to an entity of government from (1) regulatory licenses, user charges and user fees (but only to the extent such proceeds exceed the cost of providing the service or regulation), (2) the investment of tax revenues, and (3) certain subventions received from the State. Article XIII B permits any government entity to change the appropriations limit by a vote of the electors in conformity with statutory and constitutional voting effective for a maximum of four years.

As amended by Proposition 111, Article XIII B provides for testing of appropriations limits over consecutive two-year periods. If an entity's revenues in any two-year period exceed the amounts permitted to be spent over such period, the excess has to be returned by revising tax rates or fee schedules over the subsequent two years. As amended by Proposition 98, Article XIII B provides for the payment of a portion of any excess revenues to a fund established to assist in financing certain school needs. Appropriations for "qualified capital outlays" are excluded from the limits of Proposition 111.

The Article XIII B limits for the County for the last four Fiscal Years and estimated for Fiscal Year 2020-21 are set forth below.

Fiscal Year	Article XIII A Limit	Budget Amount
2016-17	$19,899,587,179	$397,683,814
2017-18	20,874,666,951	$423,977,321
2018-19	21,855,776,298	447,954,143
2019-20	22,861,142,008	472,687,280
2020-21†	23,825,882,201	506,596,368

† Budgeted.
Source: County Auditor-Controller.

The County has never exceeded its Article XIII B appropriations limit and does not anticipate having any difficulty in operating within the appropriations limit.

Article XIII C and Article XIII D of the California Constitution

On November 5, 1996, the voters of the State approved Proposition 218, known as 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 a local agency to levy and collect both existing and future taxes, assessments, fees and charges. Article XIII C requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of a local agency require a majority vote and taxes for specific purposes, even if deposited in the general fund, require a two-thirds vote. Further, any general purpose tax which the local agency imposed, extended or increased without voter approval after December 31, 1994 may continue to be imposed only if approved by a majority vote in an election held prior to November 5, 1998. The voter approval requirements of Article XIII C reduce a local agency's flexibility to deal with fiscal problems by raising revenue through new or extended or increased taxes and no assurance can be given that the County will be able to impose, extend or increase taxes in the future to meet increased expenditure requirements. Article XIII D contains several provisions making it generally more difficult for local agencies to levy and maintain "assessments" for municipal services and programs. "Assessment" in this Article is defined to mean any levy or charge upon real property for a special benefit conferred upon the real property.

Article XIII D also contains several provisions affecting a "fee" or "charge," defined for purposes of Article XIII D to mean "any levy other than an *ad valorem* tax, a special tax, or an assessment, imposed by a local agency upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service." All new and existing property related fees and charges must conform to requirements prohibiting, among other things, fees and charges which (i) generate revenues exceeding the funds required to provide the property related service, (ii) are used for any purpose other than those for which the fees and charges are imposed, (iii) with respect to any parcel or person, exceed the proportional cost of the service attributable to the parcel, (iv) are for a service not actually used by, or immediately available to, the owner of the property in question, or (v) are used for general governmental services, including police, fire or library services, where the service is available to the public at large in substantially the same manner as it is to property owners. Further, before any property related fee or charge may be imposed or increased, written notice must be given to the record owner of each parcel of land affected by such fee or charge. The local agency must then hold a hearing upon the proposed imposition or increase, and if written protests against the proposal are presented by a majority of the owners of the identified parcels, the local agency may not impose or increase the fee or charge. Moreover, except for fees or charges for sewer, water and refuse collection services (or fees for electrical and gas service, which are not treated as "property related" for purposes of Article XIII D), no property related fee or charge may be imposed or increased without majority approval by the property owners subject to the fee or charge or, at the option of the local agency, two-thirds voter approval by the electorate residing in the affected area.

The County does not believe that it is currently collecting fees, charges or assessments in violation of Article XIII D. The County has two enterprise funds that are self-supporting from fees and charges, which could, depending upon judicial interpretation of Proposition 218, ultimately be determined to be property related for purposes of Article XIII D. In the event that fees and charges cannot be appropriately increased, or are reduced pursuant to exercise of the initiative power (described in the following paragraph), the County may have to decide whether to support any deficiencies in these enterprise funds with moneys from the general fund or to curtail service, or both.

In addition to the provisions described above, Article XIII C also removes prohibitions and limitations on the initiative power in matters of any "local tax, assessment, fee or charge." Consequently, the voters of the County could, by future initiative, repeal, reduce or prohibit the future imposition or increase of any local tax, assessment, fee or charge. "Assessment," "fee" and "charge," are not defined in Article XIII C and it is not clear whether the definitions of these terms in Article XIII D (which are generally property-related as described above) would limit the scope of the initiative power set forth in Article XIII C. If the Article XIII D definitions are not held to limit the scope of Article XIII C initiative powers, then the Article XIII C initiative power could potentially apply to revenue sources that currently constitute a substantial portion of general fund revenues. No assurance can be given that the voters of the County will not, in the future, approve initiatives that repeal, reduce or prohibit the future imposition or increase of local taxes, assessments, fees or charges.

Proposition 62

On November 4, 1986, California voters adopted Proposition 62, an initiative statute that, among other things, requires (i) that any new or increased general purpose tax be approved by a two-thirds vote of the local governmental entity's legislative body and by a majority vote of the voters voting in an election on the issue, (ii) that any new or increased special purpose tax be approved by a two-thirds vote of the local governmental entity's legislative body and by a two-thirds vote of the voters voting in an election on the issue, and (iii) that the revenues from a special tax be used for the purposes or for the services for which the special tax was imposed.

On September 28, 1995, the California Supreme Court filed its decision in *Santa Clara County Local Transportation Authority v. Guardino,* 11 Cal. 4th 220 (1995) (the "Santa Clara decision"), which upheld a Court of Appeal decision invalidating a one-half cent countywide sales tax for transportation purposes levied by a local transportation authority. The California Supreme Court based its decision on the failure of the authority to obtain a two-thirds vote for the levy of a "special tax" as required by Proposition 62. The Santa Clara decision did not address the question of whether it should be applied retroactively. In *McBrearty v. City of Brawley,* 59 Cal. App. 4th 1441 (1997), the Court of Appeal, Fourth District, concluded that the Santa Clara decision is to be applied retroactively to require voter approval of taxes enacted after the adoption of Proposition 62 but before the Santa Clara decision.

Following the California Supreme Court's decision upholding Proposition 62, several actions were filed challenging taxes imposed by public agencies since the adoption of Proposition 62. On June 4, 2001, the California Supreme Court released its decision in one of these cases, *Howard Jarvis Taxpayers Association et al. v. City of La Habra,* 25 Cal. 4th 809 (2011). In this case, the court held that the public agency's continued imposition and collection of a tax is an ongoing violation, upon which the statute of limitations period begins anew with each collection. The court also held that, unless another statute or constitutional rule provided differently, the statute of limitations for challenges to taxes subject to

Proposition 62 is three years. Accordingly, a challenge to a tax subject to Proposition 62 may only be made for those taxes received within three years of the date the action is brought.

Proposition 62 as an initiative statute does not have the same level of authority as a constitutional initiative, but is analogous to legislation adopted by the State Legislature, except that it may be amended only by a vote of the State's electorate. Since the passage of Proposition 218, however, certain provisions of Proposition 62 (e.g., voter approval of taxes) are governed by the California Constitution. The requirements of Proposition 218 and Proposition 62 are not in complete harmony, and so where they diverge, the local governmental entity must meet both standards. For a discussion of taxes affected by Proposition 218, see "–Article XIII C and Article XIII D of the California Constitution" above. If a court determined that a jurisdiction imposed a tax in violation of Proposition 62, Proposition 62 would require that the portion of the one percent general *ad valorem* property tax levy allocated to that jurisdiction be reduced by $1 for every $1 in revenue attributable to the tax for each year that the tax had been collected.

Proposition 1A

The California Constitution and existing statutes give the Legislature authority over property taxes, sales taxes and the vehicle license fee (the "VLF"). The Legislature has authority to change tax rates, the items subject to taxation and the distribution of tax revenues among local governments, schools, and community college districts. The State has used this authority for many purposes, including increasing funding for local services, reducing State costs, reducing taxation, addressing concerns regarding funding for particular local governments, and restructuring local finance. The California Constitution generally requires the State to reimburse the local governments when the State mandates a new local program or higher level of service. Due to the ongoing financial difficulties of the State in recent years, it has not provided reimbursements for many mandated costs. In other cases, the State has suspended mandates, eliminating both responsibility of the local governments for complying with the mandate and the need for State reimbursements.

On November 3, 2004, the voters of the State approved Proposition 1A, which amended the California Constitution to, among other things, reduce the State Legislature's authority over local government revenue sources by placing restrictions on the State's access to local government's property, sales and vehicle license fee revenues. Proposition 1A generally prohibits the shift of property tax revenues from cities, counties and special districts, except to address a "severe state financial hardship," which must be approved by a two-thirds vote of both houses of the Legislature, and only then if, among other things, such amounts were agreed to be repaid with interest within three years. The measure also (a) protects the property tax backfill of sales tax revenues diverted to pay the State's economic recovery bonds, and the reinstatement of the sales tax revenues once such bonds are repaid, and (b) protects local agency vehicle license fee revenue (or a comparable amount of backfill payments from the State).

If the State reduces the VLF rate below its current level of 0.65 percent of the vehicle value, Proposition 1A requires the State to provide local governments with equal replacement revenues. Proposition 1A provides two significant exceptions to the above restrictions regarding sales and property taxes. First, the State may shift to schools and community colleges up to 8 percent of local government property tax revenues if the Governor proclaims that the shift is needed due to a severe State financial hardship, the legislature approves the shift with a two-thirds vote of both houses and certain other conditions are met. The State must repay local governments for the diversion of their property tax revenues, with interest, within three years. Second, Proposition 1A allows the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county.

Proposition 1A amends the California Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. If the State does not provide funding for the activity that has been determined to be mandated, the requirement on cities, counties or special districts to abide by the mandate would be suspended. In addition, Proposition 1A expands the definition of what constitutes a mandate to encompass State action that transfers to cities, counties and special districts financial responsibility for a required program for which the State previously had complete or partial financial responsibility. This provision does not apply to mandates relating to schools or community colleges, or to those mandates relating to employee rights.

Proposition 1A restricts the State's authority to reallocate local tax revenues to address concerns regarding funding for specific local governments or to restructure local government finance. For example the State could not enact measures that changed how local sales tax revenues are allocated to cities and counties. In addition, measures that reallocated property taxes among local governments in a county would require approval by two-thirds of the members of each house of the legislature (rather than a majority vote). As a result, Proposition 1A could result in fewer changes to local government revenues than otherwise would have been the case.

Proposition 22

Proposition 22 ("Proposition 22") which was approved by California voters in November 2010, prohibits the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services and prohibits fuel tax revenues from being loaned for cash-flow or budget balancing purposes to the State General Fund or any other State fund. In addition, Proposition 22 generally eliminates the State's authority to temporarily shift property taxes from cities, counties, and special districts to schools, temporarily increase a school and community college district's share of property tax revenues, prohibits the State from borrowing or redirecting redevelopment property tax revenues or requiring increased pass-through payments thereof, and prohibits the State from reallocating vehicle license fee revenues to pay for State-imposed mandates. The County is unable to predict how Proposition 22 will be interpreted, or to what extent the measure will affect the revenues in the general fund of local agencies, although it could eventually provide greater stability in local agency revenues.

Due to the prohibition with respect to the State's ability to take, reallocate, and borrow money raised by local governments for local purposes, Proposition 22 supersedes certain provisions of Proposition 1A (2004). However, borrowings and reallocations from local governments during 2009 are not subject to Proposition 22 prohibitions. In addition, Proposition 22 supersedes Proposition 1A of 2006. Accordingly, the State is prohibited from borrowing sales taxes or exercise taxes on motor vehicle fuels or changing the allocations of those taxes among local governments except pursuant to specified procedures involving public notices and hearings.

Proposition 26

On November 2, 2010, the voters of the State approved Proposition 26 ("Proposition 26"), revising certain provisions of Articles XIII A and XIII C of the California Constitution. Proposition 26 re-categorizes many State and local fees as taxes, requires local governments to obtain two-thirds voter approval for taxes levied by local governments, and requires the State to obtain the approval of two-thirds of both houses of the State Legislature to approve State laws that increase taxes. Furthermore, pursuant to Proposition 26, any increase in a fee beyond the amount needed to provide the specific service or benefit is deemed to be a tax and the approval thereof will require a two-thirds vote. In addition, for State imposed charges, any tax or fee adopted after January 1, 2010 with a majority vote which would have required a two-thirds vote if Proposition 26 were effective at the time of such adoption is repealed as of November 2011 absent the re-adoption by the requisite two-thirds vote.

Proposition 26 amends Article XIII C of the State Constitution to state that a "tax" means a levy, charge or exaction of any kind imposed by a local government, except: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property or the purchase, rental or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law, including late payment fees, fees imposed under administrative citation ordinances, parking violations, etc.; (6) a charge imposed as a condition of property development; or (7) assessments and property related fees imposed in accordance with the provisions of Article XIII D. Fees, charges and payments that are made pursuant to a voluntary contract that are not "imposed by a local government" are not considered taxes and are not covered by Proposition 26.

Proposition 26 applies to any levy, charge or exaction imposed, increased, or extended by local government on or after November 3, 2010. Accordingly, fees adopted prior to that date are not subject to the measure until they are increased or extended or if it is determined that an exemption applies. If the local government specifies how the funds from a proposed local tax are to be used, the approval will be subject to a two-thirds voter requirement. If the local government does not specify how the funds from a proposed local tax are to be used, the approval will be subject to a fifty percent voter requirement. Proposed local government fees that are not subject to Proposition 26 are subject to the approval of a majority of the governing body. In general, proposed property charges will be subject to a majority vote of approval by the governing body although certain proposed property charges will also require approval by a majority of property owners.

Future Initiatives

The laws and Constitutional provisions described above were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted, further affecting revenues of the County, the County's ability to expend revenues. Neither the Authority nor the County can anticipate the nature or impact of such measures.

THE AUTHORITY

The Authority is a joint powers authority, organized pursuant to an Amended and Restated Joint Exercise of Powers Agreement, dated as of June 16, 2015 (the "JPA Agreement"), by and between the County and the Contra Costa County Flood Control and the Water Conservation District (the "District"). The JPA Agreement amended and restated the Joint Exercise Powers Agreement, dated as of April 7, 1992, between the County and the Contra Costa County Redevelopment Agency (the "Agency") and provided for the addition of the District and the withdrawal of the Successor to the Agency as members of the Authority. The JPA Agreement was entered into pursuant to the California Government Code, commencing with Section 6500. The Authority is a separate entity constituting a public instrumentality of the State of California and was formed for the public purpose of assisting in financing and refinancing projects for the benefit of the County and the District.

The Authority is governed by a five member Board of Directors. The Board of Supervisors of the County constitutes the Board of Directors of the Authority. The Executive Director and Secretary of the Authority is the County Administrator; the Assistant Executive Director of the Authority is the County Public Works Director; the Deputy Executive Directors of the Authority are the Chief Assistant County Administrator and the County Finance Director; the Treasurer of the Authority is the County Auditor-Controller; and the Assistant Secretary of the Authority is the County Finance Director. The Authority's powers include, but are not limited to, the power to issue bonds and to sell such bonds to public or private purchasers at public or by negotiated sale. The Authority is entitled to exercise the powers common to its members and necessary to accomplish the purposes for which it was formed. These powers include the power to make and enter into contracts; to employ agents and employees; to acquire, construct, manage, maintain and operate buildings, works or improvements; to acquire, hold or dispose of property within the County; and to incur debts, liabilities or obligations.

THE COUNTY

The County of Contra Costa lies northeast of the San Francisco Bay and is the ninth most populous county in California. The County seat is in the City of Martinez. Major industries in the County include petroleum refining and telecommunications. The General Fund Final Budget for Fiscal Year 2019-20 was approximately $[1.878] billion and for Fiscal Year 2020-21 is approximately [1.790] billion.

For certain economic, demographic and financial information with respect to the County, see APPENDIX A–"GENERAL COUNTY ECONOMIC AND DEMOGRAPHIC INFORMATION," APPENDIX B–"COUNTY FINANCIAL INFORMATION" and APPENDIX C–"COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE COUNTY FOR THE FISCAL YEAR ENDED JUNE 30, 2020."

RATINGS

Moody's Investors Service ("Moody's") and S&P Global Ratings ("S&P") have assigned ratings of "___" and "___," respectively, to the 2021 Bonds.

Certain information was supplied by the Authority and the County to Moody's and S&P to be considered in evaluating the 2021 Bonds. A rating reflects only the view of the agency giving such rating and is not a recommendation to buy, sell or hold the 2021 Bonds. An explanation of the significance of the rating may be obtained from the rating agency at the following addresses: Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007 and S&P Global Ratings, 55 Water Street, New York, New York 10041.

There is no assurance that such ratings will continue for any given period of time or that they will not be reduced or withdrawn entirely by the rating agencies, or either of them, if in their or its, judgment, circumstances so warrant. The Authority, the County, and the Trustee undertake no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal may have an adverse effect on the market price of the 2021 Bonds.

In providing a rating on the 2021 Bonds, the rating agencies may have performed independent calculations of coverage ratios using their own internal formulas and methodology which may not reflect the provisions of the 2021 Indenture. The Authority and the County make no representation as to any such calculations, and such calculations should not be construed as a representation by the Authority or the County as to past or future compliance with any bond covenants, the availability of particular revenues for the payment of debt service on the 2021 Bonds or for any other purpose.

The County will covenant in the Continuing Disclosure Certificate to file on EMMA, notices of any ratings changes on the 2021 Bonds. See "CONTINUING DISCLOSURE" and APPENDIX G–"PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT." Notwithstanding such covenants, information relating to ratings changes on the 2021 Bonds may be publicly available from the rating agencies prior to such information being provided to the County and prior to the date notice of such rating change is obligated to be filed on EMMA. Purchasers of the 2021 Bonds are directed to the rating agencies and their respective websites and official media outlets for the most current ratings changes with respect to the 2021 Bonds following the initial issuance of the 2021 Bonds.

LITIGATION MATTERS

At the time of delivery of and payment for the 2021 Bonds, the County and the Authority will each certify that there is no action, suit, litigation, inquiry or investigation before or by any court, governmental agency, public board or body served, or to the best knowledge of the County or the Authority threatened, against the County or the Authority in any material respect affecting the existence of the County or the Authority or the titles of their officers to their respective offices or seeking to prohibit, restrain or enjoin the sale or delivery of the 2021 Bonds, the execution of the Trust Agreement, the Facilities Lease, the Site Leases or the payment of Base Rental Payments or challenging, directly or indirectly, the location of the Facilities, or the proceedings to lease the Facilities from the Authority.

Various other legal actions are pending against the County. The aggregate amount of the uninsured liabilities of the County which may result from all legal claims currently pending against it will not, in the opinion of the County, materially affect the County's finances or impair its ability to make Base Rental Payments under the Facilities Lease.

TAX MATTERS

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met subsequent to the issuance and delivery of the 2021 Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the 2021 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the 2021 Bonds. Pursuant to the Trust Agreement and the Tax Certificate, by and between the Authority and the County (the "Tax Certificate"), the Authority and the County have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the 2021 Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Authority and the County have made certain representations and certifications in the Trust Agreement and the Tax Certificate. Bond Counsel will not independently verify the accuracy of those representations and certifications.

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the aforementioned covenant, and the accuracy of certain representations and certifications made by the Authority and the County described above, interest on the 2021 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code.

In rendering these opinions, Bond Counsel has relied upon representations and covenants of the Authority and the County in the Tax Certificate concerning the property financed or refinanced with proceeds of the 2021 Bonds, the investment and use of Bond proceeds and the rebate to the federal government of certain earnings thereon. In addition, Bond Counsel has assumed that all such representations are true and correct and that the Authority and the County will comply with such covenants. Bond Counsel has expressed no opinion with respect to the exclusion of the interest on the 2021 Bonds from gross income under Section 103(a) of the Code in the event that any of such Authority or County representations are untrue or the Authority or the County fails to comply with such covenants, unless such failure to comply is based on the advice or the opinion of Bond Counsel.

State Taxes

Bond Counsel is also of the opinion that interest on the 2021 Bonds is exempt from personal income taxes of the State of California under present State law. Bond Counsel expresses no opinion as to other State or local tax consequences arising with respect to the 2021 Bonds nor as to the taxability of the 2021 Bonds or the income therefrom under the laws of any state other than California.

Original Issue Discount

Bond Counsel is further of the opinion that the excess of the principal amount of a maturity of the 2021 Bonds over its issue price (i.e., the first price at which price a substantial amount of such maturity of the 2021 Bonds was sold to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (each, a "Discount Bond" and collectively the "Discount Bonds") constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the 2021 Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such issue price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment. Owners of the Discount Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Bonds.

Original Issue Premium

Bonds sold at prices in excess of their principal amounts are "Premium Bonds". An initial purchaser with an initial adjusted basis in a Premium Bond in excess of its principal amount will have amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Bond based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, over the period to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

Ancillary Tax Matters

Ownership of the 2021 Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit, and taxpayers (including banks, thrift institutions and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or to carry the 2021 Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the 2021 Bonds is subject to information reporting to the Internal Revenue Service (the "IRS") in a manner similar to interest paid on taxable obligations. In addition, interest on the 2021 Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Bond Counsel is not rendering any opinion as to any federal tax matters other than those described in the opinions attached as Appendix F. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the 2021 Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Changes in Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the 2021 Bonds for federal or state income tax purposes, and thus on the value or marketability of the 2021 Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the 2021 Bonds from gross income for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the 2021 Bonds may occur. Prospective purchasers of the 2021 Bonds should consult their own tax advisors regarding the impact of any change in law on the 2021 Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the 2021 Bonds may affect the tax status of interest on the 2021 Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the 2021 Bonds, or the interest thereon, if any action is taken with respect to the 2021 Bonds or the proceeds thereof upon the advice or approval of other counsel.

LEGAL MATTERS

Nixon Peabody LLP, San Francisco, California, Bond Counsel, will render an opinion with respect to the validity of the 2021 Bonds. Copies of such approving opinion will be available at the time of delivery of the 2021 Bonds. The form of the legal opinion proposed to be delivered by Bond Counsel is included as APPENDIX F to this Official Statement. Bond Counsel undertakes no responsibility for the accuracy, completeness, or fairness of this Official Statement. Certain legal matters will be passed upon for the County and the Authority by County Counsel, and by Schiff Hardin LLP, San Francisco, California, Disclosure Counsel, and for the Underwriter by Katten Muchin Rosenman, New York, New York. Compensation paid to Bond Counsel, Disclosure Counsel and Underwriter's Counsel is contingent on the delivery of the 2021 Bonds.

MUNICIPAL ADVISOR

The County has retained Montague DeRose and Associates, LLC, Walnut Creek, California as Municipal Advisor (the "Municipal Advisor") to the County and the Authority in connection with the issuance of the 2021 Bonds. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or negotiable instruments. The Municipal Advisor has not audited, authenticated, or otherwise verified the information set forth in this Official Statement or other information relating to the 2021 Bonds. The Municipal Advisor makes no guaranty, warranty or other representation on any matter related to the information contained in this Official Statement. The compensation of the Municipal Advisor is [not] contingent upon the successful delivery of the 2021 Bonds.

CONTINUING DISCLOSURE

The County will undertake all responsibilities for any continuing disclosure to Owners of the 2021 Bonds as described below.

The County will enter into a Continuing Disclosure Agreement with Digital Assurance Certification, L.L.C., as Dissemination Agent, to be dated the date of delivery of the 2021 Bonds (the "Continuing Disclosure Agreement"), which provides for certain disclosure obligations on the part of the County. Pursuant to the Continuing Disclosure Agreement, the County will covenant for the benefit of Owners and Beneficial Owners of the 2021 Bonds to provide certain financial information and operating data relating to the County by not later than nine months after the end of its fiscal year (which fiscal year currently ends on June 30), commencing with the report for the fiscal year ending June 30, 2021 (the "Annual Report"), and to provide notices of the occurrence of certain specified events (the "Specified Events"). The Annual Report and notices of Specified Events will be filed by the County or the Dissemination Agent, through the Electronic Municipal Market Access site maintained by the MSRB. These covenants will be made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule"). For a form of the Continuing Disclosure Agreement, see APPENDIX G–"PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT."

During the last five years, the County has regularly filed its annual reports and notices of Specified Events in accordance with its prior continuing disclosure undertakings. However, in connection with the County of Contra Costa Public Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2015 Series A and 2015 Series B, the County failed to provide the construction status of the 2015 Project as of June 30, 2016, as required by the continuing disclosure certificate. A remedial filing on EMMA to supplement the 2016 Operating Data filing was made on March 2, 2018.

The County has established procedures intended to ensure compliance with its continuing disclosure undertakings, including the appointment of Digital Assurance Certification, L.L.C., as Dissemination Agent for *all* bond transactions for which it has continuing disclosure undertakings; adoption of a Debt Management Policy, including disclosure procedures, which is reviewed annually by the Board of Supervisors; and the designation of the County Administrator, the Director of Conservation and Development, and the County Finance Director, or their written designees as the Disclosure Representative for the County.

UNDERWRITING

Pursuant to the terms of a Bond Purchase Agreement with respect to the 2021 Bonds, dated __________, 2021 (the "Purchase Agreement"), by and among the Authority, the County and Barclays Capital Inc. (the "Underwriter"), the Underwriter will purchase all of the 2021 Bonds, if any are purchased. The obligation of the Underwriter to make such purchase is subject to the terms and conditions set forth in the Purchase Agreement.

The Underwriter purchased the 2021 Bonds at a price of $_________ (which represents the aggregate principal amount of the 2021 Bonds plus an aggregate net original issue premium in the amount of $_________ and less an aggregate Underwriter's discount in the amount of $_________).

The Underwriter may change the initial public offering prices and yields set forth on the inside cover pages of this Official Statement. The Underwriter may offer and sell the 2021 Bonds to certain dealers and others at prices lower or yields higher than the public offering prices and yields set forth on the inside cover pages hereof.

MISCELLANEOUS INFORMATION

References are made herein to certain documents, reports and laws that are brief summaries thereof which do not purport to be complete or definitive and reference is made to such documents, reports and laws for full and complete statements of the contents thereof. Copies of documents referred to herein are available upon written request from the County: 1025 Escobar Street, 4th Floor, Martinez, California 94553-0663; Attention: Finance Director. The County may impose a charge for copying, mailing and handling.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Authority or the County and the purchasers or Owners of any of the 2021 Bonds.

The execution and delivery of this Official Statement has been duly authorized by the Board of Directors of the Authority and approved by the County Board of Supervisors.

COUNTY OF CONTRA COSTA PUBLIC
FINANCING AUTHORITY

By:____________________________________
Monica Nino
Executive Director

APPENDIX A

GENERAL COUNTY ECONOMIC AND DEMOGRAPHIC INFORMATION

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APPENDIX A

GENERAL COUNTY ECONOMIC AND DEMOGRAPHIC INFORMATION

This Appendix A contains general information concerning the historic economic and demographic conditions in the County. The information was obtained from the sources indicated and is limited to the time periods indicated. The information is historic in nature and reflects information available as of its dated date; it is not possible to predict whether the trends shown will continue in the future. The County makes no representation as to the accuracy or completeness of data obtained from parties other than the County. In particular, certain of the information provided in under this Appendix predates the COVID-19 pandemic. See "Certain Bondowners' Risks – Potential Impacts of Corona Virus and Other Health-Related Risks."

General

The County of Contra Costa, California (the "County") was incorporated in 1850 as one of the original 27 counties of the State of California (the "State"), with the City of Martinez as the County seat. It is one of the nine counties in the San Francisco-Oakland Bay Area. The County covers about 733 square miles and extends from the northeastern shore of the San Francisco Bay easterly about 50 miles to San Joaquin County. The County is bordered on the south and west by Alameda County and on the north by the Suisun and San Pablo Bays. The western and northern shorelines are highly industrialized, while the interior sections are suburban/residential, commercial and light industrial. The County contains 19 incorporated cities, including Richmond in the west, Antioch in the northeast, and Concord in the middle.

A large part of the County is served by the San Francisco Bay Area Rapid Transit District ("BART"), which has enabled the expansion of both residential and commercial development throughout much of the County. In addition, economic development along the Interstate 680 corridor in the County has been substantial and has accounted for significant job creation in the Cities of Concord, Walnut Creek and San Ramon.

County Government

The County has a general law form of government. A five-member Board of Supervisors, each member of which is elected to a four-year term, serves as the County's legislative body. Also elected are the County Assessor, Auditor-Controller (the "County Auditor-Controller"), Clerk-Recorder, District Attorney-Public Administrator, Sheriff-Coroner and Treasurer-Tax Collector (the "County Treasurer"). A County Administrator appointed by the Board of Supervisors runs the day-to-day business of the County. The current County Administrator is Monica Nino.

Contra Costa County
Elected Officials
[Terms and Offices to be updated on January 4, 2021]

Name	Office	Expiration of Current Term
John M. Gioia	Supervisor, District 1	January 2, 2023
Candace Andersen	Supervisor, District 2, *Chair*	January 4, 2021
Diane Burgis	Supervisor, District 3, *Vice Chair*	January 4, 2021
Karen Mitchoff	Supervisor, District 4	January 2, 2023
Federal D. Glover	Supervisor, District 5	January 4, 2021
Robert R. Campbell	Auditor-Controller	January 2, 2023
Russell V. Watts	Treasurer-Tax Collector	January 2, 2023
Gus S. Kramer	Assessor	January 2, 2023
Deborah Cooper	Clerk Recorder	January 2, 2023
Diana Becton	District Attorney	January 2, 2023
David O. Livingston	Sheriff-Coroner	January 2, 2023

Brief resumes of key County officials are set forth below.

Monica Nino, County Administrator. Ms. Nino was appointed County Administrator by the Board of Supervisors on December 8, 2020 and is responsible for the overall administration of County government. Prior to her appointment, she served as the County Administrator for San Joaquin County, California, from 2013 to 2020 where she oversaw 26 county departments, an annual operating budget of $1.9 billion, and over 7,500 county employees serving 765,000 residents. Prior to that, Ms. Nino served as the Chief Executive Officer for Stanislaus County, where she began her career in local government in 1988. Ms. Nino also served on the San Joaquin Health Commission, Sex Offender Management Board (appointed by Governor Brown), the Council of Governments Management & Finance Committee, and iHub San Joaquin. Ms. Nino received her _______degree from _______. [Summary of professional memberships, board memberships, accolades – *To Come*].

Robert R. Campbell, Auditor-Controller. Mr. Campbell was elected Auditor-Controller of the County in June 2010 and is the chief accounting officer for the County. Prior to his election to the Office of Auditor-Controller, Mr. Campbell was the Chief Accountant over the property tax division. Mr. Campbell has worked for the County for more than 30 years. He received a Bachelor of Science degree in business administration from the California State University, Hayward. Mr. Campbell was appointed by the State Controller as the County Auditors' Association representative to the California Uniform Construction Cost Accounting Commission in 2011 and by the State Treasurer as a member of the State Task Force on Bond Accountability in 2015. Mr. Campbell is also an active member of the State Association of County Auditors, a member of the Government Finance Officers Association and the Association of Government Accountants. Mr. Campbell is a former president of the State Association of County Auditors Property Tax and Payroll Managers' committees, and served as a member on various State Association's Property Tax Guideline Committees.

Russell V. Watts, Treasurer-Tax Collector. Mr. Watts was elected Treasurer-Tax Collector in June 2010. In this capacity he also serves as ex officio member on the Board of Trustees of the Contra Costa County Employees' Retirement Association, representing the County at large. Mr. Watts also serves on the County's Debt Advisory Committee and the OPEB Trust Advisory Group, and is the Plan Administrator for the Public Agencies Post-Retirement Health Care Plan Trust. Mr. Watts is a member of the California Association of County Treasurer-Tax Collectors and serves on both the Executive and Legislative Committees. He is also a member of the Government Finance Officers Association. Mr. Watts has sat on the Contra Costa County Treasury Oversight Committee since 2003. Mr. Watts received his Bachelor of Arts from Brigham Young University and earned his Masters in Public Administration at the

University of North Carolina-Chapel Hill. He has worked in tax administration and treasury management since 1994.

Population

The County is the ninth most populous county in California, with its population reaching approximately 1,153,561 as of January 1, 2020. This represents an increase of approximately 0.22% compared to the County's population as of January 1, 2019. The availability of rapid transit, close proximity to major employment hubs in San Francisco and Oakland, and relatively affordable existing and new housing have combined to attract more residents to the County over the past decade.

Population growth in the County has been strongest in unincorporated areas as well as in the cities of Antioch, Brentwood, Hercules, Oakley, Pittsburg and San Ramon.

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The following is a summary of the County's population levels since 2016.

Table A-1
County of Contra Costa
Population†
(as of January 1)

Incorporated Cities	2016	2017	2018	2019	2020
Antioch	111,425	112,062	112,094	112,423	112,520
Brentwood	59,559	61,453	62,993	64,365	65,118
Clayton	11,361	11,378	11,364	11,347	11,337
Concord	129,220,	129,825,	130,269	130,435	130,143
Danville	44806	43,826	43,881	43,923	43,876
El Cerrito	24,559	24,608	24,675	24,852	24,953
Hercules	24,870	25,339,	25,339	25,488	25,530
Lafayette	25,380	25,484	26,504	25,644	25,604
Martinez	37,305,	37,414	37,439	37,424	37,106
Moraga	16,741	16,799	16,908	16,939	16,946
Oakley	39,725	40,474	41,232	41,979	42,461
Orinda	18,722	18,746	18,822	18,911	19,009
Pinole	19,430	19,498	19,546	19,563	19,505
Pittsburg	69,867	71,530	73,215	73,565	74,321
Pleasant Hill	34,272	34,300	34,292	34,286	34,267
Richmond	109,449	110,103	110,585	110,793	111,217
San Pablo	30,899	31,073	31,341	31,481	31,413
San Ramon	79,483,	80,812	81,580	82,100	83,118
Walnut Creek	69,549	70,031	70,031	70,958	70,860
SUBTOTAL INCORPORATED	955,622	964,755	971,468	976,476	979,304
Unincorporated	172,783	174,106	173,673	174,145	174,257
TOTAL	1,128,405	1,138,861	1,145,141	1,150,621	1,153,561
California	39,131,307	39,398,702	39,586,646	39,695,376	39,782,870

† Columns may not total due to independent rounding.
Source: State of California, Department of Finance, Table 2: E-4 Population Estimates for Cities, Counties and State, 2011-2020 with 2010 Benchmark, Sacramento, California, May 2020.

Industry and Employment

As shown below, the County's civilian labor force was 561,700 in 2019 (the most recent year for which annual data is available). With average 2019 unemployment rates of 3.1% and 4.0% for the County and the State, respectively, the County has achieved a lower unemployment rate than that of the State in each of the prior five calendar years. Preliminary State Development Department data for December 2020 indicates that the unemployment rate (not seasonally adjusted) for the County was __% compared to __% for the State.

Table A-2
County of Contra Costa
Employment and Unemployment of
Resident Labor Force
Wage and Salary Employment by Industry
Annual Averages
(Not Seasonally Adjusted)

	2015	2016	2017	2018	2019†
County Civilian Labor Force(1)	545,100	553,600	559,200	560,900	561,700
Employment	517,700	528,900	537,800	542,800	544,500
Unemployment	27,400	24,800	21,400	18,100	17,300
Unemployment Rate:					
County	5.0%	4.5%	3.8%	3.2%	3.1%
State of California	6.2%	5.5%	4.8%	4.2%	4.0%
United States	5.3%	4.9%	4.4%	3.9%	3.7%
	2015	**2016**	**2017**	**2018**	**2019**
Wage and Salary Employment(2)					
Farm	700	800	800	700	
Natural Resources, Mining and Construction	22,800	25,400	25,500	26,200	
Manufacturing	15,000	14,900	15,600	15,600	
Durable Goods	6,700	6,600	6,500	6,400	
Nondurable Goods	8,300	8,300	9,100	9,200	
Trade, Transportation and Utilities	62,500	64,900	65,200	64,200	
Information	8,300	8,100	8,000	7,800	
Financial Activities	26,300	27,000	27,400	26,900	
Professional and Business Services	50,900	52,100	54,300	55,200	
Educational and Health Services	64,100	67,300	69,300	70,600	
Leisure and Hospitality	38,300	40,500	40,700	41,500	
Other Services	12,700	13,000	13,000	13,400	
Government	49,300	50,400	50,500	50,900	
TOTAL(3)	365,900	379,300	385,900	388,600	

† Most recent annual data available. Wage and Salary employment by industry for 2019 is not yet available.
(1) Based on place of residence.
(2) Based on place of work.
(3) Columns may not total due to independent rounding.
Source: State of California, Employment Development Department, and Labor Market Information Division, March 2019 Benchmark and Census 2010 population controls at the State level, and United States Bureau of Labor Statistics.

Major Employers

Major industries in the County include petroleum refining, telecommunications, financial and retail services, steel manufacturing, prefabricated metals, chemicals, electronic equipment, paper products and food processing. Most of the County's heavy manufacturing is located along the County's northern boundary fronting on the Suisun Bay and San Pablo Bay leading to San Francisco Bay and the Pacific Ocean.

The following Table A-3 provides a listing of major employers headquartered or with locations in the County who participated in the data collection survey and their estimated firm-wide employment levels.

Table A-3
County Contra Costa
Principal Employers†
2020
[To be Updated]

Employer	Estimated Employees	% of Total County Employment
Chevron Corporation	10,000+	1.84%
Bay Alarm Co.	1,000-4,999	0.56
St. Mary's College	1,000-4,999	0.55
Bio-Rad Laboratories, Inc.	1,000-4,999	0.55
Job Connections	1,000-4,999	0.55
John Muir Medical Center	1,000-4,999	0.55
Kaiser Permanente	1,000-4,999	0.55
La Raza Market	1,000-4,999	0.55
Martinez Medical Offices	1,000-4,999	0.55
USS POSCO Industries	1,000-4,999	0.55
Doctors Medical Center	1,000-4,999	0.55
Contra Costa Newspapers, Inc.	1,000-4,999	0.55
All Others	506,800	93.20
TOTAL	543,800(4)	100.00%

† Government employers excluded.
Sources: State of California Employment Development Department, June 2019.

Personal Income

The United States Department of Commerce, Bureau of Economic Analysis (the "BEA") produces economic account statistics that enable government and business decision-makers, researchers, and the public to follow and understand the performance of the national economy.

The BEA defines "personal income" as income received by persons from all sources, including income received from participation in production as well as from government and business transfer payments. Personal income represents the sum of compensation of employees (received), supplements to wages and salaries, proprietors' income with inventory valuation adjustment and capital consumption adjustment (CCAdj), rental income of persons with CCAdj, personal income receipts on assets, and personal current transfer receipts, less contributions for government social insurance. Per capita personal income is calculated as the personal income divided by the resident population based upon the Census Bureau's annual midyear population estimates.

Table A-4 below presents the latest available total income and per capita personal income for the County, the State and the nation for the calendar years 2015 through 2019 (the most recent annual data available). The County has traditionally had per capita income levels significantly higher than those of the State and the nation.

Table A-4
County of Contra Costa
Personal Income
Calendar Years 2015 through 2019†

Year and Area	Personal Income (millions of dollars)	Per Capita Personal Income (dollars)
2019†		
County	$98,423	$85,324
State	2,632,280	66,619
United States	18,542,262	56,490
2018		
County	$93,701	$81,442
State	2,514503,	63,720
United States	17,8839,255	54,606
2017		
County	88,448	77,211
State	2,383,130	60,549
United States	16,8937,582	51,118
2016		
County	82,677	72,698
State	2,273,557	58,048
United States	16,151,881	50,015
2015		
County	77,847	69,234
State	2,172,930	55,833
United States	15,717,140	49,019

† Most recent annual data available.
Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, Last Updated September 24, 2020 –revised statistics for 2013-2019.

Commercial Activity

Commercial activity comprises an important part of the County's economy, with taxable transactions totaling approximately $18.0 billion in calendar year 2019. Presented in Table A-5 below is a summary of taxable transactions in the County since 2015.

Table A-5
COUNTY OF CONTRA COSTA
TAXABLE TRANSACTIONS†
CALENDAR YEARS 2015 TO 2019
($ in Thousands)

	2015	2016	2017	2018	2019
Motor Vehicle and Parts Dealers	$2,245,947	$2,389,936	$2,466,061	$2,524,584	$2,441,947
Furniture and Home Furnishings Stores	686,740	718,157	710,526	779,695	700,037
Building Materials and Garden Equipment and Supplies	1,002,124	1,069,948	1,159,632	1,247,703	1,229,980
Food and Beverage Stores	816,995	841,672	894,222	911,240	924,880
Gasoline Stations	1,341,604	1,249,397	1,409,204	1,638,072	1,611,849
Clothing and Clothing Accessories Stores	902,810	940,766	956,380	1,006,195	1,027,195
General Merchandise Stores	1,567,416	1,598,156	1,651,647	1,711,123	1,704,564
Food Services and Drinking Places	1,613,644	1,704,675	1,786,381	1,853,159	1,959,850
Other Retail Group	1,359,781	1,413,795	1,467,381	1,532,116	1,718,142
Total Retail and Food Services	11,537,063	11,926,501	12,501,433	13,163,368	13,318,443
All Other Outlets	3,142,689	4,177,784	4,256,199	4,444,000	4,762,302
TOTAL ALL OUTLETS	$15,786,868	$16,104,285	$16,757,632	$17,607,890	$18,080,746
% CHANGE		2.01%	4.06%	5.07%	2.69%

† Columns do not total due to independent rounding.
Sources: California Department of Tax and Fee Administration, formerly the California State Board of Equalization, Taxable Sales in California–Taxable Sales–Counties by Type of Business (Taxable Table 3).

Much of the County's commercial activity is concentrated in central business districts of its cities and unincorporated towns. Regional shopping centers, numerous smaller centers and several "big box" warehouse stores serve County residents. The County is served by all major banks including Bank of America and Wells Fargo Bank. In addition there are numerous local banks and branches of smaller California and foreign banks.

See also APPENDIX B–"COUNTY FINANCIAL INFORMATION."

Construction Activity

The value of building permits in the County decreased by 17.8% in calendar year 2019 compared to calendar year 2018 levels.

The following Table A-6 provides a summary of residential building permit valuations and number of new dwelling units authorized in the County from calendar year 2015 through calendar year 2019.

Table A-6
COUNTY OF CONTRA COSTA
BUILDING PERMIT VALUATIONS
CALENDAR YEARS 2014 THROUGH 2018[2]
($ in Thousands)

	Residential							
	Single Family		Multifamily		Alterations and	Total	Nonresidential	
Year	Units	Valuation	Units	Valuation	Additions	Residential	Valuation	Total(2)
2015	1,909	$629,639	629	$123,089	$301,222	$1,053,949	$526,816	$1,580,765
2016	1,853	605,152	1,043	155,052	312,967	1,073,170	668,425	1,741,595
2017	1,732	541,941	272	55,155	354,341	951,436	607,769	1,559,205
2018	1,647	576,116	1,161	169,461	337,089	1,082,667	729,898	1,812,564
2019	1,573	502,568	1,229	213,698	300,066	1,016,332	472,956	1,489,288

(1) Most recent annual data available.
(2) Total represents the sum of residential building permit valuations. Data may not total due to independent rounding.
Source: Construction Industry Research Board.

Urban Limit Line. In 1990, County voters approved a measure limiting urban development to no more than 35% of the land in the County and requiring that at least 65% be preserved for agriculture, opens pace, wetlands, parks, and other non-urban uses, and established an Urban Limit Line (a "ULL"). In 2006 County voters passed Measure L, that: (i) extended the term of the ULL to 2026; (ii) requires 4/5 Board of Supervisors approval and voter approval to expand the ULL by more than 30 acres; (iii) adopted a new ULL Map; (iv) retained the 65/35 land preservation standard and protections for the prime agricultural land in the County and, (v) established new review procedures.

On April 3, 2007, the County received a letter from the Contra Costa Transportation Authority acknowledging that through the passage of Measure L, the County had a voter-approved Urban Limit Line in compliance with the GMP under Measure J. To date, the County, and the cities of Antioch, Brentwood, Pittsburg and San Ramon each have voter-approved ULL in compliance with the Measure C GMP.

Transportation

Availability of a broad transportation network has been one of the major factors in the County's economic and population growth. Interstate 80 connects the western portion of the County to San Francisco and the central portion of the County to Sacramento and points north via Interstate 5, the major north-south highway from Mexico to Canada. Interstate 680 connects the central County communities to the rest of the Bay Area and portions of the Central Valley of the State via State Routes 4 and 24, the County's major east-west arteries.

Ground transportation is available to County residents from several service providers, as described below:

- Central Contra Costa Transit Authority provides local bus service to the central area of the County including Walnut Creek, Pleasant Hill and Concord.
- BART connects the County to Alameda County, including the Oakland International Airport, San Francisco, including the San Francisco International Airport, and Daly City and Colma in San Mateo County with two main lines, one from the San Francisco area to Richmond and one to the Concord/Walnut Creek/Pittsburg/Bay Point area. BART is expanding service into Santa Clara County in two phases. The first phase, with stops in Milpitas, and Berryessa/North San Jose opened for service on June 13, 2020. Construction of the second phase, extending the line six miles into downtown San Jose and terminate in Santa Clara, is currently expected to commence in 2022. BART currently has 50 stations and more than 131 miles of roadway in its system.
- AC Transit provides local bus service and connects Contra Costa communities to San Francisco and Oakland.
- Other bus service is provided by Greyhound.
- Commuter rail service is provided by the Capital Corridor, with daily runs between the Bay Area and Sacramento that stop at the intermodal facility in Martinez, the County seat.
- The Santa Fe and Union Pacific Railroads' main lines serve the County, both in the industrial coastal areas and in the inland areas.

Commercial water transportation and docking facilities are available through a number of port and marina locations in the County. The Port of Richmond on San Francisco Bay and several privately owned industrial docks on both San Pablo and Suisun Bays serve the heavy industry located in the area. The Port of Richmond, owned and operated by the City of Richmond, is comprised of five City owned terminals, five dry docks and 10 privately owned terminals, covers approximately 202 acres and handles more than 20 million metric tons of general, liquid and dry bulk commodities annually. The majority of the shipments are bulk liquids, primarily petroleum, petroleum products, chemicals and petrochemicals, coconut and other vegetable oils, tallow and molasses. Imports of automobiles, agricultural products, vehicles, steel products, scrap metals and other diversified bulk cargo are significant components of Port activities.

Major scheduled airline passenger and freight transportation for County residents is available at either Oakland or San Francisco International Airports, located about 20 and 30 miles, respectively, from the County. In addition, there are two general aviation fields, one located in Byron and the other in Concord.

Environmental Control Services

Water. The East Bay Municipal Utility District ("EBMUD") and the Contra Costa County Water District ("CCWD") supply water to the County. EBMUD supplies water to the western part of the County, including Alamo, Crockett, Danville, Diablo, Hercules, Lafayette, Moraga, Orinda, Pinole, portions of Pleasant Hill, Richmond, Rodeo, San Pablo, San Ramon, Selby and portions of Walnut Creek. Approximately 89% of its supply is from the Mokelumne River watershed stored at the 69.4 billion gallon capacity Pardee Dam in Ione, California. EBMUD is entitled to 325 million gallons per day under a contract with the State Water Resources Control Board, plus an additional 119 million gallons per day in a single dry year under a contract with the U.S. Water and Power Resources Service (formerly the U.S. Bureau of Reclamation).

CCWD obtains its water from the Sacramento-San Joaquin Delta and serves approximately 500,000 customers in the central and eastern part of the County, including Antioch, Bay Point, Clayton, Clyde, Concord, Martinez, Oakley, portions of Pleasant Hill, Pittsburg and portions of Walnut Creek. It is entitled under a contract with the U.S. Water and Power Resources Service to purchase 195,000 acre-feet per year. Water purchased by CCWD has ranged between 80,000 and 110,000 acre-feet annually. In addition, a number of industrial users and several municipalities draw water directly from the San Joaquin River under their own riparian rights, so that actual water usage in the service area averages about 125,000 acre-feet annually. To provide expanded water storage capacity, CCWD constructed the Los Vaqueros Reservoir with a capacity of 100,000 acre-feet south of the City of Antioch. In 2012, construction of the first phase expanding the Los Vaqueros Reservoir to a capacity of up to 160,000 acre-feet was completed. The final environmental documents for the second phase of the expansion project to increase the capacity up to 275,000 acre-feet were noticed in the Federal Register on February 28, 2020. Design and construction of the second phase is expected to commence in 2022 and be completed in 2029.

Sewer. Sewer services in the County are provided by approximately 20 sanitation districts and municipalities. Federal and State environmental requirements, plus grant money available from these two sources, resulted in upgrading, expanding and/or building new facilities by approximately 14 agencies.

Flood Control. The Contra Costa County Flood Control and Water Conservation District (the "Control District") has been in operation since 1951 to plan, build, and operate flood control projects in unincorporated areas of the County except for the Delta area on its eastern border. The Delta is interspersed with inland waterways that fall under the jurisdiction of the U.S. Army Corps of Engineers and the State Department of Water Resources. The Control District is responsible for meeting requirements set forth by the Environmental Protection Agency ("EPA") with respect to addressing potential pollutants in nonspecific groundwater runoff. The County is not presently able to estimate the cost of compliance with EPA requirements, although such costs may be significant.

Education and Health Services

Education. Public school education in the County is available through nine elementary school districts, two high school districts, and seven unified school districts, one independent charter and the County Department of Education. School enrollment for Fiscal Year 2019-20 numbered approximately 178,400 students including approximately 11,930 in nonpublic, non-sectarian district schools.

Higher education is available in the County through a combination of two-year community colleges and four-year colleges, including the Contra Costa County Community College District which has campuses in Richmond, Pleasant Hill and Pittsburg; California State University East Bay which operates a branch campus, called Contra Costa Center, in the City of Concord where late afternoon and evening classes in business, education and liberal arts are offered; and St. Mary's College of California, a four-year private institution, located on a 100-acre campus in Moraga. Also located within the County is the John F. Kennedy University with campuses in Pleasant Hill and Pittsburg, the UC Berkeley Extension Contra Costa Center in San Ramon and the University of Phoenix Campus in Concord.

Health Services. There are seven privately operated hospitals and one public hospital in the County, with a combined total of approximately 1,666 beds. The major public hospital is the Contra Costa Regional Medical Center located in Martinez. See "–Contra Costa Regional Medical Center." Three of the private hospitals are run by Kaiser, the largest health maintenance organization in the United States. The John Muir/Mt. Diablo Health System operates hospitals in Walnut Creek, Concord, and San Ramon. Sutter Health operates Sutter Delta Center in Antioch.

Contra Costa Regional Medical Center. The public hospital in the County is Contra Costa Regional Medical Center ("CCRMC"), a 167-bed facility, including a public health/clinical laboratory, located in Martinez. The County converted former Los Medanos Hospital into the Pittsburg Health Center, completed construction of an ambulatory care clinic on the campus of CCRMC, and expanded clinics in Antioch, Concord, and Brentwood. The Bay Point Family Health Center in Pittsburg was reopened in February 2009, following extensive renovations, including construction of a state-of-the-art children's dental clinic. The County also operates the foot West County Health Center in Richmond, which includes a behavioral health center and medical clinic expansion that opened on March 9, 2020.

Closure of Doctors Medical Center. An acute care community hospital, Doctors Medical Center, located in the western portion of the County with a population of approximately 250,000 (many of whom are low income), was operated by the West Contra Costa Healthcare District (the "Healthcare District")until Doctors Medical Center was closed on April 21, 2015.

Prior to closure, Doctors Medical Center had been experiencing financial difficulties for many years and in 2006 the Healthcare District filed a voluntary petition for Chapter 9 bankruptcy protection. A bankruptcy reorganization plan was approved in 2008, and the bankruptcy case was concluded in 2010.

Since 2006, the County provided approximately $25.6 million in emergency funding to Doctors Medical Center through various property tax transfer agreements with the Healthcare District. In return, the Healthcare District authorized allocations of its *ad valorem* property taxes to the County pursuant to various property tax transfer agreements that are administered by the Auditor-Controller.

On December 2, 2014, the Board of Supervisors adopted a resolution authorizing a permanent waiver of up to $9 million in *ad valorem* property tax transfers to the County that would only go into effect if, prior to October 30, 2015, the Healthcare District secured additional funding of at least $15 million per year for Fiscal Years 2015-16 through 2017-18 to support a full-service hospital at Doctors Medical Center.

The Health Care District was not able to secure sufficient funding for Doctors Medical Center to satisfy the permanent waiver condition and, as stated previously, the hospital closed. For this reason, the permanent waiver ***did not*** go into effect. The County continues to receive allocations of *ad valorem* property pursuant to the Transfer Agreements until the amounts required to be transferred have been satisfied.

In October 2016 the Healthcare District filed a second Chapter 9 bankruptcy petition. A Second Amended Plan for Adjustment of Debts dated July 1, 2017 (the "Plan") allocating significant revenues of the Health Care District to the repayment of debt through 2027 was confirmed by order of the Bankruptcy Court and entered January 3, 2018. The Effective Date of the Plan occurred on the date the hospital was sold on April 3, 2018. A Motion for Order Closing case is anticipated to be filed in early 2021.

As of June 2020, the aggregate amount of *ad valorem* property taxes transferred to the County under the Transfer Agreements was $26,559,582.65. The *ad valorem* property tax transfers to the County under the Transfer Agreements will be completed in Fiscal Year 2021-22.

APPENDIX B

COUNTY FINANCIAL INFORMATION

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APPENDIX B

COUNTY FINANCIAL INFORMATION

Certain statements contained in this Appendix B are "forward-looking statements." Particularly because of the evolving nature of the current public health crisis, no assurance can be given that any estimates of future impact discussed herein will be achieved, and actual results may differ materially from the potential impact described herein. In this respect, the words "estimate," "forecast," "project," "anticipate," "expect," "intend," "believe," "budget" and similar expressions are intended to identify forward-looking statements. All projections, forecasts, assumptions and other forward-looking statements in this Appendix B are expressly qualified in their entirety by this cautionary statement.

Introduction

California counties administer numerous health and social service programs as the administrative agent of the State and pursuant to State law. Many of these programs have been either wholly or partially funded with State revenues which have been subject each year to the State budget and appropriation process. Currently, the County is required to provide health care to all indigents, administer welfare programs, provide justice facilities (courts and jails) and administer the property tax system and real estate recordings. Due to competing program priorities and the lack of available State funds, some of these programs have had reduced State support without a corresponding reduction in program responsibilities for county governments. The result has been that the County has increased its contribution to maintain mandated services while optional local services have been reduced. The Board of Supervisors has responded to this trend in part by instituting measures to improve management, thereby reducing costs while increasing productivity and maintaining services with diminished funding.

The level of intergovernmental revenues that the County received from the State in Fiscal Year 2019-20 and in subsequent Fiscal Years is likely to be affected by the financial condition of the State.

State Budgets

Approximately 23% of the County's Fiscal Year 2020-21 General Fund Adopted Budget, as finally determined is expected to consist of payments collected by the State and passed-through to the County or collected by the County and allocated to County purposes by State law. For Fiscal Year 2019-20, approximately 23% (representing approximately $383.7 million) of the County's General Fund Budget consisted of payments from the State. The financial condition of the State has an impact on the level of these revenues. See also "–County Budget Process–*Budget Schedule for Fiscal Year 2020-21*."

To the extent the State should be constrained by its Article XIII B appropriations limit, or its obligation to conform to Proposition 98, or other fiscal considerations, the absolute level, or the rate of growth, of State assistance to local governments may be reduced. Any such reductions in State aid could adversely affect local governments, particularly counties.

Information about the State budget and State spending is regularly available at various State-maintained websites. Text of the budget may be found at the website of the Department of Finance, www.dof.ca.gov, under the heading "California Budget." An impartial analysis of the budget is posted by the Office of the Legislative Analyst at www.lao.ca.gov. In addition, various State official statements, many of which contain a summary of the State budgets may be found at the website of the State Treasurer, www.treasurer.ca.gov and at the Electronic Municipal Market Access site maintained by the

Municipal Securities Rulemaking Board at www.emma.msrb.org. Information on these websites has not been reviewed or verified by the County, the Underwriter or the Municipal Advisor and is not incorporated by reference in this Official Statement.

County Budget Process

General. The County's Fiscal Year spans from July 1 to June 30; however, the budget development process begins as early as December with the Board of Supervisors setting a Preliminary Budget Schedule for preparation of the upcoming budget.

The County Administrator typically presents the Board of Supervisors, department heads and the public with an analysis of key issues and budget projections at an annual retreat in January. In 2020, that retreat was cancelled due to the COVID-19 pandemic and budget hearings were not held until April 28, 2020. See "*–Budget Schedule for Fiscal Year 2020-21.*" Following the annual retreat in a typical year, the County Administrator releases budget instructions, then works with departments on annual budget submissions, meeting with department administrative staff through February to develop final budget recommendations. In March, the County Administrator's Office develops a Recommended Budget in addition to the State Controller's Office required Budget Schedules for consideration by the Board of Supervisors in April. Chapter 1, Division 3, Title 3 of the State Government Code, commencing with Section 29000 *et. seq. (*the "County Budget Act") requires that each county adopt a recommended budget no later than June 30 of each year and an adopted (or final) budget no later than October 2 of each year. The adoption of a recommended budget by each June 30 provides counties with spending authority until a final budget is passed. In the County, the State schedules are presented with the recommended budget companion document, which includes detailed information and narrative regarding the County, including its current and projected financial situation; the programs/services and administrative/program goals of individual departments; and the County Administrator's budgetary recommendations for the upcoming budget year. After public hearings and budget deliberations, the Board of Supervisors adopts the Recommended Budget by May 31 (pursuant to Board of Supervisors Policy). After the State budget is passed (legally due by June 15) and County Fiscal Year-end closing activities are completed in August, a Final Budget is prepared for consideration by the Board of Supervisors to allow incorporation of any needed adjustments resulting from the final State budget. If significant changes to programs or revenues are required based upon the final State budget and/or closing activities, public budget hearings regarding the Final Budget may be scheduled.

The practice of the County is to adopt its Final Budget no later than mid-September of each year.

The County Administrator monitors actual expenditures and revenue receipts each month, and mid-year adjustments may be made in order to ensure that the budget remains in balance throughout the Fiscal Year. Annually, the County Administrator's staff prepares a report presented to the Board of Supervisors detailing the activity within each budget category and providing summary information on the status of the budget at mid-year. Actions that are necessary to ensure a healthy budget status at the end of the Fiscal Year are recommended in the budget status report; other items which have major fiscal impacts are also reviewed. Supplemental appropriations, which are normally financed by unanticipated revenues during the Fiscal Year, and any amendments or transfers of appropriations between summary accounts or departments, must be approved by the Board of Supervisors. Pursuant to adoption of a resolution by the Board of Supervisors, the County Administrator is authorized to approve transfers of appropriations among summary accounts within a department as deemed necessary and appropriate. Accordingly, the legal level of budgetary control by the Board of Supervisors is at the department level. The County's ability to increase its revenues is limited by State laws that prohibit the imposition of fees to raise general revenue, except to recover the cost of regulation or provision of services. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS."

Budget Schedule for Fiscal Year 2020-21. On January 14, 2020, the Board of Supervisors established the budget schedule for Fiscal Year 2020-21. Budget hearings were designated to be held on April 14, 2020 with final adoption of the Recommended County and Special Districts Budgets scheduled for May 12, 2020.

In light of the COVID-19 pandemic and efforts to control its spread, specifically the requirements to maintain social distancing, the Board of Supervisors did not hold its budget hearings for Fiscal Year 2020-21 until April 28, 2020 and adopted the Adopted Budget as Finally Determined on September 15, 2020. As previously indicated, this allowed for expenditure authority beginning on July 1, 2020 until a final budget was passed prior to October 2, 2020.

The County anticipates negative economic impacts due to COVID-19, which may result in modifications to the Fiscal Year 2021-22 Recommended County and Special Districts Budgets that may result in program and service level reductions.

In addition, the County Budget Policy requires a review of the current budget at mid-year (*i.e.* after January 1st). The County will review the Fiscal Year 2020-21 budget position at that time in concert with the annual budget development process for the Fiscal Year 2021-22 budget.

Recent County General Fund Budgets

The County derives its revenues from a variety of sources including taxes (property and sales), licenses, permits and franchises issued by the County, fines, forfeits, forfeitures and penalties collected by the County, use of County property and money, aid from other governmental agencies, charges for services provided by the County and other miscellaneous revenues.

Set forth in Table B-1 is a description of the County's comparative Final Budgets for Fiscal Years 2015-16 through 2020-21. Base Rental Payments are included in and allocated to individual department budgets. Complete General Fund budgets, including, but not limited to, key assumptions and certain projections relating to the County's retirement expenses, which are incorporated into this Official Statement by this reference, are available on County's website. For a summary of the audited financial results of the County for Fiscal Year 2015-15 through Fiscal Year 2019-20, see TABLE B-6–"GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FISCAL YEAR 2015-16 THROUGH 2019-20." See also "COMPREHENSIVE FINANCIAL REPORT OF THE COUNTY FOR THE FISCAL YEAR ENDED JUNE 30, 2020" in APPENDIX B.

Fiscal Year 2020-21. The County's Fiscal Year 2020-21 budget, adopted by the Board of Supervisors on September 15, 2020 (the "Fiscal Year 2020-21 Final Budget"), reflects a General Fund budget of $1.85 billion, which was approximately 10% or $175.5 million higher than the Fiscal Year 2019-20 actuals. The Fiscal Year 2020-21 Final Budget assumes an increase in assessed valuation of 4.5%. Proposition 172 sales tax revenue, a significant source of revenue for public safety departments, is budgeted at $76.9 million, which was approximately 8.7% or $6.7 million lower than the Fiscal Year 2019-20 final budget.

Fiscal Year 2019-20. The County's Fiscal Year 2019-20 budget, adopted by the Board of Supervisors on September 17, 2019 (the "Fiscal Year 2019-20 Final Budget"), reflected a General Fund budget of $1.8 billion, which was approximately 7.9% or approximately $101.4 million higher than the Fiscal Year 2018-19 Final Budget. The Fiscal Year 2019-20 Final Budget assumed an increase in assessed valuation of 5%. On July 1, 2019, the County Assessor announced that the Countywide increase in assessed valuation was 5.3%. Proposition 172 sales tax revenue, a significant source of revenue for public safety departments, was budgeted at $85.5 million, which was approximately 1.0 million higher than the Fiscal Year 2018-19 actuals.

A summary of Final General Fund Budgets for Fiscal Years 2015-16 through 2019-20 is presented in Table B-1.

Table B-1
County of Contra Costa
General Fund Budget Summary
for Fiscal Years 2015-16 through 2019-20†
($ in 000's)

	Final Budget 2015-16	Final Budget 2016-17	Final Budget 2017-18	Final Budget 2018-19	Final Budget 2019-20
Requirements					
General Government	$203,850	$223,862	$243,822	$244,331	$286,364
Public Protection	428,979	444,197	469,125	481,222	486,644
Health and Sanitation	307,706	329,021	390,742	394,659	463,053
Public Assistance	459,864	461,313	454,622	484,789	498,910
Public Ways and Facilities	52,061	44,205	44,063	44,471	45,878
Reserves and Debt Service	7,672	10,750	9,030	10,000	10,000
TOTAL REQUIREMENTS	1,460,132	1,513,348	1,611,404	1,659,472	1,790,849
Available Funds					
Property Taxes	320,580	343,791	362,855	382300	403,000
Fund Balance Available	37,128	43,089	48,891	45,725	85,751
Other Taxes	20,660	20,683	24,080	27,480	26,500
Licenses, Permits and Franchises	11,476	10,829	10,819	10,519	11,838
Fines, Forfeitures and Penalties	26,422	26,213	24,643	13,840	23,883
Use of Money and Property	11,300	3,259	5,283	7,079	21,527
Intergovernmental	549,444	554,131	566,756	593,402	609,931
Charges for Current Services	217,492	229,560	253,397	257,448	259,648
Other Revenue	265,630	281,793	314,680	329,123	348,771
TOTAL AVAILABLE FUNDS	$1,460,132	$1,513,348	$1,611,404	$1,659,472	$1,790,849

† Columns may not total due to independent rounding.
Source: County Auditor-Controller.

County Financial Management Policies

The Board of Supervisors has adopted a comprehensive set of financial management policies to provide for: (i) the annual adoption of a policy for the prudent investment of County funds; (ii) establishing a Treasury Oversight Committee; (iii) establishing and maintaining a General Fund reserve (iv) establishing formal fiscal policies regarding the adoption and maintenance of an annual balanced budget, and (v) establishing parameters for issuing and managing debt. Each of these financial management policies is described below.

Investment Policy. Since June 2014, the County annually adopts an investment policy (the "Investment Policy") governing the County's investment of funds in the County Treasurer's Investment Pool, which as of June 30, 2020 held assets in the - par amount of $3.98 billion. The most recent update to the Investment Policy was approved by the Board of Supervisors on June 16, 2020. For a description of the Investment Policy and investments held in the County Treasurer's Investment Pool, see APPENDIX D–"COUNTY INVESTMENT POLICY."

Treasury Oversight Committee. In November 1995, the Board of Supervisors adopted an Order establishing a committee (the "Treasury Oversight Committee"). The Treasury Oversight Committee is composed of seven members: the County Superintendent of Schools or his/her designee; a representative selected by a majority of the presiding officers of the governing bodies of the school districts and community college districts in the County; a representative selected by a majority of the presiding officers of the legislative bodies of the special districts in the County that are required or authorized to deposit funds in the County treasury; a representative appointed by the Board of Supervisors; and three members of the public nominated by the County Treasurer-Tax Collector (the "County Treasurer"). Members of the Treasury Oversight Committee are appointed to four year terms.

The Treasury Oversight Committee is responsible for reviewing and monitoring the County Treasurer's annual investment policy and ensuring an annual audit is conducted to determine the County Treasurer's compliance with Government Code sections 27130-27137.

General Fund Reserve Policy. In January 2006, the Board of Supervisors adopted a General Fund Reserves Policy, as revised in June 2011 to comply with GASB 54–"Fund Balance Reporting and Governmental Fund Type Definitions" (the "Reserves Policy"). The Reserves Policy requires the County to maintain a General Fund balance equal to a minimum of 10% of General Fund revenues and an unreserved balance equal to a minimum of 5% of General Fund revenues. Reserves exceeding the minimum are applied only to one-time uses such as additional reserves or capital projects up to an amount equal to 1% of General Fund revenues. The reserves can be used only in emergency situations and only if accompanied by a Board-approved plan to restore reserves to the target levels. Since Fiscal Year 2005-06, the County's audited financial reports confirm compliance with the Reserves Policy. For Fiscal Year 2019-20, the total General Fund balance (approximately $631.4 million) was approximately 36.7% of actual revenues and the unassigned portion (approximately $351.7 million) is projected to be approximately 20.4%.

Budget Policy. In November 2006, the Board of Supervisors adopted a Budget Policy (the "Budget Policy") to establish best practices for the budget process and require the preparation of multi-year budget projections. Among other things, the Budget Policy requires: (i) the adoption of structurally balanced budgets; (ii) preparation of mid-year departmental updates on budget status, with corrective actions presented to the Board of Supervisors within 30 days for any cost centers over budget; and (iii) adoption of an annual budget early enough (and no later than May 31) to allow all impacts on programs and/or revenues to be in effect on the first day of the Fiscal Year (July 1).

Debt Management Policy. In December 2006, the Board of Supervisors adopted a Debt Management Policy, most recently revised on March 10, 2020, that formalizes the parameters for issuing and managing outstanding debt, guidance regarding the timing and purpose for which various types of debt instruments and other financial obligations may be issued, the types and amounts of which permissible debt, and the methods of sale and structural features may be incorporated in debt transactions. The Debt Management Policy provides that the County prepare a multi-year capital program and sets forth guidelines for the term of debt issues, refunding savings targets and other structural debt features.

The Debt Management Policy established a Debt Affordability Advisory Committee (the "Advisory Committee") that annually reviews and evaluates existing and proposed debt and other findings; assesses the ability of the County to generate and repay debt; and issues an annual report to the County Administrator defining the debt capacity of the County, which report is an important element of the budget process and includes recommendations made by the Advisory Committee regarding how much new debt can be authorized by the County without overburdening itself with debt service payments. The Advisory Committee is composed of the Auditor-Controller, the County Treasurer-Tax-Collector, the Director/Conservation and Development, and the County Director of Finance.

The Advisory Committee examines specific statistical measures to determine debt capacity and relative debt position and compares these ratios to other counties, rating agency standards and County historical ratios to determine debt affordability.

From Moody's Investors Service, the Advisory Committee evaluates the County against debt ratios from the most recently available national medians for counties in the "Aa" rating tier with population of at least one million.

The Advisory Committee also evaluates the County against a group of cohort counties, namely, other large urban counties in the State. The Advisory Committee utilizes each respective cohort county's most recently available comprehensive audited financial report to measure the comparative performance of the County on the various debt measures calculated by Moody's and S&P as noted above, and also against the additional ratios below:

1. Direct debt per capital; and
2. Debt payments as a percentage of General Fund revenues.

Workers' Compensation Confidence Level Policy. In September 2007, the Board of Supervisors adopted a Workers' Compensation Internal Services Fund Funding Policy that established a targeted minimum confidence level (the measure of probability that the workers' compensation trust fund will have sufficient money to cover all benefits and claims that have been incurred) of 80%. The actuarial report dated as of June 30, 2020 indicated that the total County self-insurance reserves reflected an approximately 94% confidence level on a discounted basis.

Major General Fund Revenues

The County derives its revenues from a variety of sources including taxes (property and sales), licenses, permits and franchises issued by the County, fines, forfeits, forfeitures and penalties collected by the County, use of County property and money, aid from other governmental agencies, charges for services provided by the County and other miscellaneous revenues.

The County receives a significant portion of its funding from subventions by the State. In Fiscal Year 2019-20, approximately 23% of the General Fund Budget consisted of payments from the State, and for Fiscal Year 2020-21, approximately 23% of the General Fund Budget is expected to come from such sources. The actual audited amounts for Fiscal Years 2017-18 through 2019-20, the adopted budget as finally determined for Fiscal Year 2019-20, and the approximate percentages of the County's total General Fund revenues are presented in Table B-2 below.

Table B-2
County of Contra Costa
General Fund Revenues by Source
Fiscal Years 2017-18 through 2019-20 Audited Actuals, and
Fiscal Year 2019-20 Final Budget†
($ in thousands)

	Actual 2017-18		Actual 2018-19		Actual 2019-20		Final Budget 2020-21	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
Intergovernmental[1]	$552,539	36.08%	$582,822	34.91%	$652,905	37.93%	$709,338	40.07%
Taxes (Property and Sales) [2]	404,317	26.40	431,626	25.85	451,362	26.22	461,313	26.06
Other Revenues[3]	290,926	19.00	352,493	21.11	341,748	19.85	363,088	20.51
Charges for Services[4]	235,014	15.35	252,284	15.11	236,019	13.71	193,947	10.95
Use of Money and Property	11,007	0.72	33,839	2.03	4,395	0.26	5,672	0.32
Licenses, Permits and Franchises	12,470	0.81	12,045	0.72	22,417	1.30	12,734	0.72
Fines, Forfeits, Forfeitures and Penalties	24,959	1.63	4,374	0.26	12,428	0.72	24,371	1.38
TOTAL	$1,531,232	100.00%	$1,659,472	100.00%	$1,721,274	100.00%	$1,770,463	100.00%

† Columns may not total due to independent rounding.
(1) See "*–Intergovernmental.*"
(2) See "*–Ad Valorem Property Taxes*" and "*–Sales and Use Taxes.*"
(3) See "*–Other Revenues*."
(4) See "*–Charges for Services*."
Source: County Auditor-Controller, Treasurer-Tax Collector, County Administrator.

Intergovernmental. This major source of revenue represents amounts received by County primarily from the State to fund various programs such as social services and public health. For the last Five Fiscal Years this source of revenue has ranged from approximately 37.9% to approximately 35.8% of General Fund revenues (excluding transfers in). For Fiscal Year 2019-20, the County received approximately $609.9 million, representing approximately 35.8% of General Fund revenues (excluding transfers in) from this source, and the County estimates that for Fiscal Year 2020-21, it will collect approximately $___ million, representing approximately ___% of General Fund revenues (excluding transfers in).

Ad Valorem Property Taxes

General. The County administers the property tax levy and collection system for the County and all local governments in the County. Taxes are levied for each fiscal year on taxable real and personal property that is situated in the County as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured," and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State assessed property and property secured by a lien on real property which is sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

Ad valorem property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. All taxes due November 1, if unpaid, are delinquent at 5 p.m., or the close of business, whichever is later, on December 10, and thereafter a delinquent penalty of 10% is attached. All taxes due on February 1, if unpaid, become delinquent at 5 p.m., or the close of business, whichever is later, on April 10, and thereafter a delinquent penalty of 10% is attached. In addition, property on the secured roll with respect to which taxes are delinquent is declared to be in default after the close of business on June 30 of the fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a redemption penalty of one and one half percent per month to the time of redemption. If taxes are unpaid for a period of five years or more, the tax-defaulted property is declared to be subject to the power of sale by the County Treasurer and may be subsequently sold by the County Treasurer.

Legislation established the "supplemental roll" in 1984, which directs the Assessor to re-assess real property, at market value, on the date the property changes ownership or upon completion of construction. *Ad valorem* property taxes on the supplemental roll are eligible for billing 30 days after the reassessment and notification to the new assessee. The resultant charge (or refund) is a one-time levy on the increase (or decrease) in value for the period between the date of the change in ownership or completion of construction and the date of the next regular tax roll upon which the assessment is entered.

Billings are made on a monthly basis and are due on the date mailed. If mailed between the months of July through October, the first installment becomes delinquent at 5 p.m. on December 10 of the same year and the second becomes delinquent at 5 p.m. on April 10 of the next year. If mailed within the months of November through June, the first installment becomes delinquent at 5 p.m. on the last day of the month following the month in which the bill is mailed. The second installment becomes delinquent at 5 p.m. on the last day of the fourth calendar month following the date the first installment is delinquent.

Ad valorem property taxes on the unsecured roll are due as of the January 1 lien date and are delinquent at 5:00 p.m., or the close of business, whichever is later, on August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of one and one-half percent per month begins to accrue beginning November 1. The taxing authority has four ways of collecting unsecured personal property taxes: (1) by filing a civil action against the taxpayer; (2) by filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) by filing a certificate of delinquency for recordation in the County Recorder's office, in order to obtain a lien on certain property of the taxpayer; and (4) by the seizure and sale of personal property, improvements or possessory interest, belonging to the taxpayer.

The County and its political subdivisions operate under the Teeter Plan pursuant to provisions of Sections 4701 through 4717 of the California Revenue and Taxation Code. See "–The Teeter Plan." Pursuant to those sections, the accounts of all political subdivisions that levy *ad valorem* taxes on the County tax rolls are credited with 100% of their respective tax levies regardless of actual payments and delinquencies. The County Treasury's cash position (from taxes) is protected by a special fund (the "Tax Losses Reserve Fund") into which all County-wide delinquent penalties are deposited. The County has used this method since Fiscal Year 1950-51. See the "*–Tax Losses Reserve Fund.*"

At the closing of the Fiscal Year 2019-20 tax roll, the County had received 99.03% of total property taxes due (first and second installments) compared to 98.22% at the same time in Fiscal Year 2018-19. This demonstrates that total property tax collections were relatively stable for Fiscal Year 2019-20.

Fiscal Year 2020-21 secured *ad valorem* property tax revenues are expected to comprise approximately 14.9% of General Fund revenues of the County.

Assessment Appeals. Property values determined by the County Assessor, which are used to determine property taxes, may be subject to an appeal by the property owners or property taxpayer (the "Applicant") by filing a timely assessment appeal. The County Assessment Appeals Board (the "Appeals Board") hears and determines the assessment appeals. The Appeals Board hears appeals within two years of the filing date, except when this period has been extended. The decision of the Appeals Board may result in a reduction to the County Assessor's enrolled property value and a tax refund to the taxpayer.

Historically, Chevron has filed Property tax assessment appeals challenging the assessed value of its refinery located in the City of Richmond.

On September 17, 2013, the County Board of Supervisors approved execution of a Settlement Agreement and Release (the "Settlement Agreement") among Chevron USA, Chevron Corporation, the County, the County Assessor, and the City of Richmond, which became effective upon the approval of a Stipulated Settlement by the Appeals Board. Pursuant to the Settlement Agreement, assessment appeals by Chevron for the years 2004 through 2012 were resolved, and Chevron agreed to dismiss the three pending court cases challenging the assessed value, withdraw or dismiss the pending appeals before the Appeals Board, and forgo an approximately $8 million refund. In addition, Chevron agreed not to file or re-file assessment appeals for any prior fiscal year up to and including Fiscal Year 2013-14 and to annually meet and confer with the County about the value of the refinery facilities. As agreed to by Chevron and the County Assessor, the assessed value of the refinery was determined to be $3.437 billion for Fiscal Year 2020-21, as of October 23, 2020. The County cannot predict whether additional appeals will be filed by Chevron or any other major property taxpayer in the future, or if filed whether or to what extent such appeals will be successful.

Proposition 8 Appeals. In 1978, the voters of the State passed Proposition 8 ("Proposition 8"), a constitutional amendment to Article XIII A that allows a *temporary* reduction in assessed value when real property suffers a decline in value. A decline in value occurs when the *current market* value of real property is less than the *current assessed* (taxable) factored base year value as of the lien date, January 1.

A property owner may apply for a Proposition 8 reduction of the *ad valorem* property tax assessment for such owner's property by filing a written application, in the form prescribed by the State Board of Equalization, with the appropriate county assessment appeals board (a "Proposition 8" appeal).

In addition to reductions in assessed value resulting from Proposition 8 appeals, Proposition 8 also allows assessors to reduce assessed value unilaterally to reflect reductions in market value.

Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which written application is filed. The assessed value increases to its pre-reduction level for fiscal years following the year for which the reduction application is filed. However, if the taxpayer establishes through proof of comparable values that the property continues to be overvalued (known as "ongoing hardship"), a county assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year as well. In a similar manner, a county assessor may reassert the pre-appeal level of assessed value depending on the county assessor's determination of current value.

In addition to reductions in assessed value resulting from Proposition 8 appeals, California law also allows assessors to reduce assessed value unilaterally based on a general decline in market value of an area. Although Proposition 8 reductions are temporary only for those property that are not sold to new owners, and are otherwise expected to be eliminated under Proposition 13 if and when market conditions improve, no assurance is given that such reductions will be eliminated.

The Teeter Plan. In 1949, the California Legislature enacted an alternative method for the distribution of secured *ad valorem* property taxes to local agencies. This method, known as the Teeter Plan, is set forth in Sections 4701-4717 of Revenue and Taxation Code of the State of California (the "Law"). Generally, the Teeter Plan provides for a tax distribution procedure by which secured roll taxes are distributed to taxing agencies within the County included in the Teeter Plan on the basis of the tax levy, rather than on the basis of actual tax collections. The County deposits in the Tax Losses Reserve Fund all future delinquent tax payments, penalties and interest, and a complex tax redemption distribution system for all participating taxing agencies is avoided. While the County bears the risk of loss on delinquent taxes that go unpaid, it benefits from the penalties associated with these delinquent taxes when they are paid. In turn, the Teeter Plan provides participating local agencies with stable cash flow and the elimination of collection risk. The constitutionality of the Teeter Plan was upheld in *Corrie v. County of Contra Costa*, 110 Cal. App. 2d 210 (1952). The Teeter Plan was named after Desmond Teeter, the then Auditor-Controller of the County who originated this method of tax distribution. The County was the first Teeter Plan county in the State.

Effect of COVID-19 on Property Tax Collections. In response to COVID-19, on May 6, 2020, the Governor signed Executive Order N-61-20 suspending provisions of the Revenue and Taxation Code requiring for residential real property occupied by the taxpayer, and real property owned and operated by a taxpayer qualifying as a small business under the regulations of the Small Business Administration that impose penalties, costs or interest for failure to pay secured and unsecured property taxes or supplemental taxes by the due date. To be eligible for this relief, the property taxes owed must not have been delinquent prior to March 4, 2020, the taxpayer must timely file a claim for relief, and must demonstrate that it has suffered economic hardship due to COVID-19 that makes them unable to render payment.

The County is unable to predict the extent that this order will have on the willingness of taxpayers to make timely payment of their property tax, however, at the closing of the Fiscal Year 2019-20 tax roll, the County had received 99.03% of total property taxes due compared to 98.22% at the same time in Fiscal Year 2018-19. See "–General." The County does not believe that any such delays or foregone revenue will have a material effect on the finances of the County.

The County Assessor has informed taxpayers that it will proactively review all assessments within the County as of January 1, 2021 to determine if property value has been impacted by COVID-19, with reductions, if any, reflected in the assessed value for Fiscal 2021-22.

Proposition 19. On November 3, 2020, the voters of the State passed Proposition 19–"Changes Certain Property Tax Rules. Legislative Constitutional Amendment" ("Proposition 8"), a constitutional amendment to Article XIII A that, among other things, changes the rules for tax assessment transfers. This Proposition permits eligible homeowners (*i.e.* persons over 55 years old, persons with severe disabilities, and victims of natural disasters and hazardous waste contamination) to transfer their tax assessments to a different home of greater market value anywhere in the State, allowing such homeowners to move to a more expensive homes without paying higher property taxes. Proposition 19 also eliminated the parent-to-child and grandparent-to-grandchild exemption of the first $1 million from reassessment where the child or grandchild does not use the inherited property as their principal residence. The County has not yet completed any projections of the effects of Proposition 19 on revenues, however the County does not believe such effects will have any material negative implications.

Tax Losses Reserve Fund. Pursuant to the Law, the County is required to establish the Tax Losses Reserve Fund to cover losses that may occur in the amount of tax liens as a result of special sales of tax-defaulted property (*i.e.*, if the sale price of the property is less than the amount owed). During each fiscal year, the Tax Losses Reserve Fund is reviewed and when the amount of the fund exceeds certain levels, the excess may be credited to the County General Fund as provided by Sections 4703 and 4703.2 of the California Revenue and Taxation Code. State law allows any county to draw down their tax losses reserve fund to a balance equal to (i) 1% of the total of all taxes and assessments levied on the secured roll for that year, or (ii) not less than 25% of the current year delinquent secured tax levy.

As of June 30, 2020, the balance in the Tax Losses Reserve Fund was approximately $89.7 million.

Delinquencies. As described above, once an installment of property tax becomes delinquent, penalties are assessed commencing on the applicable delinquency date until the delinquent installment(s) and all assessed penalties are paid. In the event of foreclosure and sale of property by a mortgage holder, all past due property taxes, penalties and interest are required to be paid before the property can be transferred to the purchaser/new owner. However, in response to the COVID-19 pandemic, Executive Order N-61-20 suspends the collection of interest, penalties, and costs on certain property specified in the Order through May 6, 2021. See "–Effect of COVID-19 on Property Tax Collections.

In addition, as required under the Teeter Plan (described above), the County maintains a Tax Losses Reserve Fund, to cover potential losses that may result if tax-defaulted property is sold by the County for less than the amount of the taxes owed.

A 10-year history of secured County tax levies, delinquencies and the Tax Losses Reserve Fund cash balances as of June 30 of each year is shown in Table B-3 below.

Table B-3
County of Contra Costa
Summary of Secured Assessed Valuations(1) and *Ad Valorem* Property Taxation
Fiscal Years 2011-12 through 2020-21

Fiscal Year (June 30)	Secured Assessed Valuation(1)	Secured Property Tax Levies	Current Year Tax Delinquencies	Current Year Tax % Delinquent	Balance in Delinquent Property Tax (June 30)	Total Tax Losses Reserve Fund	Tax Losses Reserve Fund as % of Total Delinquencies
2011-12	$138,382,133,511	$1,973,645,892	$54,993,259(2)	2.79%	$96,699,117	$101,354,611	104.81%
2012-13	139,353,572,756	1,974,837,555	21,622,707	1.09	58,162,000	96,423,523	165.78
2013-14	144,725,591,361	2,092,731,716(3)	20,610,514	0.99	51,636,396	90,648,537	175.55
2014-15	158,026,299,690	2,286,997,538	20,281,677	0.89	46,986,870(4)	84,019,204	179.00
2015-16	170,368,542,713	2,425,971,799	20,735,057	0.85	43,767,386	77,371,819	177.00
2016-17	180,813,194,404	2,554,065,674	21,342,994	0.84	43,206,946	69,309,831	160.00
2017-18	191,190,578,610	2,707,458,628	20,550,218	0.76	43,455,808	62,091,211	143.00
2018-19	203,089,152,567	2,875,385,332	23,184,063	0.81	46,155,928	76,175,894	165.00
2019-20	213,519,088,284	3,055,014,187	29,239,776	0.96	53,513,612	89,694,521	168.00
2020-21(5)	223,758,847,763	3,152,510,994	N/A	N/A	N/A	N/A	N/A

(1) Assessed values are those defined under California Revenue and Taxation Code Sections: 601 and 721 *et. seq.* Article XIII A, added to California Constitution by Proposition 13 in 1978, fixed the base for valuation of property subject to taxes at the full cash value which appeared on the Assessor's 1975-76 assessment roll. Thereafter, full cash value can be increased to reflect: (i) annual inflation up to 2%; (ii) current market value at time of ownership change; and (iii) market value for new construction.
(2) Adjusted on January 3, 2019 from the original amount reported of $54,933,259.
(3) Adjusted on January 5, 2015 from the original amount reported of $2,083,809,768.
(4) Adjusted on January 3, 2019 from the original amount of $46,987,870.
(5) Estimated.
Source: County Auditor-Controller–Property Tax Division.

(Remainder of this Paragraph Intentionally Left Blank)

The 10 largest property taxpayers in the County, as shown on the Fiscal Year 2020-21 secured tax roll and the approximate amounts of their *ad valorem* property tax payments and the 10 largest property taxpayers by assessed value are shown below in Table B-4A and Table B-4B, respectively.

Table B-4A
County of Contra Costa
Ten Largest Property Taxpayers
By Taxes Paid
Fiscal Year 2020-21[1]

Taxpayer	Total Taxes Paid[2]	Percent of Total County Tax Roll
Chevron USA Inc.	$48,811,613	1.60%
Pacific Gas & Electric	43,707,532	1.43
Equilon Enterprises LLC	18,542,959	0.61
Phillips 66 Company	13,946,518	0.46
Tesoro Refining & Marketing	13,009,547	0.43
Golden Rain Foundation of WC TRE	12,090,512	0.40
BRE Properties Inc.	9,765,260	0.32
SDC 7	9,477,386	0.31
MCD-RCCA-El Cerrito LLC	8,557,544	0.28
Sierra Pacific Properties Inc.	8,413,848	0.28
SUBTOTAL TEN LARGEST TAXPAYERS	$186,322,718	6.11%
Other Taxpayers	2,865,142,657	93.89
TOTAL	$3,051,465,375	100.00%

(1) Estimated as of October 23, 2020.
(2) Column does not total due to rounding.
Source: County Treasurer-Tax Collector.

(Remainder of this Paragraph Intentionally Left Blank)

Table B-4B
County of Contra Costa
Ten Largest Property Taxpayers
By Taxable Assessed Value (Secured and Unitary)[(1)]
Fiscal Year 2019-20

Taxpayer	Taxable Assessed Value[(2)]	Percent of Total
Chevron USA Inc.†	$3,436,949,809	1.57%
Equilon Enterprises LLC	1,573,436,287	0.72
Phillips 66 Company	1,139,677,920	0.52
Tesoro Refining & Marketing	1,019,738,684	0.47
Golden Rain Foundation of WC TRE	911,609,310	0.42
SDC 7	817,539,671	0.37
Mcd-Rcca-El Cerrito LLC	643,314,664	0.29
BRE Properties Inc.	635,235,271	0.29
Sierra Pacific Properties Inc.	583,564,893	0.27
Marsh Landing LLC	456,000,000	0.21
SUBTOTAL TEN LARGEST TAXPAYERS	$11,217,066,509	5.12%
Other Taxpayers	218,949,260,049	94.88
TOTAL	$219,061,430,714	100.00%

(1) Ranking is based on assessed valuation which may be different from taxes paid due to special purpose levies by some taxpayers.
(2) Estimated as of October 23, 2020
Source: County Treasurer-Tax Collector.

Taxation of State-Assessed Utility Property. The State Constitution provides that most classes of property owned or used by regulated utilities be assessed by the State Board of Equalization (the "SBE") and taxed locally. Property valued by the SBE as an operating unit in a primary function of the utility taxpayer is known as "unitary property," a concept designed to permit assessment of the utility as a going concern rather than assessment of each individual element of real and personal property owned by the utility taxpayer. State-assessed unitary and "operating nonunitary" property (which excludes nonunitary property of regulated railways) is allocated to the counties based on the situs of the various components of the unitary property. Except for unitary property of regulated railways and certain other excepted property, all unitary and operating nonunitary property is taxed at special county-wide rates and distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year. In 1999, the SBE adopted a rule that provides for local assessment of certain investor-owned electric utility facilities. As a result of this rule, the County Assessor currently assesses three power plants located in the County. However, assessment of certain power plants has been transferred to the SBE, so the portion of the County's total net assessed valuation constituting unitary property subject to SBE assessment has increased (see further discussion below).

For Fiscal Year 2019-20, approximately 1.54% of the County's total net assessed valuation constituted property subject to State assessment by the SBE, for which approximately $57.185 million of property taxes are expected to be collected in Fiscal Year 2019-20. The portion of Fiscal Year 2019-20 tax collections through the SBE assessment methodology attributable to the County General Fund for Fiscal Year 2019-20 is estimated to be $8.09 million.

For Fiscal Year 2020-21, approximately 1.49% of the County's total net assessed valuation constituted property subject to State assessment by the SBE, for which approximately $62.392 million of property taxes are expected to be collected in Fiscal Year 2020-21. The portion of Fiscal Year 2020-21 tax collections through the SBE assessment methodology attributable to the County General Fund are expected to be approximately $8.05 million.

Sales and Use Taxes. The sales tax is an excise tax imposed on retailers for the privilege of selling tangible personal property. The use tax is an excise tax imposed on a person for the storage, use or other consumption of tangible personal property purchased from any retailer. The proceeds of sales and use taxes imposed within the boundaries of the unincorporated areas of the County. For the last five Fiscal Years, this source of revenue has represented approximately 1% of General Fund revenues (excluding transfers in).

On November 3, 2020, the voters of the county passed Measure X, authorizing the imposition of a one-half cent transaction and use tax within the incorporated and unincorporated areas of the County for 20 years commencing in 2021. Approval of Measure X required a simple majority vote and passed with 58.45% of the vote. Prior to the election, the County estimated that this transaction and use tax would generate approximately $81 million annually**.** Since the passage of Measure X, the County received an updated revenue estimate for Fiscal Year 2021-22 of $96,107,385; however, this estimate was generated prior to the Governor's action of November 16, 2020 bringing much of the State back into the most restrictive tier of the California Health Equity Metric. See "CERTAIN RISK FACTORS–Potential Impacts of Coronavirus and Other Health-Related Risks– *State Responses and Actions*" The County has not yet determined the amount of Measure X revenues to be budgeted for Fiscal Year 2021-22; however, the County anticipates that amount will at least $81 million.***]***

Commercial activity comprises an important part of the County's economy, with taxable transactions totaling approximately $2.5 billion in calendar year 2019, the most recent year for which complete annual data is available. For calendar year 2019, the approximately 18.9% increase in total taxable transactions was due primarily to increases in gasoline stations (175.4%), motor vehicle and parts dealers (150.6%); and other retail group (30.9%). Presented in Table B-5B below is a summary of taxable transactions in the County since 2015.

Table B-5
County of Contra Costa
Taxable Transactions†
Calendar Years 2015 to 2019
($ in thousands)

	2015	2016	2017	2018	2019
Motor Vehicle and Parts Dealers	$2,758	$4,363	$4,029	$6,336	$15,878
Home Furnishings and Appliance Stores	103,183	105,676	100,483	87,389	101,726
Building Materials and Garden Equipment and Supplies Dealers	44,542	46,354	52,834	75,001	72,649
Food and Beverage Stores	1,479	1,016	1,157	2,066	1,726
Gasoline Stations	21,520	12,081	15,181	9,256	25,082
Clothing and Clothing Accessories Stores	131,588	145,737	159,213	189,735	211,057
General Merchandise Stores	80,172	92,388	116,013	138,769	159,154
Food Services and Drinking Places	4,200	8,224	6,670	2,864	3,108
Other Retail Group	358,579	408,677	476,101	538,244	704,824
Total Retail and Food Services	746,706	824,515	931,687	1,049,429	1,295,206
All Other Outlets	1,564,486	1,627,857	1,606,471	1,482,966	1,716,756
TOTAL ALL OUTLETS	$2,311,192	$2,452,372	$2,538,158	$2,532,395	$3,011,962
% CHANGE		6.1%	3.5%	(0.2%)	18.9%

† Columns do not total due to independent rounding.
Sources: Taxable Sales in California (Sales and Use Tax) Annual Reports, California Department of Tax and Fee Administration, formerly the California State Board of Equalization.

Much of the County's commercial activity is concentrated in central business districts of its cities and unincorporated towns. Regional shopping centers, numerous smaller centers and several "big box" warehouse stores serve County residents. The County is served by all major banks including Bank of America and Wells Fargo Bank. In addition there are numerous local banks and branches of smaller California and foreign banks.

Dissolution of Redevelopment Agency

No revenues of the Contra Costa County Redevelopment Agency (the "Former Agency") have ever been pledged as a payment source for County indebtedness in the past and such revenues are not pledged to the payment of the Series 2020 Bonds. No General Fund expenses of the County have ever been paid from Former Agency revenues.

Two bills enacted as part of the 2011 State Budget Act (ABx1 26 and ABx1 27 (Chapter 6, Statutes of 2011-12, First Extraordinary Session) (the "Dissolution Act" and "AB 27," respectively) dissolved all redevelopment agencies, and designated "successor agencies" and "oversight boards" to satisfy "enforceable obligations" of the dissolved redevelopment agencies and to administer the wind down and dissolution of the dissolved redevelopment agencies. The California Supreme Court upheld the Dissolution Act, resulting in the formal dissolution of all redevelopment agencies in the State, including the Former Agency, effective February 1, 2012.

All revenues that would have been allocated to redevelopment agencies, including the Former Agency, will be allocated to the applicable redevelopment property tax trust fund created by the county auditor-controller for the "successor agency." Such funds will to be used for payments on indebtedness and other “enforceable obligations” (as defined in the Dissolution Act), and to pay certain administrative costs and any amounts in excess of that amount are to be distributed to taxing agencies.

In addition, under the Dissolution Act tax increment is no longer deemed to flow to the successor agency and the requirement to deposit a portion of the tax increment into a low and moderate income housing fund is also no longer required.

Pursuant to California Health and Safety Code Section 34173(d), the Board of Supervisors declared that the County would act as the “successor agency” to the Former Agency (the “Successor Agency”) under the Dissolution Act. Pursuant to Assembly Bill No. 1484, the Successor Agency is a separate public entity from the County. The Dissolution Act also required that an oversight board for each successor agency be established no later than May 1, 2012. The Successor Agency duly established the Oversight Board of the Successor Agency to the Contra Costa County Redevelopment Agency (the “Oversight Board”) pursuant to California Health and Safety Code Section 34179(a). As of July 1, 2018, the County established a Countywide oversight board (the “Oversight Board”) to oversee the activities of all successor agencies within the County, including the Successor Agency.

The Dissolution Act expressly limits the liabilities of a successor agency in performing duties under the Dissolution Act to the amount of property tax revenues received by such successor agency under the Dissolution Act (generally equal to the amount of former tax increment received by the former redevelopment agency) and the assets of the former redevelopment agency. The Dissolution Act does not provide for any new sources of revenue, including general fund revenues of the County, for any Former Agency bonds (but as discussed below, the costs to the County of performing its obligations under the Dissolution Act and of pursuing the economic development goals of the Former Agency are uncertain and could be significant.

Under the Dissolution Act, the County Auditor-Controller is required to determine the amount of property taxes that the redevelopment agencies would have received had they not been dissolved pursuant to the Dissolution Act, using assessed values on the last equalized roll on August 20, statutory formulas or contractual agreements with taxing entities, and deposit such amount in the Redevelopment Property Tax Trust Fund. The Redevelopment Property Tax Trust Fund is administered by the County Auditor-Controller for the benefit of the holders of enforceable obligations and the taxing entities that receive pass-through payments and property tax distributions.

Although provisions have been made under the Dissolution Act to provide funds (*i.e.* property tax revenues) to continue certain enforceable obligations, the costs of the Successor Agency in performing its duties under the Dissolution Act, including performing all enforceable obligations of the Former Agency, and pursing community development goals that the Former Agency undertook and that are not covered by enforceable obligations are uncertain, and could impose significant costs on the General Fund not offset by property tax revenues.

The Successor Agency does not issue separate financial statements. Although a separate legal entity from the County, the financial results for the Successor Agency are reported as fiduciary funds in the CAFR of the County.

Accounting Policies, Reports and Audits

The County believes that its accounting policies used in preparation of its audited financial statements conform to generally accepted accounting principles applicable to counties. The County's governmental funds use the modified accrual basis of accounting. This system recognizes revenues when they become available and measurable. Expenditures are recognized when the fund liability is incurred. Proprietary funds and fiduciary funds (except for Agency funds) use the accrual basis of accounting, whereby revenues are recognized when they are earned and become measurable, while expenses are recognized when the liabilities are incurred.

The County Treasurer also holds certain trust and agency funds not under the control of the Board of Supervisors, such as those of school districts, which are accounted for on a cash basis.

The California Government Code requires every county to prepare an annual financial report. The County Auditor-Controller prepares the Comprehensive Annual Financial Report for the County. This annual report covers financial operations of the County, County districts and service areas, and various trust transactions of the County Treasury. Under California law, independent audits are required of all operating funds under the control of the Board of Supervisors. The County has had independent audits for more than 40 years. See APPENDIX C–"COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE COUNTY FOR THE FISCAL YEAR ENDED JUNE 30, 2020."

In addition to the above-mentioned audits, the County Grand Jury may also conduct management audits of certain offices of the County.

The County, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into these categories as follows: (i) governmental funds; (ii) proprietary funds; and (iii) fiduciary funds.

Governmental Funds: used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of resources that are available for spending as well as on balances of resources that are available for spending at the end of the Fiscal Year.

The County maintains 26 individual governmental funds (*e.g.* General Fund, special revenue funds, debt service funds, capital projects funds, and permanent fund) for reporting purposes. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Contra Costa County Fire Protection District Special Revenue Fund.

Proprietary Funds: used to account for information of the same type as the government-wide financial statements, only in more detail. These are of two different types: (i) enterprise funds (used to report the same functions presented as business-type activities in the government-wide financial statements) and (ii) internal service funds (used to accumulate and allocate costs internally among the County's various functions and to account for its administrative costs and payment of claims for its various insurance programs to protect County assets and employees).

Fiduciary Funds: used to account for resources held for the benefit of entities legally separate from the County and individuals, which are not part of the reporting entity. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

Presented in Table B-6 on the following page is the County's Schedule of Revenues, Expenditures and Changes in Fund Balances for the County General Fund as of June 30 for the five most recent fiscal years for which audited financial statements are available. More detailed information from the County's audited financial report for the fiscal year ending June 30, 2020 appears in APPENDIX C to this Official Statement.

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Table B-6
County of Contra Costa
General Fund Statement of Revenues, Expenditures and Changes in Fund Balances
Fiscal Years 2015-16 through 2019-20
($ in thousands)

	2015-16	**2016-17**	**2017-18**	**2018-19**	**2019-20**
REVENUES					
Taxes	$364,391	$385,577	$404,317	$431,626	
Licenses, permits & franchises	13,142	12,779	12,470	12,045	
Fines, forfeitures & penalties	27,606	27,807	24,959	4,374	
Use of money & property†	7,500	4,475	11,007	33,839	
Intergovernmental revenues†	515,374	541,797	552,539	582,822	
Charges for services†	219,953	224,147	235,014	252,284	
Other revenue†	261,356	275,551	290,926	352,493	
TOTAL REVENUES	1,409,322	1,472,133	1,531,232	1,669,483	
EXPENDITURES					
Current:					
General government	167,259	181,643	212,603	245,425	
Public protection	393,841	410,458	425,495	439,066	
Health & sanitation	273,042	287,681	319,231	363,619	
Public assistance	416,021	435,145	429,732	439,283	
Education	–	–	–	–	
Public ways and facilities	35,341	36,383	35,112	35,829	
Recreation and culture	–	–	–	–	
Debt service:					
Principal	92	96	–	–	
Interest	38	34	–	–	
TOTAL EXPENDITURES	1,285,634	1,351,440	1,422,173	1,523,222	
Excess (deficiency) of Revenues over (under) Expenditures	123,688	120,693	109,059	146,261	
OTHER FINANCING SOURCES (USES)					
Transfers in	435	552	3,501	3,905	
Transfers out	(50,844)	(52,293)	(58,489)	(63,579)	
Issuance of debt	–	–	–	–	
Premium on debt issues	–	–	–	–	
Capital lease financing	1,542	1,203	863	2,677	
TOTAL OTHER FINANCING SOURCES (USES)	(48,867)	(50,538)	(54,125)	(56,9979)	
NET CHANGE IN FUND BALANCES	74,821	70,155	54,934	89,264	
FUND BALANCE AT BEGINNING OF YEAR	295,337	370,158	440,313	495,247	
FUND BALANCE AT END OF YEAR	$370,158	$440,313	$495,247	$584,511	

† The terms "Use of money and property," "Intergovernmental revenues," "Charges for services," and "Other revenue" are defined in "*Accounting Standards and Procedures for Counties.*" Revision No. 2, Effective May 1, 2014. California State Controller's Office.
Source: County Auditor-Controller.

County Employees

A summary of the total number of County full-time equivalent (FTE) employees for the last 10 years and budgeted for Fiscal Year 2020-21 is set forth below:

Table B-7
County of Contra Costa
Full-Time Equivalent County Employees(1)

As of June 30	Number of FTE Employees
2011	8,142
2012	8,329
2013	8,391
2014	8,852
2015	9,273
2016	9,778
2017	9,877
2018	9,718
2019	9,823
2020	9,751
2021(2)	9,812

(1) As of June 30, 2020.
(2) Budgeted.
Source: County Administrator's Office.

Contract Negotiations

County employees are represented in 34 bargaining units by 16 labor organizations, the principal ones being Teamsters, Local 856, Local 2700 of the American Federation of State County and Municipal Employees ("AFSCME"), Professional and Technical Engineers, Local 21 (AFL-CIO), Deputy Sheriff's Association, and Local 1021 of the Service Employees International Union ("SEIU") which, combined, represent approximately 69% of all permanent County and Contra Costa County Fire District employees in a variety of classifications.

All employee organizations are currently under contract and Memoranda of Understanding (the "MOUs") with the employee organizations are current and remain in full force and effect. Table B-8 summarizes the labor organizations at the County, contract expiration dates, and status of negotiations.

Table B-8
County of Contra Costa
Labor Organization Unit Contract Expiration Dates
(As of November 1, 2020)

Labor Organization	Contract Expiration Date	Total Number of Employees[1]
AFSCME Local 512, Professional and Technical Employees	06/30/22	234
AFSCME Local 2700, United Clerical, Technical and Specialized Employees	06/30/22	1,474
California Nurses Association	09/30/21	767
Contra Costa County Defenders Association	06/30/22	95
Contra Costa County Deputy District Attorneys Association	06/30/22	87
Deputy Sheriff's Association, Management Unit, Rank and File , and Probation	06/30/23	1,035
District Attorney Investigator's Association	06/30/23	19
Contra Costa County Firefighters Association, IAFF, Local 1230	06/30/23	332
Management Classified, Exempt and Management Project	N/A[2]	418
Physicians and Dentists of Contra Costa	10/31/22	254
Professional and Technical Engineers, Local 21, AFL-CIO	06/30/22	1,129
Public Employees Union, Local One	06/30/22	541
SEIU Local 1021, Rank and File and Service Line Supervisors Units	06/30/22	847
Teamsters, Local 856	06/30/22	1,821
United Chief Officers' Association	06/30/23	12
Western Council of Engineers	06/30/22	25
TOTAL		9,090

(1) Figures represent permanent employee counts.
(2) Negotiations are in process and the employees continue to work for the County pursuant to the terms of the existing MOU for this labor organization.
(3) Not represented.
Source: Contra Costa County Human Resources Department.

Pension Plan *[Section to be conformed with 2019-20 CAFR]*

Description. The Contra Costa County Employees' Retirement Association ("CCCERA") is a cost-sharing multiple-employer defined pension benefit plan governed by the County Employees' Retirement Law of 1937, as amended (the "1937 Act"), and the Public Employees' Pension Reform Act of 2013 ("PEPRA" and together with the 1937 Act, the "Retirement Law"). The plan covers substantially all of the employees of the County, its special districts, the Housing Authority of the County, First 5 children and Families Commission, and 12 other member agencies. CCCERA issues a stand-alone financial report, which is available at its office located at 1355 Willow Way, Suite 221, Concord, California 94520 and on their website at http://www.cccera.org/publicationssample.html. For additional information on the County's pension plan, see APPENDIX C–"COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE COUNTY FOR THE FISCAL YEAR ENDED JUNE 30, 2020–Note 14–Employees' Retirement Plan."

Benefits Provided. CCCERA provides service retirement, disability, death and survivor benefits to eligible employees. All regular full-time employees of the county or participating agencies become members of CCCERA effective on the first day of the first full pay period after employment. Part-time employees in permanent positions must work at least 20 hours a week in order to be a member of CCCERA. There are separate retirement plans for General and Safety member employees.

For members with membership dates before January 1, 2013, the maximum monthly retirement allowance is 100% of final compensation. There is no final compensation limit in the maximum retirement benefit for members with membership dates on or after January 1, 2013.

Final average compensation consists of the highest 12 consecutive months for General Tier 1, General Tier 3 (non-disability) and Safety Tier A members and the highest 36 consecutive months for General Tier 2, General Tier 3 (disability), PEPRA General Tier 4, PEPRA Tier 5, Safety Tier C, PEPRA Safety Tier D, and PEPRA Safety Tier E members.

CCCERA provides an annual cost of living adjustment (a "COLA") benefit to all retirees. The COLA, based on the Consumer Price Index for the San Francisco-Oakland-San Jose Area, is capped at 3.0% for General Tier 1, General Tier 3 (non-disability benefits), PEPRA General Tier 4, PEPRA General Tier 5 (3% non- disability benefits), Safety Tier A and PEPRA Safety Tier D. The COLA is capped at 4.0% for General Tier 3 (disability benefits), General Tier 2 and PEPRA General Tier 5 (3% disability benefits). The COLA is capped at 2.0% for General Tier 5, Safety Tier C and PEPRA Safety Tier E.

Safety Plan. Safety membership is extended to those involved in active law enforcement, fire suppression, and certain other "Safety" classifications. There are currently five tiers applicable to Safety members. Safety members with membership dates before January 1, 2013, are included in Tier A (Enhanced and Non-Enhanced). County Sheriff's Department Safety members hired on or after January 1, 2007, but before January 1, 2013, are placed in Safety Tier C Enhanced. Any new Safety Member who becomes a member on or after January 1, 2013, is designated PEPRA Safety Tier D or E (Safety Members from certain bargaining units) and is subject to the provisions of California Public Employees' Pension Reform Act of 2013 (PEPRA), California Government Code §7522 et seq. Safety members prior to January 1, 2013, are eligible to retire once they attain the age of 70 regardless of service or at age 50 and have acquired 10 or more years of retirement service credit. A member with 20 years of service is eligible to retire regardless of age. Safety members who are first hired on or after January 1, 2013, are eligible to retire once they have attained the age of 70 regardless of service or at age 50, and have acquired five years of retirement service credit.

Safety member benefits are calculated pursuant to the provisions of California Government Code Sections 31664 and 31664.1 of the Retirement Law for Non-Enhanced and Enhanced formulae, respectively. The monthly allowance is equal to 1/50th (or 2%) of final compensation times years of accrued retirement service credit times age factor from Section 31664 (Non-Enhanced) or 3% of final compensation times years of accrued retirement service credit times age factor from Section 31664.1 (Enhanced). For those Safety members with membership dates on or after January 1, 2013, (PEPRA Safety Tier D and Tier E) benefits are calculated pursuant to the provisions found in California Government Code Section 7522.25(d) of the Retirement Law. The monthly allowance is equal to the final compensation multiplied by years of accrued retirement service credit multiplied by the age factor from Section 7522.25(d) of the Retirement Law.

General Plan. All other employees are classified as General members. There are currently eight tiers applicable to General members. General Tier 1 (Enhanced and Non-Enhanced) includes general members hired before July 1, 1980, and electing not to transfer to Tier 2 Plan. In addition, certain General members with membership dates before January 1, 2013, hired by specific employers who did not adopt Tier 2 are placed in Tier 1. General Tier 2 includes most General members hired on or after August 1, 1980, and all General members hired before July 1, 1980, electing to transfer to the Tier 2 plan. Effective October 1, 2002, for the County, Tier 2 was eliminated and all County employees (excluding CNA employees) in Tier 2 were placed in Tier 3 (Enhanced and Non-Enhanced). Effective January 1, 2005, all CNA employees in Tier 2 were placed in Tier 3. New General Members who become a member on or after January 1, 2013, are designated as PEPRA General Tier 4 (hired by specific employers who did not adopt Tier 2) and Tier 5 (with 2%/3% maximum COLAs) and are subject to the provisions of California Government Code §7522 et seq. General members prior to January 1, 2013, are eligible to retire once they attain the age of 70 regardless of service or at age 50 and have acquired 10 or more years of retirement service credit. A member with 30 years of service is eligible to retire regardless of age. General members who are first hired on or after January 1, 2013, are eligible to retire once they have attained the age of 70 regardless of service or at age 52, and have acquired five years of retirement service credit.

General Tier 1 and Tier 3 benefits are calculated pursuant to the provisions of Sections 31676.11 and 31676.16 of the Retirement Law for Non-Enhanced and Enhanced benefit formulae, respectively. The monthly allowance is equal to 1/60th (Non-Enhanced) and 1/50th (Enhanced) of final compensation times years of accrued retirement service credit times age factor from either section 31676.11 (Non-Enhanced) or 31676.16 (Enhanced). General Tier 2 benefit is calculated pursuant to the provisions of Sections 31752 of the Retirement Law. General member benefits for those with membership dates on or after January 1, 2013, (PEPRA General Tier 4 and 5) are calculated pursuant to the provisions found in California Government Code Section 7522.20(a). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.20(a) of the Retirement Law.

Contributions. The County and participating agencies contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from the CCCERA actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of December 31, 2018, for Fiscal Year 2018-19 beginning July 1, 2018, (based on the December 31, 2016, valuation) was 38.08% of compensation. Contributions in relation to the actuarially determined contribution were $262,317,000.

Members are required to make contributions to CCCERA based on the retirement plan or tier in which they are included. The average member contribution rate as of December 31, 2018, for Fiscal Year 2018-19, (based on the December 31, 2016, valuation) was 12.08% of compensation.

A copy of CCCERA's Comprehensive Annual Financial Report for calendar year end December 31, 2018, can be located at www.cccera.org.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pension. At June 30, 2019, the County reported a liability of $1,138,158,000 for its proportionate share of the Net Pension Liability (the "NPL") which includes Pension Obligation Bond proceeds. The NPL was measured as of December 31, 2018. The County's proportion of the NPL was based on a projection of the County's covered payroll for Fiscal Year 2018-2019 relative to the covered payroll of all Pension Plan participants. At December 31, 2018, the County's proportion was 79.70%, an increase from 75.74% at December 31, 2017.

For Fiscal Year 2018-19, the County recognized pension expense of $255,967,000. Pension expense represents the change in the NPL during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/lost, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

For the reported deferred outflows and inflows of resources see APPENDIX C–"COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE COUNTY OF CONTRA COSTA FOR THE FISCAL YEAR ENDED JUNE 30, 2020–Note 14–Employees' Retirement Plan."

Actuarial Assumptions. The Total Pension Liability (the "TPL") as of December 31, 2018, was determined by actuarial valuation as of December 31, 2018. The actuarial assumptions used were based on the results of an experience study for the period January 1, 2016, through December 31, 2018. They are the same as the assumptions used in the CCCERA funding valuations as of December 31, 2018, and December 31, 2017. In particular, the following actuarial assumptions were applied to all periods included in the measurement for both the December 31, 2017, and December 31, 2016, actuarial valuations:

Inflation	2.75%
Salary increases	General: 3.75% to 15.25% Safety: 4.25% to 16.25%, varying by service, including inflation
Investment rate of return	7.00%

Source: Comprehensive Annual Financial Report of the County for the Fiscal Year Ended June 30, 2019.

The long-term expected rate of return on pension plan investments was determined in 2016 using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. Those returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin.

For the target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return
Large Cap U.S. Equity	5.00%	5.44%
Developed International Equity	13.00	6.54
Emerging Markets Equity	11.00	8.73
Short-Term Govt/Credit	23.00	0.84
U.S. Treasury	3.00	1.05
Risk Diversifying Strategies	7.00	3.53
Global Infrastructure	3.00	7.90
Private Credit	12.00	5.80
REIT	1.00	6.80
Value Add Real Estate	5.00	8.80
Opportunistic Real Estate	4.00	12.00
Risk Parity	5.00	5.80
Private Equity	8.00	9.27
TOTAL	100.00%	

Source: Comprehensive Annual Financial Report of the County for the Fiscal Year Ended June 30, 2019.

Discount Rate. The discount rate used to measure the TPL was 7.00%. The projection of cash flows used to determine the discount rate assumed employer and employee contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of December 31, 2018.

Sensitivity of the County's Proportionate Share of the NPL to Changes in the Discount Rate. The following presents the County's proportionate share of the NPL of the CCCERA as of December 31, 2018, which is allocated to all employers, calculated using the discount rate of 7.00%, as well as what the county's NPL would be if it were calculated using a discount rate that is 1- percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate (in thousands):

	1% Decrease 6.00%	**Discount Rate 7.00%**	**1% Increase 8.00%**
County's proportionate share of the net pension plan liability	$2,204,366	$1,138,158	$264,662

Source: Comprehensive Annual Financial Report of the County for the Fiscal Year Ended June 30, 2019.

Other Post Employment Benefit (OPEB) *[Section to be conformed with 2019-20 CAFR]*

Plan Description. The County administers a single-employer defined benefit healthcare plan. This plan provides post-employment medical and dental insurance benefits to eligible retired employees and their dependents. Health benefit provisions for active employees are established and may be amended through negotiations between the County and the respective bargaining units. The county does not issue a separate audit report for its OPEB. The contribution requirements for retired employees participating in County health plans may be modified by the Board of Supervisors, and the contribution requirements for retired employees participating in PERS are as required by State statute. The County contracts with Kaiser Permanente, Health Net, Contra Costa Health Plans, and the California Public Employees' Retirement System to provide medical benefits, and Delta Dental and PMI Deltacare for dental benefits.

The Board of Supervisors appointed the Auditor-Controller, Chief Administrative Officer, Director of Finance, Contra Costa Regional Medical Center Finance Director, and the Treasurer-Tax Collector as the Plan's Board of Trustees. The Treasurer-Tax Collector has been designated as the Plan Administrator. As of June 30, 2019, Public Agency Retirement Services is the Trust Administrator.

The Board of Supervisors has the right at any time and for any reason, in its sole discretion, to modify, alter, or amend the Plan in whole or in part, in any manner and without limit, including reducing or eliminating the payment of any benefits. Benefits provided under this plan for a retired employee of an employer and his or her spouse or dependent shall be paid from the assets contributed to the Public Agencies Post-Retirement Health Care Plan (Trust) by the employee's employer and not from the assets contributed by any other employer. Union Bank of California (Trustee) shall, upon the written direction of the Plan Administrator, make distributions from the assets of the Trust to the insurers, third party administrators, health care and welfare providers or other entities providing Plan benefits or services, or to the employer for reimbursement of Plan benefits and expenses paid by the employer.

Contributions

Benefits Provided. The County contracts with Kaiser Permanente, Health Net, Contra Costa Health Plans, and the California Public Employees' Retirement System (CalPERS) to provide medical benefits and Delta Dental and PMI Deltacare for dental benefits.

The Board of Supervisors has adopted changes to the subsidy the County currently pays toward eligible retirees' monthly medical and dental premiums for both safety and non-safety employees. This subsidy varies by bargaining unit and date of hire.

Currently, eligible County retirees may participate in the plans upon retirement from the County (drawing a pension from CCCERA). Currently, eligible members in deferred retirement status may participate in County health plans as retirees, so long as they begin receiving a pension from CCCERA within 24 months of separation from the County.

	Primary Government
Active plan members	9,041
Retirees and beneficiaries receiving benefits	6,735

Source: Comprehensive Annual Financial Report of the County for the Fiscal Year Ended June 30, 2019.

For a summary of the current subsidy for each bargaining unit, see APPENDIX C–"COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE COUNTY OF CONTRA COSTA FOR THE FISCAL YEAR ENDED JUNE 30, 2020–Note 15–Other Postemployment Benefit (OPEB)–Benefits Provided."

Contributions. The County makes all contributions to the trustee. All contributions are paid to the trustee for investment and reinvestment pursuant to the terms of the Public Agencies Post-Retirement Health Care Plan Trust Agreement. The contribution requirements for active employees and the County are established and may be amended through negotiations between the County and the respective bargaining units. For Fiscal Year 2018-19, the funding was based on the "pay-go" basis plus a contribution of $21,090,000 to the Contra Costa County Other Employee Benefit Trust Fund. For Fiscal Year 2018-19, the County paid $47,297,000 as the "pay-go" cost (approximately 60.85% of total contributions).

The contributions for fiscal year ended June 30, 2019, were as follows (in thousands):

	Retirees
Total blended premiums at $7,023 per plan member	$47,297
Implicit rate subsidy	9,334
Employer pre-funding contributions	21,090
Total Employer Contributions	$77,721

Source: Comprehensive Annual Financial Report of the County for the Fiscal Year Ended June 30, 2019.

Certain plan members and survivors of retirees receiving benefits contributed $16,222,000 or approximately 20.87% of the total contributions, through their required contribution.

Investments. The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Plan Administrator. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the Plan. The following was the adopted asset allocation policy as of June 30, 2019:

	Expected 1-Year Nominal Return	**Targeted Asset Allocation**
Total Domestic Equity		
Large Cap	7.10%	17.00%
Mid Cap	7.70	6.00
Small Cap	8.42	8.00
Global Equity (Developed)	7.83	7.00
International Equity	8.43	9.00
U.S. Fixed Income	4.98	38.00
Real Estate	7.79	4.00
Cash (Money Market)	3.08	1.00
Alternatives	6.69	10.00

Source: Comprehensive Annual Financial Report of the County for the Fiscal Year Ended June 30, 2019.

Annual OPEB Expense and Net OPEB Liability. For the purposes of allocating the net OPEB liability within the County's CAFR, prior retiree eligibility was used. The allocation is determined by a ratio of retirees and the department from which the retiree retired.

At June 30, 2019, the county reported $650,074,000 for the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of January 1, 2018. The County's net OPEB liability was based on a projection of the County's covered payroll of $758,797,000.

Plan Fiduciary Net Position (plan assets) was valued as of the measurement date while the total OPEB liability was determined based upon rolling forward the total OPEB liability from actuarial valuations as of January 1, 2018. As of June 30, 2019, the Plan Fiduciary Net Position was $308,514,000.

For the year ended June 30, 2019, the County recognized OPEB expense of $60,261,000. OPEB expense represents the change in the net OPEB liability during the measurement period, adjusted for service cost, interest on the total OPEB liability, and expected investment return, net of investment expense.

For the components of the OPEB liability as of June 30, 2019 and a summary of the deferred outflows and inflows of resources, see APPENDIX C–"COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE COUNTY OF CONTRA COSTA FOR THE FISCAL YEAR ENDED JUNE 30, 2020–Note 15–Other Postemployment Benefit (OPEB)–OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB."

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The County began pre-funding benefits at a rate of $20 million per year in Fiscal Year 2008-19. The Board of Supervisors has budgeted $20,000,000 to pre-fund the OPEB liability in Fiscal Year 2019-20. Until January 1, 2015, CCCERA personnel were employees of the County. The OPEB liability of employees of CCCERA who retired as county employees before January 1, 2015, is included with the county's data.

The total OPEB liability was determined by an actuarial valuation as of January 1, 2018, using the actuarial assumptions summarized in APPENDIX C–"COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE COUNTY OF CONTRA COSTA FOR THE FISCAL YEAR ENDED JUNE 30, 2020–Note 15–Other Postemployment Benefit (OPEB)–OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB–Actuarial Methods and Assumptions."

Discount Rate. In the January 1, 2019, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 6.15% discount rate. This rate was derived based on the OPEB fund's investment policy for a partially funded plan and includes a 2.75% long-term inflation assumption.

The actuarial cost method used for determining the benefit obligations is the individual Entry Age Normal Cost Method. Under the principles of this method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated as a level percentage of expected salary for each year of employment between entry age (defined as age at hire) and assumed exit.

The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the sum of (a) the actuarial value of the assets, and (b) the actuarial present value of future normal costs is called the Unfunded Actuarial Accrued Liability (the "UAAL").

A discount rate of 6.15% was used in the valuation to reflect the county's current policy of partially funding its OPEB liabilities. This rate is derived based on the fund's investment policy, level of partial funding, and includes a 2.75% long-term inflation assumption. County OPEB Irrevocable Trust assets are invested in the Public Agency Retirement Services' Highmark Portfolio. Based on the portfolio's target allocation, the average return of Trust assets over the next 50 years is expected to be 6.12%.

Sensitivity of the County's Net OPEB Liability to Changes in the Discount Rate. The following presents the county's net OPEB liability as of June 30, 2019, calculated using the discount rate of 6.15%, as well as what the county's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.15%) or 1-pecentage-point higher (7.15%) than the current rate (in thousands):

	1% Decrease 5.15%	**Discount Rate 6.15%**	**1% Increase 7.15%**
Net OPEB Liability as of June 30, 2019	$754,076	$650,074	$562,580

Source: Comprehensive Annual Financial Report of the County for the Fiscal Year Ended June 30, 2019.

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the Plan, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare cost trend rates (in thousands):

	1% Decrease In Healthcare Costs Trend Rate	Current Healthcare Costs Trend Rate	1% Increase In Healthcare Costs Trend Rate
Net OPEB Liability as of June 30, 2019	$589,551	$650,074	$724,382

Source: Comprehensive Annual Financial Report of the County for the Fiscal Year Ended June 30, 2019.

Long Term Obligations

The County has never defaulted on the payment of principal or interest on any of its indebtedness. Following is a brief summary of the County's general obligation debt, lease obligations and direct and overlapping debt.

No General Obligation Debt. The County has no direct general obligation bonded indebtedness and has no authorized and unissued general obligation debt.

Lease Obligations. The County has made use of various lease arrangements with private and public financing entities, nonprofit corporations, the County of Contra Costa Public Financing Authority and the Contra Costa County Employees' Retirement Association for the use and acquisition of capital assets. These capital lease obligations have terms ranging from five to 30 years. The longest capital lease ends in 2040. Certain of the lease obligations of the County reflect annual payments made for debt service on lease revenue bonds issued to finance capital projects. As of June 30, 2020, the County had approximately [$261.8] million in lease revenue obligations outstanding. For a summary of the County's outstanding lease revenue obligations, see APPENDIX C–"COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE COUNTY FOR THE FISCAL YEAR ENDED JUNE 30, 2020–Notes to the Basic Financial Statements."

Pension Obligation Bonds. The County issued pension obligation bonds in 1994, a portion of which were restructured in 2001, and again in 2003 (of which [$85.7] million principal amount are outstanding as of June 30, 2020) to refund debentures issued to evidence its statutory obligation to make pension payments with respect to its UAAL to CCCERA. See also "–Pension Plan."

Fiscal Year debt service for the County's lease revenue obligations and pension obligation bonds outstanding as of June 30, 2020 is shown in Table B-9 below.

Table B-9
County of Contra Costa
Outstanding Lease Revenue Obligations and
Pension Obligation Bonds
(As of June 30, 2020)

Fiscal Year Ending (June 30)	Total Lease Debt Service(1)	Total POB Debt Service	Total Debt Service
2021	37,577,704	$45,452,243	83,029,947
2022	35,067,292	47,382,398	82,449,689
2023	35,045,074	–	35,045,074
2024	25,031,119	–	25,031,119
2025	22,824,201	–	22,824,201
2026	20,446,724	–	20,446,724
2027	19,244,912	–	19,244,912
2028	12,863,233	–	12,863,233
2029	11,551,472	–	11,551,472
2030	11,553,281	–	11,553,281
2031	11,558,786	–	11,558,786
2032	11,555,508	–	11,555,508
2033	3,519,416	–	3,519,416
2034	3,520,893	–	3,520,893
2035	3,523,444	–	3,523,444
2036	2,470,618	–	2,470,618
2037	2,471,885	–	2,471,885
2038	2,475,073	–	2,475,073
2039	2,474,988	–	2,474,988
2040	2,471,630	–	2,471,630
TOTAL(2)	$277,247,253	$92,834,641	$370,081,894

(1) Includes debt service on the Refunded Bonds and on privately placed Series 2012 Lease Revenue Bonds and 2017 Series A and 2017 Series B Lease Revenue Bonds. Excludes capital leases, debt service on the 2020 Bonds and federal subsidy receipts for certain Build America Bonds and Recovery Zone Bonds payable by the County. See "PLAN OF FINANCE–Refunding."
(2) Totals may not add due to independent rounding.
Source: County Administrator's Office.

Direct and Overlapping Debt. The County contains numerous municipalities, school districts and special purpose districts, as well as the overlapping East Bay Municipal Utility District, which has issued general obligation bonded and lease indebtedness. Set forth in Table B-10 below is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics Inc. that summarizes such indebtedness as of January 1, 2021. The Debt Report is included for general information purposes only and the County does not guaranty the completeness or accuracy of the information contained in the Debt Report.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the County. Such long-term obligations generally are not payable from revenues of the County (except as indicated) nor are they necessarily obligations secured by land within the County. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

Table B-10
Contra Costa County
Direct and Overlapping Bond Debt

[To Come]

Future Capital Projects *[County to Update]*

The County expects to submit an application for construction grant funding pursuant to Senate Bill 863 (Chapter 37, Statutes of 2014) – "Construction of Adult Local Criminal Justice Facilities" ("Senate Bill No. 863") for an expansion of the West County Detention Facility in Richmond, California with a focus on rehabilitation and re-entry programming for inmates. Pursuant to Senate Bill No. 863, the State will award up to $500 million to counties for the acquisition, design, renovation, or construction of adult local criminal justice facilities. The State will allocate available funds to counties through a competitive process. The maximum allocation for large counties, such as the County, is $80 million. Senate Bill No. 863 requires applicants to provide a minimum 10% match of the total project costs.

The County is also undertaking a comprehensive update of future and existing maintenance needs of certain facilities owned by the County. A draft report identified a 10 year deferred maintenance/capital renewal cost of $272.2 million when adjusted for surplus and uninhabitable buildings. The County continues to assess this situation.

Insurance and Self-Insurance Programs *[Section to be conformed with 2019-20 CAFR]*

The County is exposed to various risks of loss related to liabilities and damages to the public at-large, as well as damage to, loss of, and destruction of assets and has obligations to provide its employees with negotiated and mandated benefits.

The County self-insures its employee dental, state unemployment, management long-term disability, workers' compensation, automotive liability, public liability, and medical liability exposures. The County reports the activities of these exposures through its internal service funds.

With respect to the workers' compensation, automotive liability, public liability and medical liability exposures, the County purchases the following excess insurance:

- Workers' compensation in excess of $750,000 per incident, with excess coverage provided by CSAC-EIA (the California State Association of Counties Excess Insurance Pooling Fund).

- General and auto liability in excess of $1 million per incident, to a limit of $50 million.

- Medical malpractice in excess of $1 million per incident, to a limit of $21.5 million above $1 million.

The County is self-insured for most insurable risk, except for insurance coverage provided by commercial insurance and reinsurance companies that are subject to the following:

- Airports liability and property damage coverage to a limit of $100 million with no deductible.

- Property insurance - all risk in excess of $50,000 per incident, to a limit of $600 million from loss by fire, lightning, and other perils.

- Property insurance - flood damage in excess of $50,000 per incident, to a limit of $300,000.

- Property insurance – earthquake in excess of 2% per unit, $100,000 minimum deductible per occurrence, to a limit of $465 million.

- Property insurance – terrorism to a limit of $750 million shared aggregate with a $500,000 deductible.

- Crime bond coverage in excess of $100,000 per incident, to a limit of $20 million for fidelity coverage, computer, and funds transfer fraud.

- Watercraft liability to a limit of $50 million.

- Sheriff's helicopters to a limit of $50 million per incident.

- Boiler and machinery to a limit of $100 million with a $5,000 deductible.

- Pollution liability to a limit of $10 million.

- Cyber liability to a limit of $2 million, plus costs up to 250,000 notifications.

During the past four years, there have been no instances of the amount of claim settlements exceeding insurance coverage and there has not been a significant reduction in coverage in Fiscal Year 2019-20.

Internal service funds are used to account for the County's self-insurance activities. The County's policy is to provide in each Fiscal Year, by charges to affected operating funds, amounts sufficient to cover the estimated expenditures for self-insured claims and the cost of insurance. Charges to operating funds are recorded as expenditures/expenses of such funds and revenues of the internal service funds. Accrual and payment of claims are recorded in the internal service funds.

The County has accrued a liability of [$173,752,000/$174,835,000] at June 30, 2020, for all self-insured claims in the internal service funds. The self-insurance reserve is based on actuarially determined amounts for workers' compensation, public and automobile liability, and medical liability and based on management's estimates for all other reserves. The actuarially determined claims liabilities, including incurred but not reported claims are based on the estimated ultimate cost of settling the claims, using past experience adjusted for current trends, and any other factors that modify past experience. It also includes incremental claim adjustment expenses. In addition, estimated recoveries on settled and unsettled claims were evaluated in terms of their estimated realizable value and deducted from the liability for unpaid claims.

Health Plans *[Section to be conformed with 2019-20 CAFR]*

The County administers two health plans: HMO Medi-Cal and HMO Commercial Plans (Plans); which are reported as enterprise funds. The Plans have fee-for-service arrangements in which providers, including the County Hospital, bill for individual services provided to enrollees. These arrangements result in claim submission by providers subsequent to services being rendered. Claims expenses are presented as part of services and supplies expense in the statement of revenues, expenses, and changes in net position. Estimated liabilities for incurred but not reported claims are presented as part of accounts payable and accrued liabilities in the statement of net position. The provision for claims incurred but not reported claims is developed in-house using principles and assumptions that consider among other things, contractual requirements, historical utilization trends and payment patterns, benefit changes, medical inflation, product mix, seasonality, membership, and other relevant factors.

Changes to the liability amount for Fiscal Years 2017-18 and 2018-19 are as follows (in thousands):

	Internal Service Funds	HMO Medi-Cal Plan Enterprise Fund
Liability at June 30, 2017	$172,189	$50,337
FY 2017-18 claims and changes in estimates	28,338	629,754
FY 2017-18 claim payments	(23,995)	(607,276)
Liability at June 30, 2018	176,532	72,815
FY 2018-19 claims and changes in estimates	30,693	617,548
FY 2018-19 claim payments	(33,473)	(623,494)
Liability at June 30, 2019	$173,752	$66,869

The actuarially determined claims liabilities, including incurred but not reported claims, are based on the estimated ultimate cost of settling the claims, using past experience adjusted for current trends, and any other factors that modify past experience. It also includes incremental claim adjustment expenses. In addition, estimated recoveries on settled and unsettled claims were evaluated in terms of their estimated realizable value and deducted from the liability for unpaid claims.

For additional information on the County's insurance coverage, see APPENDIX C–"COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE COUNTY FOR THE FISCAL YEAR ENDED JUNE 30, 2020–NOTES TO THE BASIC FINANCIAL STATEMENTS."

APPENDIX C

COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE COUNTY
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

APPENDIX D

COUNTY INVESTMENT POLICY

APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS

APPENDIX F

PROPOSED FORM OF BOND COUNSEL OPINION

APPENDIX G

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement"), dated ___________, 2021, is executed and delivered by the County of Contra Costa, California (the "County"), and acknowledged and agreed to by Digital Assurance Certification, L.L.C., as dissemination agent, in connection with the issuance by the County of Contra Costa Public Financing Authority (the "Authority") of $__,___,000 aggregate principal amount of its Lease Revenue Refunding Bonds (Capital Projects and Refunding), 2021 Series, comprised of $_______ 2021 Series A (Capital Projects) and $_______ 2021 Series A (Refunding) (together, the "2021 Bonds"). The 2021Bonds are being issued pursuant to a Trust Agreement, dated as of _______ 1, 2021 (the "Trust Agreement"), by and between the Authority and the Trustee and acknowledged by the County. Pursuant to a Facilities Lease, dated as _______ 1, 2021 (the "Facilities Lease"), the County has covenanted to comply with its obligations under this Disclosure Agreement and to assume all obligations for continuing disclosure with respect to the 2020 Bonds. The County and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement This Disclosure Agreement is being executed and delivered by the County and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the 2021 Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

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

"*Annual Report*" shall mean any Annual Report provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"*Beneficial Owner*" shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning the ownership of any 2021Bonds (including persons holding a 2021Bonds through nominees, depositories or other intermediaries).

"Business Day" shall mean any day of the year which is not a Saturday or Sunday, or a day on which banking institutions located in California are required or authorized to remain closed, or on which the Federal Reserve system is closed.

"*Disclosure Representative*" shall mean the County Administrator, the Director of Conservation and Development, and the County Finance Director or his or her designee, or such other officer or employee as the County shall designate in writing to the Trustee from time to time.

"*Dissemination Agent*" shall initially mean Digital Assurance Certification, L.L.C., or any successor Dissemination Agent which may be designated in writing by the County and which has filed with the County a written acceptance of such designation.

"*Filing Date*" shall mean March 31 of each Fiscal Year of the County (or the next succeeding Business Day if such day is not a Business Day), commencing March 31, 2021.

"Financial Obligation" means a debt obligation; derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or a

guarantee of a debt obligation or derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation. The term "Financial Obligation" excludes municipal securities for which a final offering memorandum has been provided to the MSRB consistent with the Rule.

"*Fiscal Year*" shall mean the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period hereafter selected and designated as the official fiscal year period of the County and certified to the Trustee in writing by an Authorized Representative of the County.

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

"*Official Statement*" means the Official Statement dated _________, 2021 relating to the 2021 Bonds.

"*Participating Underwriter*" shall mean the original underwriter of the 2021 Bonds required to comply with the Rule in connection with offering of the 2021 Bonds.

"*Rule*" shall mean 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.

"*Specified Event*" shall mean any of the events listed in Section 5(a) or Section 5(b) of this Disclosure Agreement and any other event legally required to be reported pursuant to the Rule.

"*State*" shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The County shall provide, or shall cause the Dissemination Agent to provide, to the MSRB not later than the Filing Date, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report shall be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; *provided*, that the audited financial statements of the County 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 County's Fiscal Year changes, it shall give notice of such change in the same manner as for a Specified Event under Section 5.

(b) Not later than thirty (30) days prior to each Filing Date, the Dissemination Agent shall give notice to the County that the Annual Report is so required to be filed in accordance with the terms of this Disclosure Agreement. Not later than fifteen (15) Business Days prior to the Filing Date, the County shall provide the Annual Report to the Dissemination Agent (if other than the County). If by said date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall notify the County of such failure to receive the Annual Report.

(c) The Dissemination Agent shall:

1. If the County is unable to provide to the Dissemination Agent an Annual Report by the Filing Date, and if not previously filed by the County, send a notice in a timely manner, in electronic format, to the MSRB in substantially the form attached hereto as Exhibit A.

2. File a report with the County certifying that the Annual Report has been provided pursuant to this Disclosure Agreement and stating the date it was provided.

SECTION 4. Content of Annual Reports. The County's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the County for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the County's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) A maturity schedule for the outstanding 2021 Bonds.

(c) Numerical and tabular information for the immediately preceding Fiscal Year of the type contained in the Official Statement under the following captions:

1 Table B-1–"County of Contra Costa General Fund Budget Summary;"

2. Table B-3–"County of Contra Costa Summary of Secured Assessed Valuations and *Ad Valorem* Property Taxation;"

3. Table B-6–"County of Contra Costa General Fund Statement of Revenues, Expenditures and Changes in Fund Balances;"

4. Table B-9–"Contra Costa County Outstanding Lease Revenue Obligations and Pension Obligation Bonds").

[Other tables- to be discussed]

(d) In addition to any of the information expressly required to be provided under Sections 4(a) and 4(b), the County shall provide such other information, if any, necessary to the required statements, in light of the circumstances under which they were made, not misleading.

(e) The presentation and format of the Annual Report may be modified from time to time as determined in the judgment of the County to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the County to reflect changes in the business, structure, or operations of the County; provided that any such modifications shall comply with the requirements of the Rule.

(f) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the County or related public entities, which, have been made available to the public on the MSRB website. The County shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Specified Events.

(a) Pursuant to the provisions of this Disclosure Agreement, the County shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the 2021 Bonds, no later than ten (10) Business Days after the occurrence of such event:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material.

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed (Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2021 Bonds, or other material events affecting the tax status of the 2021 Bonds;

7. Modifications to rights of the 2021 Bond Holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property, if any, securing repayment of the 2021 Bonds, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the County or other obligated person;

13. The consummation of a merger, consolidation, or acquisition involving the County or an obligated person, or the sale of all or substantially all of the assets of the County or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) Wherever the County obtains knowledge of the occurrence of Specified Event, the County shall, or shall cause the Dissemination Agent (if not the County) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten (10) Business Days after the occurrence of the Specified Event.

(c) The County acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(10), (a)(12), (a)(13), (a)(14), and (a)(15) of this Section 5 contain the qualifier "if material." The County shall cause a notice to be filed as set forth in this Section 5 with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the County obtains knowledge of the occurrence of any of these Specified Events, the County will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the County will cause a notice to be filed as set forth in Section 5(c).

(d) If in response to a request under Section 5(b), the County determines that the Specified Event would not be material under applicable federal securities laws, the County shall so notify the Trustee in writing and instruct the Dissemination Agent not to report the occurrence.

(e) If the Dissemination Agent has been instructed by the County to report the occurrence of a Specified Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Specified Events described in Section 5(a)(viii) and (ix) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Trust Agreement.

(f) For purposes of this Disclosure Agreement, any event described in Section 5(a)(xii) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the County in a proceeding under the United States Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County.

(g) The Dissemination Agent may conclusively rely on an opinion of counsel that the instructions of the County to the Dissemination Agent under this Section 5 comply with the requirements of the Rule.

SECTION 6 CUSIP Numbers. Whenever providing information to the Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements and notices of Specified Events, the County shall indicate the full name of the 2021 Bonds and the nine-digit CUSIP numbers for the 2021 Bonds as to which the provided information relates.

SECTION 7 Termination of Reporting Obligation. The County's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2021 Bonds. If such termination occurs prior to the final maturity of the 2021 Bonds, the County shall give notice of such termination in the same manner as for a Specified Event under Section 5(c).

SECTION 8. Dissemination Agent. (a) The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

(b) The initial Dissemination Agent shall be Digital Assurance Certification, L.L.C. If at any time there is no designated Dissemination Agent appointed by the County, or if the Dissemination Agent so appointed is unwilling or unable to perform the duties of the Dissemination Agent hereunder, the County shall be the Dissemination Agent an undertake or assume its obligations hereunder. The Dissemination Agent (other than the County) shall not be responsible in any manner for the content of any notice or report required to be delivered by the County pursuant to this Disclosure Agreement.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Specified Event, in addition to that which is required by this Disclosure Agreement. If the County chooses to include any information in any Annual Report or notice of occurrence of a Specified Event in addition to that which is specifically required by this Disclosure Agreement, the County 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 Specified Event.

SECTION 10. Amendment; Waiver Notwithstanding any other provision of this Disclosure Agreement, the County 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 Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to such 2021 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the 2021 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the affected Series of 2021 Bonds in the same manner as provided in the Trust Agreement for amendments to the Trust Agreement with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interest of the Holders or Beneficial Owners of such 2021 Bonds.

(e) In the event of any amendment or waiver of a provision of this Disclosure Agreement, the County shall describe such amendment 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 County. 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 the same manner as for a Specified Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should 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 11. Default. In the event of a failure of the County to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Holders or Beneficial Owners of the 2021 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under this Disclosure Agreement; provided that any such action may be instituted only in the Superior Court of the State of California in and for the County of Contra Costa or in the U.S. District Court in the County of Contra Costa. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of the County to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the County agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the County under this Section shall survive resignation or removal of the Dissemination Agent and payment of the 2021 Bonds.

SECTION 13. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the County:	County of Contra Costa County Administrator's Office 1025 Escobar Street, 4th Floor Martinez, CA 94553-0063 Attention: Tim Ewell, Chief Assistant County Administrator Telephone: 925-335-1036 Email: timothy.ewell@cao.ccounty.us
If to the Dissemination Agent:	Digital Assurance Certification, L.L.C. 315 E. Robinson Street, Suite 300 Orlando, FL 32801-1674 Attention: Customer Assistance Telephone: 888-824-2663 Email: support@DACBond.com

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the County, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the 2021 Bonds, and shall create no rights in any other person or entity.

SECTION 15. 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.

Dated: ___________, 2021

COUNTY OF CONTRA COSTA

By_______________________________________

Chair of the Board of Supervisors
County of Contra Costa,
State of California

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as Dissemination Agent

By:______________________________________

Dissemination Agent

EXHIBIT A

FORM OF NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of District:	County of Contra Costa
Name of Bond Issue:	County of Contra Costa Public Financing Authority Lease Revenue Refunding Bonds (Capital Projects and Refunding), 2021 Series, comprised of 2021 Series A (Capital Projects) and Series 2021 B (Refunding)
Date of Issuance:	_________, 2021

NOTICE IS HEREBY GIVEN that the County of Contra Costa (the "County") has not provided an Annual Report with respect to the above-named Bonds as required by Section 8.08 of the Subleases, each dated as of _______ 1, 2021, by and between the County of Contra Costa Public Financing Authority and the County. The County anticipates that the Annual Report will be filed by _____________.

Dated: _______________

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as
Dissemination Agent

By:_______________________________________
Dissemination Agent

cc: County of Contra Costa

APPENDIX H

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the procedures and record keeping with respect to beneficial ownership interests in the 2021 Bonds, payment of principal, redemption premium, if any, and interest with respect to the 2021 Bonds to DTC, its Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the 2021 Bonds and other related transactions by and between DTC, its Participants and the Beneficial Owners is based solely on the understanding of the County of such procedures and record keeping from information provided by DTC. Accordingly, no representations can be made concerning these matters and neither DTC, its Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or its Participants, as the case may be. The County, the Trustee and the Underwriter understand that the current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and that the current "Procedures" of DTC to be followed in dealing with Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the 2021 Bonds. The 2021 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 certificate will be issued for each maturity of each Series of the 2021 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest 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 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 and www.dtc.org.

Purchases of the 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2021 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

2021 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 the 2021 Bonds, except in the event that use of the book-entry system for the 2021 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 the 2021 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 2021 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 the 2021 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2021 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Indenture. For example, Beneficial Owners of the 2021 Bonds may wish to ascertain that the nominee holding the 2021 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC, if less than all of the 2021 Bonds within a maturity are being redeemed. DTC's practice is to determine by lot the amount of the interest of each Direct Participant in each issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2021 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 issuer 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 the 2021 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of, premium, if any, and interest on the 2021 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 County 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 County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of, premium, if any, and interest on the 2021 Bonds to Cede (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2021 Bonds at any time by giving reasonable notice to the County or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The foregoing information concerning DTC concerning and DTC's book-entry system has been provided by DTC, and neither the County nor the Trustee take any responsibility for the accuracy thereof.

NEITHER THE COUNTY 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.

Neither the County nor the Trustee can give any assurances that DTC, DTC Participants, Indirect Participants or others will distribute payments of principal of, premium, if any, and interest on the 2021 Bonds paid to DTC or its nominee, as the registered Owner, or any redemption or other notice, to the Beneficial Owners or that they will do so on a timely basis or that DTC will serve and act in a manner described in this Official Statement.

In the event that the book-entry system is discontinued as described above, the requirements of the Indenture will apply.

The County and the Trustee cannot and do not give any assurances that DTC, the Participants or others will distribute payments of principal, interest or premium, if any, evidenced by the 2021 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. Neither the County nor the Trustee are 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 2021 Bonds or an error or delay relating thereto.