

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER __, 2021

NEW ISSUE—BOOK-ENTRY ONLY

MOODY'S: "Aa3"
(See "RATING" herein)

In the opinion of Quint & Thimmig, LLP, Larkspur, California, Bond Counsel, subject to compliance by the District with certain covenants, interest on the 2021 Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals. In addition, in the opinion of Bond Counsel, interest on the 2021 Bonds is exempt from personal income taxation imposed by the State of California. See "TAX MATTERS" herein.

\$ _____ *

WEST CONTRA COSTA HEALTHCARE DISTRICT
(Contra Costa County, California)
Refunding Revenue Bonds, Series 2021

Dated: As of the Date of Delivery

Due: July 1, as shown below

The captioned Refunding Revenue Bonds, Series 2021 (the "2021 Bonds") are being issued and delivered to provide funds to (i) currently refund the Refunding Revenue Bonds Series 2018 and Series 2019 of West Contra Costa Healthcare District (the "District") in the aggregate original principal amount of \$50,538,000 (collectively, the "Refunded Bonds") and (ii) pay costs of the financing, all as more fully described herein. The Refunded Bonds have been secured by the 2004 Parcel Tax Revenues (the "Parcel Tax Revenues").

The 2021 Bonds will be executed and delivered pursuant to an indenture of trust, by and between the District and U.S. Bank National Association, San Francisco, California, as trustee (the "Trustee"), dated as of December 1, 2021 (the "Indenture"). Interest with respect to the 2021 Bonds is payable semiannually on each January 1 and July 1, commencing July 1, 2022. Principal is payable on the dates set forth below. The 2021 Bonds are being delivered in fully registered form 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. Individual purchases in the 2021 Bonds will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof. Purchasers of such interests will not receive securities representing their interests in the 2021 Bonds. Payments of principal, redemption premium, if any, and interest with respect to the 2021 Bonds are payable by the Trustee directly to DTC, which is obligated in turn to remit such principal, redemption premium, if any, and interest to DTC Participants, as described herein, for subsequent disbursement to the Beneficial Owners of the 2021 Bonds, as described herein. Principal of the 2021 Bonds will be payable upon surrender at the principal corporate trust office of the Trustee in San Francisco, California.

The 2021 Bonds are subject to optional and mandatory redemption prior to maturity as described herein.

The District is legally required under the Indenture to make principal and interest payments with respect to the 2021 Bonds from a first and prior lien on the Parcel Tax Revenues. The Parcel Tax Revenues are the annual amounts collected by Contra Costa County (the "County") on behalf of the District from the 2004 Parcel Tax (the "2004 Parcel Tax"). The 2004 Parcel Tax is the special parcel tax approved by approximately 84% of the voters of the District at a special election held on June 8, 2004. See "SOURCE OF PAYMENT FOR THE 2021 BONDS" herein.

Section 5451.5 of the California Government Code (the "Lien Statute"), imposes a lien on the Parcel Tax Revenues to secure the District's obligations under the Indenture related to the 2021 Bonds and the Indenture. Pursuant to the Lien Statute, the Parcel Tax Revenues are immediately subject to such lien and the lien attaches to the Parcel Tax Revenues and is "effective, binding and enforceable against the District, its successors, purchasers of those revenues, creditors and others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any physical delivery, recordation, filing or further act."

See "THE 2004 PARCEL TAX AND RELATED MATTERS" herein. See also "RISKS TO OWNERS OF 2021 BONDS" herein for a discussion of certain factors that should be considered, in addition to other matters set forth herein, in evaluating an investment in the 2021 Bonds.

THE OBLIGATION OF THE DISTRICT TO PAY THE PRINCIPAL AND INTEREST PAYMENTS WITH RESPECT TO THE 2021 BONDS DOES NOT CONSTITUTE AN OBLIGATION OF THE DISTRICT FOR WHICH THE DISTRICT IS REQUIRED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE DISTRICT HAS LEVIED OR PLEDGED ANY FORM OF TAXATION OTHER THAN THE PARCEL TAX REVENUES. THE OBLIGATION OF THE DISTRICT TO PAY PRINCIPAL AND INTEREST PAYMENTS WITH RESPECT TO THE 2021 BONDS DOES NOT CONSTITUTE A DEBT OF THE DISTRICT, THE COUNTY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

The following registered municipal advisor served as financial advisor to the District on this financing:

G.L. Hicks Financial, LLC

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES OR YIELDS

\$ Serial Bonds

CUSIP[†] Prefix:

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	CUSIP [†] Suffix	Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	CUSIP [†] Suffix
	\$	%	%			\$	%	%	

\$ % Term Bonds due July 1, 20__; Price: % to Yield %—CUSIP[†]:

\$ % Term Bonds due July 1, 20__; Price: % to Yield %—CUSIP[†]:

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.

The 2021 Bonds will be offered when, as and if delivered and received by the Underwriter, subject to approval by Quint & Thimmig LLP, Larkspur, California, Bond Counsel. Certain legal matters will be passed on for the District by Foley & Lardner, LLP, San Francisco, California, District Counsel. Jennings, Strouss & Salmon, P.L.C., Phoenix, Arizona, has acted as Disclosure Counsel to the District. Certain matters will be passed upon by McDougal Love Boehmer Foley Lyon & Mitchell, APC, La Mesa, California, as Counsel to the Underwriter. G.L. Hicks Financial, LLC, Orem, Utah, has acted as financial advisor to the District. It is anticipated that the 2021 Bonds, in book-entry form, will be available for delivery through the facilities of DTC on or about December __, 2021.

PIPER|SANDLER

Dated: December __, 2021

* Preliminary, subject to change.

[†] CUSIP is a registered trademark of The American Bankers Association. CUSIP data is provided by CUSIP Global Services, which operates the CUSIP system on behalf of the American Bankers Association and the Market Intelligence division of S&P Global. CUSIP numbers are provided for convenience of reference only. Neither the District nor the Underwriter assumes any responsibility for the accuracy of such numbers.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

THIS PRELIMINARY OFFICIAL STATEMENT HAS BEEN “DEEMED FINAL” AS OF ITS DATE BY THE DISTRICT PURSUANT TO RULE 15C2-12 OF THE SECURITIES AND EXCHANGE COMMISSION. THE DISTRICT HAS UNDERTAKEN TO PROVIDE CONTINUING DISCLOSURE ON CERTAIN MATTERS, INCLUDING ANNUAL FINANCIAL INFORMATION AND SPECIFIC ENUMERATED EVENTS, AS MORE FULLY DESCRIBED UNDER “CONTINUING DISCLOSURE UNDERTAKING” HEREIN.

Use of Official Statement. This Official Statement is submitted in connection with the initial sale of the 2021 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract with the purchasers of the 2021 Bonds.

Estimates and Forecasts. When used in this Official Statement and in any continuing disclosure by the District, in any press release and in any oral statement made with the approval of an authorized officer of the District, the words or phrases “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” “forecast,” “expect,” “intend,” “budget” and similar expressions identify “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward looking statements include but are not limited to certain statements under the caption “RISKS TO OWNERS OF 2021 BONDS.”

The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The District does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

Limit of Offering. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations in connection with the offer or sale of the 2021 Bonds 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 the District or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the 2021 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Involvement of Underwriter. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a 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.

Information Change and Document References. The information and expressions of opinions herein are subject to change without notice and neither 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 District since the date hereof. All summaries of the documents referred to in this Official Statement, are made subject to the provisions of such documents, respectively, and do not purport to be complete statements of any or all of such provisions.

THE PRICES AT WHICH THE 2021 BONDS ARE OFFERED TO THE PUBLIC BY THE UNDERWRITERS (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE COVER PAGE HEREOF. IN ADDITION, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN ORDER TO FACILITATE DISTRIBUTION OF THE 2021 BONDS, THE UNDERWRITER MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICE OF THE 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 2021 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXCEPTION FROM THE REGISTRATION REQUIREMENTS CONTAINED IN SUCH ACT. THE 2021 BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY A FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

TABLE OF CONTENTS

INTRODUCTION.....1	Historical Parcel Tax Collection and Debt
General.....1	Service Coverage11
Purpose1	Projected Parcel Tax Collection and Debt
Security and Source of Payment for the 2021	Service Coverage12
Bonds1	Deposit of Parcel Tax Revenues and Flow of
Risk Factors2	Funds12
Redemption.....2	RISKS TO OWNERS OF 2021 BONDS12
Other Features of the 2021 Bonds.....2	General.....12
The District2	Bankruptcy of the District.....13
Continuing Disclosure2	Severe Economic Conditions13
Other Matters3	No Assurance of Secondary Market for the
ESTIMATED SOURCES AND USES OF	2021 Bonds14
FUNDS3	Impact of Market Turmoil14
PLAN OF FINANCE3	Parity Debt14
THE 2021 BONDS4	Tax Exempt Status of Interest on the 2021
General Provisions4	Bonds14
Optional Redemption4	Factors That Could Affect the Enforceability
Mandatory Sinking Fund Redemption5	of the Indenture15
Selection of 2021 Bonds for Redemption5	Proposition 21815
Notice of Redemption5	Earthquakes, Floods, Wildfires, Other
Effect of Redemption6	Natural Disasters and Pandemics15
SOURCE OF PAYMENT FOR THE 2021	CONTINUING DISCLOSURE.....15
BONDS7	TAX MATTERS16
General.....7	INDEPENDENT ACCOUNTANTS.....18
Statutory Lien7	CERTAIN LEGAL MATTERS18
Application of Parcel Tax Revenues.....7	ABSENCE OF LITIGATION18
Limitations on Future Obligations Secured by	RATING18
Parcel Tax Revenues8	UNDERWRITING18
Additional Payments.....8	FINANCIAL ADVISOR19
Debt Service Payments8	VERIFICATION OF MATHEMETICAL
THE 2004 PARCEL TAX AND RELATED	COMPUTATIONS19
MATTERS.....9	THE TRUSTEE.....19
Parcel Tax Measure D.....9	AVAILABILITY OF DOCUMENTS19
Parcel Tax Collection History.....10	MISCELLANEOUS.....19
APPENDIX A	INFORMATION CONCERNING THE WEST CONTRA COSTA HEALTHCARE DISTRICT
APPENDIX B	AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEARS
	ENDED JUNE 30, 2021 AND 2020
APPENDIX C	SUMMARY OF PRINCIPAL LEGAL DOCUMENTS
APPENDIX D	FORM OF BOND COUNSEL OPINION
APPENDIX E	FORM OF CONTINUING DISCLOSURE CERTIFICATE
APPENDIX F	BOOK-ENTRY SYSTEM

OFFICIAL STATEMENT

\$_____*

WEST CONTRA COSTA HEALTHCARE DISTRICT (Contra Costa County, California) Refunding Revenue Bonds, Series 2021

INTRODUCTION

General

The purpose of this Official Statement, which includes the cover page, Table of Contents and Appendices (the “Official Statement”), is to provide certain information concerning the initial sale and delivery of \$_____ * West Contra Costa Healthcare District (Contra Costa County, California) Refunding Revenue Bonds, Series 2021 (the “2021 Bonds”).

Capitalized terms appearing herein and not otherwise defined have the respective meanings assigned to those terms in APPENDIX C—SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—DEFINED TERMS.

The 2021 Bonds will be issued and delivered pursuant to an indenture of trust, dated as of November 1, 2021 (the “Indenture”), by and between West Contra Costa Healthcare District (the “District”) and U.S. Bank National Association, San Francisco, California, as trustee (the “Trustee”).

Purpose

The 2021 Bonds are being issued and delivered to (i) currently refund the Refunded Bonds and (ii) pay costs of the financing. See “PLAN OF FINANCE.” Proceeds of the Refunded Bonds were used to fully refund the District’s 2004 Certificates of Participation (the “2004 Certificates”) and the District’s 2011 Certificates of Participation (the “2011 Certificates”), both of which issues were secured by Parcel Tax Revenues.

Security and Source of Payment for the 2021 Bonds

The District is required to pay, and directs Contra Costa County (the “County”) to pay the Trustee from the Parcel Tax Revenues, the principal of and interest on the 2021 Bonds. The Parcel Tax Revenues are the amounts collected by the County on behalf of the District from the 2004 Parcel Tax. The 2004 Parcel Tax is an annual special parcel tax on each taxable parcel of real property within the District (exclusive of parcels for which exemptions have been granted). The 2004 Parcel Tax measure was approved by approximately 84% of the voters of the District at a special election held on June 8, 2004. See “SOURCE OF PAYMENT FOR THE 2021 BONDS.”

The District may, under certain circumstances, pledge the Parcel Tax Revenues to secure Parity Debt. See “SOURCE OF PAYMENT FOR THE 2021 BONDS—Limitations on Future Obligations Secured by Parcel Tax Revenues.” There are no restrictions in the Indenture on the District’s use of its revenues other than the Parcel Tax Revenues and no restrictions on the District granting additional liens on its other revenues.

For certain financial and other information concerning the Parcel Tax Revenues, see “THE 2004 PARCEL TAX AND RELATED MATTERS” herein.

For certain financial and other information concerning the District and the County other than the Parcel Tax Revenues, see APPENDIX A—INFORMATION CONCERNING THE WEST CONTRA COSTA HEALTHCARE DISTRICT and APPENDIX B—AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020.

* Preliminary, Subject to Change

Risk Factors

Investment in the 2021 Bonds involves risks. See “RISKS TO OWNERS OF THE 2021 BONDS” for a discussion of certain of these risks.

Redemption

The 2021 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein. For further information concerning redemption of the 2021 Bonds, see “THE 2021 BONDS.”

Other Features of the 2021 Bonds

The 2021 Bonds are being delivered in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). Individual purchases of the 2021 Bonds will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof. Purchasers of such interests will not receive securities representing their beneficial interest in the 2021 Bonds but will receive a credit balance on the records of DTC.

Interest with respect to the 2021 Bonds is payable semiannually on each January 1 and July 1, commencing January 1, 2022, and the principal thereof is payable on the dates set forth on the cover page hereof (or upon the earlier redemption thereof) by the Trustee to DTC, which is obligated in turn to remit such principal and interest to the DTC Participants for subsequent disbursements to the Beneficial Owners.

For further information concerning the terms of the 2021 Bonds, see “THE 2021 BONDS—General Description” and APPENDIX F—“BOOK-ENTRY SYSTEM.”

The District

The District, a local health care district formed in 1948, is a political subdivision of the State of California organized pursuant to the State’s Local Health Care District Law. The geographic area of the District encompasses the western portion of the County, which is located on the east side of San Francisco Bay, approximately 20 miles northeast of the City of San Francisco. The District formerly operated Doctor’s Medical Center, an acute care hospital located in San Pablo, California, which closed in April 2015 (the “Hospital”). After emerging from two bankruptcies in 2008 and 2018, the District sold its Hospital facility on April 3, 2018, and liquidated its remaining assets. It is in the process of settling its liabilities pursuant to the Second Amended Plan for Adjustments of Debts, dated July 1, 2017, which was confirmed by order of the United States Bankruptcy Court for the Northern District of California, Oakland Division, on January 3, 2018 (the “Bankruptcy Plan”). Upon its exit from the later bankruptcy, the District integrated its operations into the County. The County has taken over all administrative and other operations of the District, including appointing the County’s five members of the Board of Supervisors as the District’s Board of Directors. The District and the County have indicated that they have no current intention to operate health facilities in the future; however, the District has provided and intends to continue to provide grants and contributions to other local providers of healthcare services in the District from its receipt of excess Parcel Tax Revenues. For additional information about the Bankruptcy Plan, see APPENDIX A—“INFORMATION CONCERNING THE WEST CONTRA COSTA HEALTHCARE DISTRICT-Bankruptcy.” For other information relating to the District, including statistical, demographic and financial information, see APPENDIX A—“INFORMATION CONCERNING THE WEST CONTRA COSTA HEALTHCARE DISTRICT.”

Continuing Disclosure

The District has covenanted in a continuing disclosure certificate (the “Continuing Disclosure Certificate”) to provide, or cause to be provided, for purposes of Rule 15c2–12(b)(5) adopted by the Securities and Exchange Commission (the “Rule”) certain annual financial information and operating data of the type set forth herein including, but not limited to, the amount of Parcel Tax Revenues received during each year, its audited financial statements and, in a timely manner, notice of certain enumerated events. See “CONTINUING DISCLOSURE UNDERTAKING” herein and APPENDIX E—“FORM OF CONTINUING DISCLOSURE CERTIFICATE” for a description of the

specific nature of the annual report and notices of material events and a summary description of the terms of the Continuing Disclosure Certificate pursuant to which such reports and notices are to be made.

Other Matters

This Introduction is qualified in its entirety by reference to the more detailed information included and referred to elsewhere in this Official Statement. The offering of the 2021 Bonds to potential investors is made only by means of the entire Official Statement.

This Official Statement speaks only as of its date, and the information and expressions of opinion contained herein are subject to change without notice and neither 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 District since the date hereof. This Official Statement, including any supplement or amendment hereto, is intended to be deposited with the Municipal Securities Rulemaking Board (the “MSRB”) by the Underwriter via the Electronic Municipal Market Access system or “EMMA.”

All references to and summaries of provisions of the Indenture are qualified in their entirety by reference to the complete Indenture, copies of which are available for inspection at the principal corporate trust office of the Trustee in San Francisco, California.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the 2021 Bonds are anticipated to be applied as follows:

SOURCES:

Par Amount of 2021 Bonds	\$
Plus/Less: Original Issue Premium/Discount	
Less: Underwriter’s Discount	
Total Sources of Funds	<u>\$</u>

USES:

Deposit to Escrow Fund ⁽¹⁾	\$
Deposit to Costs of Issuance Fund ⁽²⁾	
Total Uses of Funds	<u>\$</u>

⁽¹⁾ Amounts deposited in the Escrow Fund will be used to refund all outstanding Refunded Bonds on January 1, 2022.

⁽²⁾ Amounts deposited in the Costs of Issuance Fund will be applied to the payment of all items of expense directly or indirectly payable by or reimbursable to the District relating to the financing, including but not limited to initial fees and charges and first year’s administration fee of the Trustee, Trustee’s counsel fees and expenses, legal fees and charges, financial and other professional consultant fees and costs of rating agencies.

PLAN OF FINANCE

The proceeds of the 2021 Bonds will be used to (i) currently refund all outstanding Refunded Bonds (currently outstanding in the aggregate principal amount of \$50,538,000) and (ii) pay costs of the financing.

A portion of the proceeds from the sale of the 2021 Bonds will be deposited into an escrow fund (the “Escrow Fund”) to be created and maintained by U.S. Bank National Association, as escrow bank (the “Escrow Bank”) under an escrow agreement by and between the District and the Escrow Bank. A portion of the monies deposited in the Escrow Fund will be invested in the U.S. Treasury Securities, Treasury Securities – State and local Government Series and/or cash.

The uninvested cash in the Escrow Fund, any maturing federal securities and the interest thereon will be applied by the Escrow Bank for the sole purpose of paying the principal of and interest on the Refunded Bonds to and

including January 1, 2022, and of redeeming the then outstanding Refunded Bonds in full on January 1, 2022 at a redemption price equal to 100% of the principal amount thereof, without premium.

Sufficiency of any maturing principal of the federal securities, the investment earnings thereon and the uninvested cash will be verified by Robert Thomas, CPA, LLC (the “Verification Agent”). See “VERIFICATION OF MATHEMATICAL COMPUTATIONS” herein. Assuming the accuracy of the Verification Agent’s computations, the District’s obligations with respect to the Refunded Bonds will be discharged upon the funding of the Escrow Fund.

THE 2021 BONDS

General Provisions

The 2021 Bonds will be dated as of their date of delivery, will be entitled to interest at the rates per annum set forth on the cover page hereof, payable semiannually on each January 1 and July 1, commencing July 1, 2022 (each, an “Interest Payment Date”), and will be payable as to principal on July 1 in each year of the designated years set forth on the cover page hereof.

The 2021 Bonds will be issued and delivered in fully registered form without coupons, in the denomination of \$5,000 each or any integral multiple thereof. Principal of the 2021 Bonds will be payable upon surrender at the principal corporate trust office of the Trustee in San Francisco, California. Interest with respect to the 2021 Bonds will be payable by check or draft mailed by first class mail to the Owners at the addresses listed on the registration books maintained by the Trustee for such purpose or, upon written request of an owner of at least \$1,000,000 in aggregate principal amount of the 2021 Bonds, by wire transfer to an account in the United States of America at said Owner’s sole cost and expense.

The 2021 Bonds, when delivered, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (“DTC,” together with any successor securities depository, the “Securities Depository”). DTC will act as Securities Depository for the 2021 Bonds so purchased. Individual purchases will be made in book-entry-only form. Purchasers will not receive a certificate representing their beneficial ownership interest in 2021 Bonds. **So long as Cede & Co. is the registered owner of the 2021 Bonds, as nominee of DTC, references herein to the Owners, holders or registered owners shall mean Cede & Co. as aforesaid, and shall not mean the “Beneficial Owners” of the 2021 Bonds.** In this Official Statement, the term “Beneficial Owner” shall mean the person for whom a Participant (as defined herein) acquires an interest in the 2021 Bonds. See APPENDIX F—“BOOK-ENTRY SYSTEM.”

So long as Cede & Co. is the registered owner of the 2021 Bonds, principal of, premium (if any) and interest on the 2021 Bonds are payable by wire transfer of same-day funds by the Trustee to Cede & Co., as nominee for DTC. DTC is obligated, in turn, to remit such amounts to DTC Participants for subsequent disbursement to the Beneficial Owners. See APPENDIX F—“BOOK-ENTRY SYSTEM.”

In the event the use of the book-entry-only system is discontinued, principal of the 2021 Bonds will be payable upon surrender thereof at the principal corporate trust office of the Trustee in San Francisco, California. Interest payable on the 2021 Bonds will be paid by check mailed on the Interest Payment Date to the person in whose name each 2021 Bond is registered in the registration books maintained by the Trustee as of the Regular Record Date for such Interest Payment Date; provided that registered Owners of \$1,000,000 or more in aggregate principal amount of 2021 Bonds may request payment by wire transfer, such request to be submitted in writing to the Trustee on or before the Regular Record Date for such Interest Payment Date in accordance with the provisions set forth in the Indenture.

Optional Redemption

The 2021 Bonds maturing on or before July 1, 20__, are not subject to optional redemption prior to their respective stated maturities. The 2021 Bonds maturing on or after July 1, 20__, are subject to optional redemption in whole or in part on any date on or after July 1, 20__, from the proceeds of optional payments made by the District

pursuant to the Indenture, at a redemption price equal to the principal amount of the 2021 Bonds to be redeemed, together with accrued interest to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption

The 2021 Bonds maturing on July 1, 20__, are subject to mandatory redemption on July 1 of each year commencing July 1, 20__, in the respective principal amounts set forth below, from the scheduled principal payments due in such years, at a redemption price equal to the principal amount thereof to be redeemed, without premium, together with accrued interest and unpaid thereon to the date fixed for redemption:

Mandatory Redemption Date (July 1)	Principal Amount
	\$

†

†Maturity

The 2021 Bonds maturing on July 1, 20__, are subject to mandatory redemption on July 1 of each year commencing July 1, 20__, in the respective principal amounts set forth below, from the scheduled principal payments due in such years, at a redemption price equal to the principal amount thereof to be redeemed, without premium, together with accrued interest and unpaid thereon to the date fixed for redemption:

Mandatory Redemption Date (July 1)	Principal Amount
	\$

†

†Maturity

Selection of 2021 Bonds for Redemption

Whenever less than all outstanding 2021 Bonds are called for redemption pursuant to the Indenture, the Trustee will select 2021 Bonds for redemption in any order of maturity as selected in writing by the District (and if not selected by the District, pro rata among maturities) and by lot within a maturity. The Trustee will promptly notify the District in writing of the 2021 Bonds so selected for redemption.

Notice of Redemption

Notice of any such redemption will be given by the Trustee on behalf and at the expense of the District by mailing a copy of a redemption notice by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to such Owner of the 2021 Bond or 2021 Bonds (Cede & Co., as long as DTC acts as the securities depository of the 2021 Bonds) to be redeemed at the address shown on the 2021 Bonds Register maintained by the Trustee; provided, however, that neither the failure to receive such notice nor any defect in any notice will affect the sufficiency of the proceedings for the redemption of the 2021 Bonds.

All notices of redemption will be dated and will state: (i) the redemption date, (ii) the redemption price, (iii) if less than all outstanding 2021 Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the 2021 Bonds to be redeemed, (iv) that on the redemption date the redemption price will become due and payable with respect to each such 2021 Bond or portion thereof called for redemption, and that interest with respect thereto will cease to accrue from and after said date, (v) the place where such 2021 Bonds are to be surrendered for payment of the redemption price, which place of payment will be the principal corporate trust office of the Trustee.

In addition to the foregoing notice, notice will be given by the Trustee by telecopy, registered, certified or overnight mail, to all Securities Depositories one Business Day prior to the date of mailing of notice to the Owners and to an Information Service on the date such notice is mailed to the Owners, which will state the information set forth above, but no defect in said notice nor any failure to give all or any portion of such further notice will in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

Neither the District nor the Trustee will have any responsibility for a defect in the CUSIP number that appears on any 2021 Bond or in the redemption notice. The redemption notice may provide that the CUSIP numbers have been assigned by an independent service and are included in the notice solely for the convenience of 2021 Bond Owners and that the Trustee and the District will not be liable in any way for inaccuracies in said numbers.

With respect to any notice of optional redemption of 2021 Bonds, unless, upon the giving of such notice, such 2021 Bonds are deemed to have been paid as provided in the Indenture, such notice will state that such redemption is conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of amounts sufficient to pay the principal of, and premium, if any, and interest on, such 2021 Bonds to be redeemed, and that if such amounts have not been so received said notice will be of no force and effect and the District will not be required to redeem such 2021 Bonds. In the event that such notice of redemption contains such a condition and such amounts are not so received, the redemption will not be made and the Trustee will within a reasonable time thereafter give notice to the Owners to the effect that such amounts were not so received and such redemption was not made, such notice to be given by the Trustee in the manner in which the notice of redemption was given.

Effect of Redemption

Notice having been given as aforesaid, and the moneys for the redemption, including interest to the applicable redemption date and premium, if any, having been set aside in the appropriate fund under the Indenture, the 2021 Bonds to be redeemed will become due and payable on said redemption date, and, upon presentation and surrender thereof at the office or offices specified in said notice, said 2021 Bonds will be paid at the unpaid principal amount with respect thereto, plus redemption premium, if any, and any unpaid and accrued interest to said redemption date. Interest due on or prior to the redemption date will be payable as provided in the Indenture for payment of interest.

If, on said redemption date, moneys for the redemption of all the 2021 Bonds to be redeemed, together with interest to said redemption date, will be held by the Trustee so as to be available therefor on such redemption date, and, if notice of redemption thereof will have been given as described in “THE 2021 BONDS—Notice of Redemption,” then, from and after said redemption date, interest with respect to the 2021 Bonds to be redeemed will cease to accrue and become payable. If said moneys will not be so available on said redemption date, interest with respect to such 2021 Bonds will continue to be payable at the same rates as it would have been payable had the 2021 Bonds not been called for redemption. All moneys held by or on behalf of the Trustee for the redemption of particular 2021 Bonds will be held in trust for the account of the Owners of the 2021 Bonds so to be redeemed. The Trustee will not be liable for any interest earned on the amounts so held. All 2021 Bonds which have been redeemed will be canceled by the Trustee, will not be reissued and will be destroyed pursuant to the Indenture.

Upon surrender of any 2021 Bond redeemed in part only, the Trustee will execute and deliver to the Owner thereof, at the expense of the District, a new 2021 Bond or 2021 Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the 2021 Bond surrendered and of the same interest rate and the same maturity.

SOURCE OF PAYMENT FOR THE 2021 BONDS

General

The obligation of the District to make payments of principal and interest with respect to the 2021 Bonds is secured by a first and prior lien on the Parcel Tax Revenues created pursuant to section 5451.5 of the California Government Code (the "Lien Statute") and is subject to any existing or future liens or encumbrances thereon. See "THE 2004 PARCEL TAX AND RELATED MATTERS" herein. Payment of principal and interest with respect to the 2021 Bonds will be made solely from the Parcel Tax Revenues and not from any other revenues or funds of the District.

The obligation of the District to pay principal and interest with respect to the 2021 Bonds does not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation, other than the Parcel Tax Revenues. The obligation of the District to pay principal and interest with respect to the 2021 Bonds does not constitute a debt of the District, the County, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation.

The obligation of the District to make principal and interest payments with respect to the 2021 Bonds from Parcel Tax Revenues, to deliver or caused to be delivered to the Trustee the Parcel Tax Revenues and to perform and observe the other agreements contained in the Indenture, will be absolute and unconditional and will not be subject to any defense or any right of set-off, counterclaim or recoupment arising out of any breach of the Trustee of any obligation to the District, or otherwise. Until such time as all of the principal and interest payments with respect to the 2021 Bonds have been fully paid or prepaid, the District (a) will not suspend, abate, or discontinue any payments provided for in the Indenture, (b) will perform and observe all other agreements contained in the Indenture, and (c) will not terminate the term of the Indenture for any cause, including, without limiting the generality of the foregoing, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either thereof or any failure of the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Indenture.

Statutory Lien

The Lien Statute imposes a lien on the Parcel Tax Revenues to secure the District's obligations under the Indenture. Pursuant to the Lien Statute, the Parcel Tax Revenues are immediately subject to such lien and the lien immediately attaches to the Parcel Tax Revenues and is effective, binding and enforceable against the District, its successors, purchasers of the Parcel Tax Revenues, creditors and others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any physical delivery, recordation, filing or further act. See "RISKS TO OWNERS OF THE 2021 BONDS – Bankruptcy of the District" herein.

Application of Parcel Tax Revenues

Transfer to Pay the 2021 Bonds. In order to provide for the payment of the principal and interest with respect to the 2021 Bonds when due, the District will direct the County, so long as the 2021 Bonds are outstanding, to transfer to the Trustee, as collected by the County, all Parcel Tax Revenues. The Trustee will apply all Parcel Tax Revenues for deposit into the Debt Service Fund established under the Indenture, to pay principal and interest due on the next occurring Interest Payment Dates, as required under the Indenture. The District is obligated to make payments sufficient to pay all principal and interest due with respect to the 2021 Bonds (whether at a scheduled payment date, redemption, acceleration or otherwise). Any Parcel Tax Revenues received by the District from the County shall be immediately transferred to the Trustee.

Transfer to District. Upon receipt by the Trustee of Parcel Tax Revenues sufficient for the payment of the 2021 Bonds, and payments with respect to Parity Debt, if any, due on the January 1 and July 1 Interest Payment Dates in the subject calendar year, all excess Parcel Tax Revenues shall be transferred to the District and may be used by the District for any lawful purpose.

Limitations on Future Obligations Secured by Parcel Tax Revenues

No Obligations Superior to the 2021 Bonds. In order to protect the availability of the Parcel Tax Revenues and the security for the 2021 Bonds, and any Parity Debt, the District agrees that it will not, so long as any 2021 Bonds are outstanding, issue or incur any obligations payable from Parcel Tax Revenues superior to the 2021 Bonds, or any Parity Debt.

Parity Debt. The District further covenants that, except for obligations issued or incurred to prepay the 2021 Bonds in full pursuant to the Indenture, the District will not issue or incur any Parity Debt unless:

(a) The District is not in default under the terms of the Indenture.

(b) The Trustee is the trustee on the Parity Debt.

(c) Parcel Tax Revenues, calculated pursuant to generally accepted accounting principles, as shown by the audited financial statements of the District for the latest Fiscal Year, shall have amounted to at least 1.25 times the sum of the maximum annual debt service on the 2021 Bonds and on all Parity Debt coming due and payable in that and any future Fiscal Year to be outstanding immediately subsequent to the incurring of such additional obligations.

(d) Interest with respect to such Parity Debt shall be paid on January 1 and July 1.

(e) Principal with respect to such Parity Debt shall be paid on July 1.

Subordinate Debt. The District further covenants that the District shall not issue or incur any Subordinate Debt secured by Parcel Tax Revenues unless:

(a) The District is not in default under the terms of the Indenture.

(b) Parcel Tax Revenues, calculated pursuant to generally accepted accounting principles, as shown by the audited financial statements of the District for the latest Fiscal Year shall have amounted to at least 1.10 times the sum of the maximum amount debt service on the 2021 Bonds, all Parity Debt and on all Subordinate Debt coming due and payable in that and any future Fiscal Year to be outstanding immediately subsequent to the incurring of such additional obligations.

(c) Interest with respect to such Subordinate Debt shall be paid on January 1 and July 1.

(d) Principal with respect to such Subordinate Debt shall be paid on July 1.

Additional Payments

In addition to the payments of principal and interest with respect to the 2021 Bonds, the District will pay when due, from Parcel Tax Revenues, all costs and expenses incurred by the District to comply with the provisions of the Indenture, including, without limitation, compensation due to the Trustee for its fees, costs and expenses incurred under the Indenture.

Debt Service Payments

Principal and interest payments are required to be made by the District under the Indenture in amounts equal to principal and interest due on the 2021 Bonds. The Indenture requires that Parcel Tax Revenues in an amount sufficient to make principal and interest payments in a timely manner be deposited in the Debt Service Fund maintained by the Trustee. Pursuant to the Indenture, the Trustee will apply such amounts in the Debt Service Fund as are necessary to make principal and interest payments due with respect to the 2021 Bonds on January 1 and July 1 of each year sufficient to meet the amortization of the 2021 Bonds.

The following table shows the annual debt service payments requirements of the District for the 2021 Bonds:

Year Ending July 1	Principal Payments	Interest Payments	Total
	\$	\$	\$
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
Total	\$	\$	\$

THE 2004 PARCEL TAX AND RELATED MATTERS

Parcel Tax Measure D

The Board of Directors of the District (the “Board”) adopted a resolution on March 9, 2004, proposing a special tax (the “2004 Parcel Tax”) to help ensure continued local access to emergency room care, acute hospital care and other medical services for residents of the District and visitors to the area. On June 8, 2004, approximately 84% of the residents of the District voted to approve “Measure D,” the ballot measure whereby voters were asked to decide whether the 2004 Parcel Tax should be imposed on taxable parcels of real property within the District. The revenues raised by the 2004 Parcel Tax (the “Parcel Tax Revenues”) were used by the District to defray operating expenses and capital improvement expenditures of its health care operations. Additionally, in accordance with Measure D, the Parcel Tax Revenues were used to secure debt issued to defray operating expenses and capital expenditures, and have been used to repay such debt, and will be used to secure and repay the debt evidenced by the 2021 Bonds.

Under Measure D, a taxable parcel is any unit of real property in the District that appears on the annual secured County property tax roll. The 2004 Parcel Tax is collected by the County Treasurer-Tax Collector at the same time, in the same manner and subject to the same penalties as secured *ad valorem* property taxes collected by the County Treasurer-Tax Collector, as described in APPENDIX A—INFORMATION CONCERNING WEST CONTRA COSTA HEALTHCARE DISTRICT—PROPERTY TAX—Property Tax Collection Procedures. Measure D requires the assessment of the 2004 Parcel Tax to be based upon the use code for each taxable parcel of property located within the District. The 2004 Parcel Tax is collected at the following annual rates and on the following use codes used by the County Assessor’s Office to identify and categorize property:

Use Code	Rate
Single-family Residential/Vacant/Misc. (Use Codes 10-19, 61-62, 69, 81-85, 88-89)	\$52
Small Multi-unit Residential (Use Codes 20-24, 29)	\$104
Small Commercial/Industrial (Use Codes 25, 30-32, 34-37, 40, 48, 56, 63, 67, 80)	\$312
Medium Commercial/Industrial (Use Codes 26, 33, 43-47, 49-50, 53, 64)	\$520
Large Commercial/Industrial (Use Codes 27-28, 38-39, 41-42, 51-52, 54-55, 68, 70, 76, 86)	\$1,040

The Parcel Tax Revenues are deposited into a separate account held by the County Treasurer-Tax Collector, in accordance with section 50075.1 of the California Government Code, and are remitted to the Trustee until all of the 2021 Bonds and any Parity Debt are fully repaid, pursuant to the provisions of the Indenture and written direction from the District to the County Assessor, as described below. The District files an annual report with the Board, which report includes the amount of Parcel Tax Revenues collected and expended, and which otherwise complies with the accountability measures established in section 50075.1, *et seq* of the California Government Code.

The following table provides a five-year history of the number of parcels located within the District segregated by property use code. The District had a total parcel count of 77,358 for the fiscal year 2018-2019. The number of parcels has increased by 1.3% over the five-year period from 2014-15 to 2018-19.

Parcel Count by Fiscal Year

<u>Parcel Tax Category</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
Single Family Residential/Vacant/Miscellaneous	62,460	62,755	63,019	63,214	63,423
Small Multi-Unit Residential	9,950	9,951	9,986	10,007	10,138
Small Commercial/Industrial	2,062	2,064	2,064	2,056	2,054
Medium Commercial/Industrial	1,431	1,280	1,280	281	1,281
Large Commercial/Industrial	<u>460</u>	<u>460</u>	<u>460</u>	<u>461</u>	<u>462</u>
Total	76,363	76,510	76,809	77,019	77,358

Source: California Municipal Statistics, Inc.

Parcel Tax Collection History

The following tabulation shows a ten-year history of the Parcel Tax levy, the tax amount delinquent and the percentage of taxes delinquent each year as of June 30.

	Secured Tax Charge	Amount Delinquent June 30(1)	Percentage Delinquent June 30
2011-12	\$5,684,068.00	\$227,942.00	4.01%
2012-13	5,677,308.00	207,480.00	3.65
2013-14	5,667,610.00	169,000.00	2.98
2014-15	5,679,336.00	163,124.00	2.87
2015-16	5,649,228.00	156,364.00	2.77
2016-17	5,647,044.00	140,504.00	2.49
2017-18	5,640,414.00	125,346.00	2.22
2018-19	5,638,308.00	127,270.00	2.26
2019-20	5,645,328.00	144,924.00	2.57
2020-21	5,652,296.00	125,398.00	2.22

Source: California Municipal Statistics, Inc. and Contra Costa County

(1) Note, the District currently receives the full Secured Tax Charge from the County regardless of the delinquencies as Contra Costa County utilizes the Teeter Plan as described in APPENDIX A- "INFORMATION CONCERNING WEST CONTRA COSTA-PROPERTY TAX-Teeter Plan".

The 2004 Parcel Tax is not levied on the basis of the assessed valuation of property, but is levied annually on the basis of a fixed amount for each of the five use code categories referenced above. However, the 2004 Parcel Tax is collected by the County at the same time as secured *ad valorem* property taxes are levied and collected. Unless and until the Board of Supervisors of the County orders discontinuance of the Teeter Plan with respect to the 2004 Parcel Tax, the District is credited with 100% of the scheduled 2004 Parcel Tax payments without regard to actual amounts collected. If the Teeter Plan is discontinued, only the Parcel Tax Revenues actually collected would be allocated to the District; however, the District would realize the benefit of interest and penalties collected from delinquent taxpayers, pursuant to law. See APPENDIX A—"INFORMATION CONCERNING THE WEST CONTRA COSTA HEALTHCARE DISTRICT—PROPERTY TAX—Teeter Plan" for a discussion of the Teeter Plan. See "RISKS TO OWNERS OF 2021 BONDS – Severe Economic Conditions" herein.

Historical Parcel Tax Collection and Debt Service Coverage

The following table provides a five-year history by fiscal year of the Parcel Tax Revenues, debt service requirements of the applicable debt obligations then secured by the Parcel Tax Revenues and the debt service coverage ratio related thereto.

	2016-17	2017-18	2018-19	2019-20	2020-21
Parcel Tax Revenues	\$5,647,044	\$5,640,414	\$5,638,308	\$5,645,328	\$5,652,296
2004 Certificates Debt Service	1,895,536	445,003			
2011 Certificates Debt Service	2,458,500	2,460,900	1,186,463		
2018 Revenue Bonds Debt Service		1,247,050	1,673,357	1,674,066	1,674,733
2019 Revenue Bonds Debt Service			1,271,463	1,772,048	1,783,593
Total Debt Service	4,354,036	4,152,953	4,131,282	3,446,113	3,458,326
Debt Service Coverage Ratio	1.30x	1.36x	1.36x	1.64x	1.63x

Source: District Records.

Projected Parcel Tax Collection and Debt Service Coverage

The following table indicates the estimated total amount of Parcel Tax Revenues expected to be received by the District for the five fiscal years beginning with 2021-22, debt service requirements of the 2021 Bonds and the debt service coverage ratio.

	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
Parcel Tax Revenues ⁽¹⁾	<u>\$5,652,296</u>	<u>\$5,652,296</u>	<u>\$5,652,296</u>	<u>\$5,652,296</u>	<u>\$5,652,296</u>
2021 Bonds Debt Service*	<u>\$3,321,440</u>	<u>\$3,317,300</u>	<u>\$3,322,250</u>	<u>\$3,325,400</u>	<u>\$3,321,750</u>
Debt Service Coverage Ratio	<u>1.70x</u>	<u>1.70x</u>	<u>1.70x</u>	<u>1.70x</u>	<u>1.70x</u>

* Preliminary, subject to change.

⁽¹⁾ Projected Parcel Tax Revenues assumes the receipts are constant for future years based on 2020-21 receipts.

Deposit of Parcel Tax Revenues and Flow of Funds

Pursuant to the Indenture and the Agreement for Collection of Special Taxes, Fees, Charges and Assessments between the District and the County (the “Tax Collection Agreement”), the District and the County agree as follows:

Pursuant to the Tax Collection Agreement, the County agrees to collect on its tax rolls the 2004 Parcel Tax and other special taxes, fees, charges or assessments to be collected for the benefit of the District. So long as the 2021 Bonds and any Parity Debt are outstanding, the District is required, and has, directed the County to remit all Parcel Tax Revenues upon collection to the Trustee.

Pursuant to the Indenture, the Trustee and the District agree to deposit in the Debt Service Fund all Parcel Tax Revenues remitted by the County or the District to the Trustee. Furthermore, the Trustee agrees to use all amounts contained in the Fund for the sole purpose of paying principal, interest and redemption premiums, if any, with respect to the 2021 Bonds and any Parity Debt. Upon receipt by the Trustee of Parcel Tax Revenues sufficient for the payment of the debt service with respect to the 2021 Bonds and any Parity Debt due on the January 1 and July 1 Interest Payment Dates of the subject calendar year, all excess Parcel Tax Revenues are required to be transferred to the District for any lawful purpose of the District. This process is repeated each calendar year.

The County collects the 2004 Parcel Tax at the same time, in same manner and subject to the same penalties as secured *ad valorem* property taxes. See APPENDIX A—INFORMATION CONCERNING WEST CONTRA COSTA HEALTHCARE DISTRICT —PROPERTY TAX.

RISKS TO OWNERS OF 2021 BONDS

The following section describes certain special considerations and risk factors affecting the risk of nonpayment, timely payment, the security for, or the market price of, the 2021 Bonds. The following discussion is not meant to be an exhaustive or definitive description of the risks associated with a purchase of any 2021 Bond and does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following special factors regarding the 2021 Bonds, together with all other information in this Official Statement in order to make an informed investment decision with respect to the 2021 Bonds. There can be no assurance that other risk factors are not or will not become material in the future.

General

The payment of principal of and interest on the 2021 Bonds is secured solely by a pledge of the Parcel Tax Revenues. No assurance can be made that the County will be able to collect Parcel Tax Revenues in an amount sufficient to pay the debt service on the 2021 Bonds. See “SOURCE OF PAYMENT FOR THE 2021 BONDS.” Further, there can be no assurance that the voters of the County will not, by initiative, reduce or attempt to reduce the

annual levy of the Parcel Tax below the amount required to pay debt service on the Bonds. See “Proposition 218” below.

Bankruptcy of the District

As discussed herein the District has emerged from two bankruptcies, one filed in 2008 and the other in 2018. In the event the District files a new bankruptcy petition under the United States Bankruptcy Code (the “Bankruptcy Code”), the rights and remedies of the Owners of the 2021 Bonds could be impacted by various provisions of the Bankruptcy Code. Given the status of the District as a governmental entity, such a petition would be eligible to be filed only under chapter 9 of the Bankruptcy Code. While there is no expectation that the County would put the District into bankruptcy again, the discussion below is provided in case that unexpected occurrence nevertheless transpires.

Automatic Stay. Pursuant to the “automatic stay” of section 922 of the Bankruptcy Code, the filing of a chapter 9 petition by the District would automatically operate as an injunction against, among other things, (i) the commencement or continuation of any judicial or other proceedings against the District and its property, (ii) all acts to recover on preexisting claims against the District, (iii) acts to enforce a lien or otherwise obtain possession of, or exercise control over, property of the District, or (iv) setoff of any obligations against preexisting claims held by the District, unless the consent of the bankruptcy court is first obtained. The bankruptcy court is not required to give its consent. Specifically, this prohibition may prohibit the Trustee and the holders of the 2021 Bonds from taking action against the District to enforce the terms of the 2021 Bonds, the Indenture or any other agreement relating to the 2021 Bonds. This prohibition may prohibit the Trustee from making payments on the 2021 Bonds with funds in its possession or Parcel Tax Revenues that are paid to the Trustee by the County, and thus there may be delays in payments on the 2021 Bonds. The County may be prohibited from paying Parcel Tax Revenues to the Trustee.

Statutory Lien. The District’s obligation to make payments on the 2021 Bonds is secured by a lien on the Parcel Tax Revenues created by the Lien Statute. The District believes, based on its previous bankruptcy experience, that if the District were to become a debtor in a case under the Bankruptcy Code commenced after the date of delivery of the 2021 Bonds, and the matter were properly briefed and presented to a federal court with jurisdiction over such bankruptcy case, the court, exercising reasonable judgment after full consideration of all relevant factors, would hold that the lien on the Parcel Tax Revenues described in the Lien Statute as securing the 2021 Bonds is a “statutory lien” within the meaning of section 101(53) of the Bankruptcy Code so that section 552(a) of the Bankruptcy Code would not cause Parcel Tax Revenues acquired by the District after the commencement of such case to not be subject to such lien. Payments on the 2021 Bonds could, however, be delayed by reason of the automatic stay.

Debtor In Possession Financing. In bankruptcy, the District may be able to borrow additional money that is secured by a lien on the Parcel Tax Revenues, which lien could have priority over the lien provided by the Lien Statute as long as the bankruptcy court determines that the rights of the holders of the 2021 Bonds will be adequately protected within the meaning of the Bankruptcy Code.

Potential Modification of Terms. The District may 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 and amount, maturity dates, payment sources, covenants and other terms or provisions of the 2021 Bonds, the Indenture or any other agreement relating to the 2021 Bonds, as long as the alterations are fair and equitable as determined by the bankruptcy court.

Other Matters. There may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on, or other losses with respect to, the 2021 Bonds. Regardless of any specific adverse determinations in a bankruptcy proceeding, the fact of a bankruptcy proceeding by the District could have an adverse effect on the liquidity and value of the 2021 Bonds.

Severe Economic Conditions

In the event of a severe economic crisis in the U.S. economy at large or one that particularly affects the District and its population, residents, and commercial and industrial property owners in the District may choose not

to or be unable to pay their parcel taxes. Wholesale failure to pay parcel taxes would likely trigger the decision by the County to terminate the Teeter Plan with the District, thereby ending the County's payment of 100% of allocated parcel tax assessments to the District. In that case, the District would receive only parcel taxes actually paid and would have to wait for successful foreclosure to receive delinquent taxes. In a catastrophic situation owners may abandon their property and others would not have an interest in purchasing those properties. As a result, an unprecedented failure in parcel tax collections would occur and the 2021 Bond debt service may not be made.

No Assurance of Secondary Market for the 2021 Bonds

It is the present practice of the Underwriter to make a secondary market in the issues that it underwrites. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon their prevailing circumstances. Such prices could be substantially lower than the original purchase price. There can be no guarantee that there will be a secondary market for the 2021 Bonds or, if a secondary market exists, that the 2021 Bonds can be sold for any particular price. Accordingly, purchasers of the 2021 Bonds should be prepared to have their funds committed until the 2021 Bonds mature.

Impact of Market Turmoil

The domestic and international financial crisis experienced beginning about 2007-2008 had and may in the future have negative repercussions upon the national and global economies, including a scarcity of credit, lack of confidence in the financial sector, extreme volatility in the financial markets, potential increase in interest rates, reduced business activity, increased consumer bankruptcies and increased business failures and bankruptcies.

The financial crisis had a particularly acute impact upon the financial sector and credit markets, and caused many banks and other financial institutions to seek additional capital, to merge, and in some cases, to fail. One of the results of this financial crisis was increased volatility in the municipal bond marketplace. Additionally, from time-to-time substantial amounts have been withdrawn from mutual funds and from hedge funds, traditionally some of the largest purchasers of municipal bonds. There was a general weakening of the national economy and the economy of the District in particular. There can be no assurance that any continued or renewed turmoil in the financial and bond markets will not negatively impact the marketability of the 2021 Bonds in the secondary market.

Parity Debt

As described in "SOURCE OF PAYMENT FOR THE 2021 BONDS" above, the Indenture permits the District to issue or incur Parity Debt which would be secured on a parity with the 2021 Bonds by a lien on Parcel Tax Revenues. In the event of a decline in Parcel Tax Revenues available to pay the 2021 Bonds, the incurrence of additional Parity Debt and/or subordinate debt could adversely affect the District's ability to pay the 2021 Bonds.

Tax Exempt Status of Interest on the 2021 Bonds

The Internal Revenue Code of 1986, as amended (the "Code") imposes a number of requirements that must be satisfied for interest on state and local obligations, such as the 2021 Bonds, to be excludable from gross income for Federal income tax purposes. These requirements include, among others, limitations on the use of 2021 Bond proceeds, limitations on the investment earnings of 2021 Bond proceeds prior to expenditure, a requirement that certain investment earnings on 2021 Bonds proceeds be paid periodically to the United States, and a requirement that the issuer of the 2021 Bonds file an information report with the Internal Revenue Service. The District has covenanted in certain of the documents referred to herein that it will comply with such requirements. Failure by the District to comply with the requirements stated in the Code and related regulations, rulings and policies may subject interest on the 2021 Bonds to Federal income taxation, retroactively to the date of issuance.

Factors That Could Affect the Enforceability of the Indenture

The legal right and practical ability of the Trustee to enforce its rights and remedies against the District under the Indenture and related documents may be limited by laws relating to bankruptcy, insolvency, reorganization, fraudulent conveyance or moratorium and by other similar laws affecting creditors' rights. In addition, the Trustee's ability to enforce such terms will depend upon the exercise of various remedies specified by such documents which may in many instances require judicial actions that are often subject to discretion and delay or that otherwise may not be readily available or may be limited.

Proposition 218

On November 5, 1996, the voters of the State approved Proposition 218, known as the "Right to Vote on Taxes Act." Proposition 218 adds Articles XIIC and XIID to the California Constitution and contains a number of interrelated provisions affecting the ability of local agencies to levy and collect both existing and future taxes, assessments, fees and charges. The interpretation and application of Proposition 218 has been and will continue to be determined by the courts with respect to a number of the matters of Proposition 218's application, and it is not possible at this time to predict with certainty the outcome of such determination.

Proposition 218 (Article XIIC) requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes require a majority vote and taxes for specific purposes, require a two-thirds vote. Further, under Proposition 218 any general purpose tax which was imposed, extended or increased without voter approval after December 31, 1994, could only continue to be imposed if approved by a majority vote in an election held within two years of November 5, 1996.

Proposition 218 (Article XIIC) also removes limitations on the initiative power in matters of reducing or repealing local taxes, assessments, fees or charges. The District believes that the 2004 Parcel Tax was authorized in compliance with Proposition 218; however, the voters of the District could approve an initiative or initiatives which could reduce or repeal local taxes, assessments, fees or charges including the Parcel Tax securing the 2021 Bonds. Any such initiative would likely be challenged in court by the District as unlawful on the basis that the debt service on the 2021 Bonds would be unconstitutionally impaired by such initiative.

Earthquakes, Floods, Wildfires, Other Natural Disasters and Pandemics

The District is located in a seismically active region. A major earthquake, flood, wildfire or any other natural calamity may cause significant temporary and possibly long-term harm to the District's economy, tax receipts (including receipt of Parcel Tax Revenues), and residential and business real property values. The effect of a severe pandemic is liable to have the same adverse effect.

CONTINUING DISCLOSURE

Pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), the District will enter into an agreement with _____, as Dissemination Agent (the "Dissemination Agent"), for the benefit of holders of the 2021 Bonds to provide certain audited financial information and operating data relating to the District, by not later than March 31 following each fiscal year commencing with the report for the 2021 fiscal year of the District (the "Annual Information"), and to provide notices of the occurrence of certain enumerated events. The Annual Information and notices of material events will be filed by the District or the Dissemination Agent, with the MSRB, via EMMA. The nature of the information to be provided in the Annual Information and the notices of enumerated events is set forth in APPENDIX F—FORM OF CONTINUING DISCLOSURE CERTIFICATE.

The District has had a continuing disclosure obligation during the past five years with respect to its 2004 Certificates (until April 2018 when the 2004 Certificates were fully defeased) and the 2011 Certificates (until June 2019 when the 2011 Certificates were fully defeased).

The District's continuing disclosure obligations with respect to the 2004 Certificates and the 2011 Certificates required the District to file on EMMA Annual Information for the District's 2016 and 2017 fiscal years within nine months of the particular fiscal year end. The Annual Information requirement included audited financial statements

and certain operating data identified in the specific Continuing Disclosure Certificate for the 2004 Certificates or 2011 Certificates, as applicable. Operating data included information on taxable parcels in the District and parcel tax revenues, among other items. The District failed to timely file on EMMA its 2016 fiscal year Annual Information. However, all the required information for that fiscal year was filed on EMMA with the 2017 fiscal year report. The 2017 fiscal year Annual Information was filed on EMMA earlier than required on March 28, 2018; however, that filing resulted in the 2016 fiscal year Annual Information being approximately six months late.

The District's compliance with its EMMA filing obligations was deficient in that the District did not file with EMMA a required notice that it failed to timely file its 2016 fiscal year Annual Information. It also failed to place a notice on EMMA that its continuing disclosure obligations were terminated when the 2004 Certificates and the 2011 Certificates were defeased in April 2018 and June 2019, respectively, as required by the applicable Continuing Disclosure Certificate. The District believes, though, it substantially complied with its obligations to post on EMMA notice of material and other events. These notices generally concerned events of default, bankruptcy matters of the District, the sale of the Hospital, and the replenishment of the debt service reserve funds for the 2004 Certificates and the 2011 Certificates pursuant to the Bankruptcy Plan.

The District intends to work with its new Dissemination Agent to ensure that it fully meets its continuing disclosure obligations with respect to the 2021 Bonds.

TAX MATTERS

Federal tax law contains a number of requirements and restrictions which apply to the 2021 Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The District has covenanted to comply with all requirements that must be satisfied in order for the interest on the 2021 Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest with respect to the Bonds to become includable in gross income for federal income tax purposes retroactively to the date of delivery of the 2021 Bonds.

Subject to the District's compliance with the above referenced covenants, under present law, in the opinion of Quint & Thimmig LLP, Bond Counsel, interest on the 2021 Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals.

In rendering its opinion, Bond Counsel will rely upon certifications of the District with respect to certain material facts within their knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Internal Revenue Code of 1986, as amended (the "Code") includes provisions for an alternative minimum tax ("AMT") for certain corporations in addition to the corporate regular tax in certain cases. The AMT for a corporation with a tax year ending December 31, 2017, if any, depends upon the corporation's alternative minimum taxable income ("AMTI"), which is the corporations' taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would generally include certain tax-exempt interest, but not interest on the 2021 Bonds.

Ownership of the 2021 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the 2021 Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the "Issue Price") for each maturity of the 2021 Bonds is the price at which a substantial amount of such maturity of the 2021 Bonds is first sold to the public. The Issue Price of a maturity of the 2021 Bonds

may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

Owners of 2021 Bonds who dispose of 2021 Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the Issue Price, or purchase 2021 Bonds subsequent to the initial public offering, should consult their own tax advisors.

If a 2021 Bond is purchased at any time for a price that is less than 2021 Bond's stated redemption price at maturity (the "Reduced Issue Price"), the purchaser will be treated as having purchased a 2021 Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a 2021 Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases a 2021 Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such 2021 Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the 2021 Bonds.

An investor may purchase a 2021 Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the 2021 Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the 2021 Bond. Investors who purchase a 2021 Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the 2021 Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the 2021 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to 2021 Bonds issued prior to enactment. Prospective purchasers of the 2021 Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the 2021 Bonds. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Bond Owners may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the 2021 Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest with respect to, and proceeds of the sale, redemption or maturity of, tax exempt obligations, including the 2021 Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond Owner who fails to provide an accurate form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond Owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

In the further opinion of Bond Counsel, interest with respect to the 2021 Bonds is exempt from California personal income taxes.

Ownership of the 2021 Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the 2021 Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

The complete text of the final opinion that Bond Counsel expects to deliver upon the delivery of the 2021 Bonds is set forth in APPENDIX D—FORM OF OPINION OF BOND COUNSEL.

INDEPENDENT ACCOUNTANTS

The audited financial statements of the District, as of June 30, 2021 and 2020, and for the fiscal years then ended were audited by JWT Associates, LLP, Fresno, California, independent auditors, as stated in their reports included herein, and are included in APPENDIX B—FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020. JWT Associates, LLP has not been engaged to perform and has not performed, since the date of the reports included herein, any procedures on the audited financial statements addressed in those reports.

CERTAIN LEGAL MATTERS

Legal matters incident to the issuance and delivery of the 2021 Bonds are subject to the approving the opinion of Quint & Thimmig LLP, Larkspur, California, Bond Counsel. See APPENDIX D—FORM OF OPINION OF BOND COUNSEL. Certain legal matters will be passed upon for the District by Foley & Lardner, LLP, San Francisco, California, as District Counsel and by Jennings, Strouss & Salmon, P.L.C., Phoenix, Arizona, as Disclosure Counsel. Certain legal matters will be passed upon by McDougal Love Boehmer Foley Lyon & Mitchell, APC, La Mesa, California, as Underwriter's Counsel.

ABSENCE OF LITIGATION

There is no litigation pending against the District, nor, to the knowledge of its County administrators, threatened, in any court or other tribunal of competent jurisdiction, state or federal, in any way (i) restraining or enjoining the execution, sale or delivery of any of the 2021 Bonds, or (ii) questioning or affecting the validity of the 2021 Bonds or (iii) questioning or affecting the validity of any of the proceedings for the authorization, sale, issuance or delivery of the 2021 Bonds, or (iv) questioning or affecting the validity or enforceability of the Indenture, or (v) questioning the legality of the Parcel Tax Revenues or the status of the statutory lien thereon, or the collection of the Parcel Tax Revenues payments to be made pursuant to the Indenture.

RATING

Moody's Investor Service ("Moody's") has assigned its municipal bond rating of "Aa3" to the 2021 Bonds. No application was made to any other rating agency for the purpose of obtaining additional ratings on the 2021 Bonds. Such rating reflects only the views of Moody's and an explanation of the significance of such rating may be obtained from Moody's. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by Moody's if, in the judgment of Moody's, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the 2021 Bonds.

UNDERWRITING

The 2021 Bonds are being purchased by Piper Sandler & Co. (the "Underwriter"). The Underwriter has agreed to purchase the 2021 Bonds at a price of \$_____ (representing the principal amount of the 2021 Bonds of \$_____, less/plus net original issue discount/premium of \$_____, less \$_____ of Underwriter's discount). The purchase agreement relating to the 2021 Bonds provides that the Underwriter will purchase all of the 2021 Bonds at the price indicated above if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in such purchase agreement, the approval of certain legal matters by counsel and certain other conditions.

The Underwriter may offer and sell the 2021 Bonds to certain dealers and others at a price lower than the offering price stated on the cover page hereof. The offering price may be changed from time to time by the Underwriter.

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

FINANCIAL ADVISOR

G.L. Hicks Financial, LLC has served as financial advisor to the District for purposes of assisting with the development and implementation of a bond structure in connection with the 2021 Bonds. G.L. Hicks Financial, LLC is an independent advisory firm and is not engaged in the business of underwriting or distributing municipal securities or other public securities. G.L. Hicks Financial, LLC is a registered municipal advisor with the Municipal Securities Rulemaking Board and the Securities and Exchange Commission.

VERIFICATION OF MATHEMETICAL COMPUTATIONS

The Verification Agent will examine the arithmetical accuracy of certain computations included in the schedules relating to the refunding of the Refunded Bonds. See “PLAN OF REFINANCING” herein. The Verification Agent has restricted its procedures to examining arithmetical accuracy of certain computation and has not made any study or evaluation of the assumptions and information upon which the computations are based, and accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the feasibility of the forecasted outcome.

THE TRUSTEE

U.S. Bank National Association, a national banking association organized under the laws of the United States, has been appointed to serve as Trustee for the 2021 Bonds. The Trustee is to carry out those duties assignable to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Official Statement and does not assume any responsibility for the nature, completeness, contents or accuracy of the Official Statement.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the District of any of the 2021 Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such 2021 Bonds by the District. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the 2021 Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets pledged or assigned as security for the 2021 Bonds or the investment quality of the 2021 Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

AVAILABILITY OF DOCUMENTS

Copies of the Indenture are available, upon written request, from _____.

MISCELLANEOUS

The foregoing and subsequent summaries or descriptions of provisions of the 2021 Bonds and the Indenture and all references to other materials not purporting to be quoted in full are only brief outlines of some of the provisions thereof and do not purport to summarize or describe all of the provisions thereof. Reference is made to said documents for full and complete statements of their provisions.

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 District and the purchasers or Owners of any of the 2021 Bonds.

The District has approved this Official Statement and has authorized its execution and delivery.

WEST CONTRA COSTA HEALTHCARE
DISTRICT

By: Contra Costa County, California

By: _____
Title: _____

APPENDIX A

INFORMATION CONCERNING THE WEST CONTRA COSTA HEALTHCARE DISTRICT

The information in this APPENDIX A is for information only. Investors are advised that the security for the 2021 Bonds and, therefore, the principal and interest with respect to the 2021 Bonds, is the levy and collection of the Parcel Tax Revenues and no other revenues or funds of the District. The security for the 2021 Bonds is discussed in the Official Statement to which the APPENDIX A is attached.

The information contained in this APPENDIX A has been obtained from
West Contra Costa Healthcare District.

TABLE OF CONTENTS

THE DISTRICT	3
Board of Directors	3
Bankruptcy	4
Tax Exchange Agreement.....	4
Management Team	4
Services.....	5
Employees' Retirement and Deferred Compensation Plans	5
Capital Expenditures	6
District Population	6
DISTRICT FINANCIAL INFORMATION	8
Financial Statements	8
Total Unrestricted Funds.....	9
Direct and Overlapping Bonded Debt.....	10
PROPERTY TAX.....	11
Property Tax Collection Procedures	11
Assessed Valuations	11
Tax Levies and Delinquencies	13
Teeter Plan	13

THE DISTRICT

The West Contra Costa Healthcare District (the “District”), a local health care district formed in 1948, is a political subdivision of the State of California (the “State”) organized pursuant to the State’s Local Health Care District Law as set forth in section 32000 of the State’s Health and Safety Code. The geographic area that composes the District encompasses a majority of the western portion of Contra Costa County (the “County”) and includes the cities of Richmond, San Pablo, El Cerrito, Hercules and Pinole, as well as neighboring unincorporated areas including Crockett, Rodeo, North Richmond and El Sobrante, among others. The 2020 estimated population of the cities and communities encompassing the District was approximately 260,000.

The District formerly owned and operated Doctor’s Medical Center—San Pablo (the “Hospital”). Ultimately, the District closed the Hospital in April 2015 and sold the facility on April 3, 2018. See “Bankruptcy” herein. The District no longer owns or operates any healthcare facilities nor does it directly provide any healthcare related services. The District does use a portion of its annual surplus to provide grants and funding to the local community to address healthcare needs.

As a result of Senate Bill Number 522, the Contra Costa County Board of Supervisors (the “Board of Supervisors”) appointed itself, under Health & Safety Code section 32100.8, as the District’s Board of Directors effective January 1, 2019. Accordingly, the District’s governing body is now comprised of the Board of Supervisors and the County’s employees now comprise the management team of the District, with additional support provided by ex-employees, now serving as independent contractors, of the District (see more information of the District’s management and support team provided below).

Neither the District nor the County intends for the District to resume any healthcare operations.

Board of Directors

The governing body of the District is its Board of Directors (the “Board”), which, as of January 1, 2019, pursuant to Senate Bill 522 and the Second Amended Plan for the Adjustment of Debts dated July 21, 2017 (the “Bankruptcy Plan”), is the Board of Supervisors. The Bankruptcy Plan is described below. Pursuant to Senate Bill 522, if the Board of Supervisors elects not to serve as the Board of Directors, it will appoint a Board of Directors consisting of five members, all of whom must reside in the District. However, the Board of Supervisors continues to serve as the Board of Directors.

The current members of the Board of Directors and the dates on which their terms expire are shown in the following table:

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
John M. Gioia	Supervisor, District 1	January 2023
Candace Andersen	Supervisor, District 2	January 2025
Diane Burgis	Supervisor, District 3	January 2025
Karen Mitchoff	Supervisor, District 4	January 2023
Federal D. Glover	Supervisor, District 5	January 2025

Source: Contra Costa County

Bankruptcy

On October 20, 2016, the District, facing mounting financial distress, filed a chapter 9 bankruptcy petition under the federal Bankruptcy Code. This was the District's second such bankruptcy petition in less than ten years. The purpose of this bankruptcy was to obtain relief from creditor collection actions and allow the District time and access to the funds necessary to affect a "plan of adjustment." On January 3, 2018, the Bankruptcy Court confirmed the Second Amended Plan of Adjustment (the "Bankruptcy Plan") which became effective April 4, 2018 when the sale of the Hospital was finalized. The first round of payments were made under the Bankruptcy Plan in December 2018. The second round of payments under the Bankruptcy Plan were made in December 2019, and the third round of payments were made in December of 2020. All unsecured creditor claims have been paid. As of June 25th, 2021, the Bankruptcy Court entered an order closing the Chapter 9 bankruptcy for the District.

There are 5 remaining obligations of the District:

- 2018 and 2019 Parcel Tax secured revenue bonds currently outstanding, which are to be refunded with the proceeds of the 2021 Bonds.
- Tax exchange agreement with the County, which will be satisfied in fiscal year 2022. See immediately below for a discussion of this agreement.
- Unfunded pension/deferred compensation plan, estimated to be satisfied in fiscal year 2027.
- Obligation to California Nurses Association, with a balance of \$1,750,000 as of June 30, 2021. Balance to be paid off over the next 6 fiscal years.
- Local 39 pension claim, balance of \$283,417.87 as of June 30, 2021. Balance to be paid off over the next 7 fiscal years.

Beginning in fiscal year 2022, the District forecasts annual cash surpluses, commencing at approximately \$4,000,000 and growing to approximately \$6,000,000 to \$7,000,000 in fiscal year 2027, after the pension obligations are satisfied. The District contemplates funding various community health services (as described under "Services" herein) with a portion of such surpluses.

Tax Exchange Agreement

The District entered into a tax exchange agreement (the "Tax Exchange Agreement") with the County in April of 2011, pursuant to which the County made an initial cash advance of \$10,000,000 to the District in exchange for the District's transfer to the County of a substantial portion of the *ad valorem* property tax revenues to which the District would otherwise be entitled. The County subsequently made additional advances for a total maximum outstanding balance of \$25,296,000, which was reached during the year ended December 31, 2014. The County Auditor allocates and transfers to the County, pursuant to the Tax Exchange Agreement, all but \$1,000,000 of the *ad valorem* property tax revenues that otherwise would be collected and allocated to the District. This \$1,000,000 is intended to cover the District's ongoing operating costs and expenses. The amount of property tax revenues the District transferred to the County pursuant to the Tax Exchange Agreement exceeded the cash advances the County made to the District in order to account for the time value of money. The District had been recognizing this additional amount pro-rata on a yearly basis based on the estimated time to pay off the advances. With closure of the Hospital and the subsequent bankruptcy, the District decided to book the entire amount due to the County during the year ended December 31, 2016. The outstanding balance due to the County as of June 30, 2021, was \$1,391,705.54. The outstanding balance will be paid by June, 2022. After satisfying its annual obligations associated with the Tax Exchange Agreement, the District will reduce its annual obligations by approximately \$4,000,000 going forward after June, 2022.

Management Team

The District does not have any employees. County staff act to administer the activities of the District. County staff who oversee the activities of the District include:

- Monica Nino, County Administrator and Clerk of the Board of Supervisors, Contra Costa County

- Patrick Godley, Chief Operating Officer /CFO, Contra Costa Health Services
- Bud De Cesare, Fiscal Manager & Budget Officer, Contra Costa Health Services

In addition, the District contracts with three former employees and consultants of the District to assist with the ongoing operations of the District. Contracted staff who assist with the management of the District include:

- *Kathy White*, Principal, eighty20 consulting, Ms. White has worked as a consultant with the District in various roles since 2007 including assisting the District in the wind-down of operations and meeting of bankruptcy related commitments. Ms. White's career began as a critical care nurse that developed into several senior executive leadership positions. She received her Bachelor of Science degree in Nursing from the University of Pittsburgh, Pennsylvania, and earned a Master's of Science degree from the State University of New York at Stony Brook, New York, where she was also a Clinical Assistant Professor and part of the operations management team at University Hospital at Stony Brook. Ms. White works in hospital and healthcare system operations. She has provided both consulting and interim management (CEO, Chief Operating Officer and Chief Nursing Officer), most often in turnaround situations.
- *Vickie Scharr*, Consultant. Ms. Scharr is a Certified Public Accountant who has worked in the auditing and healthcare financial management of hospitals for over 30 years. Ms. Scharr holds a Bachelor of Science degree in business administration from California State University, Hayward, California, and an MBA from Saint Mary's College in Moraga, California. She began her career as an auditor for Arthur Anderson and transitioned to various roles as Controller/Chief Financial Officer primarily at healthcare providers. Ms. Scharr was the Controller for the District and the Hospital from 2012 to 2015 and came back to the District in 2016 to assist in the post-closing activities for the District after it closed the Hospital.
- *Harold Emahiser*, Principal, Optimum Financial Consultants, Inc. Mr. Emahiser is a Certified Public Accountant (inactive), and a Certified Insolvency and Restructuring Advisor. Mr. Emahiser has assisted the District as a consultant since 2011. Mr. Emahiser holds a Bachelor of Arts degree from Augsburg College, Minneapolis, Minnesota, and a Master's in Health Administration from the University of Minnesota.

Services

The District no longer owns or operates any healthcare facilities nor does it directly provide any services to the community. However, in fiscal year 2020 and fiscal year 2021, the District provided grants to two community organizations – specifically, \$400,000 in each of such years to RYSE, a community nonprofit group that provides various services for local youth, and, \$250,000 in each of such years to Lifelong, a local healthcare provider that provides urgent care. The District anticipates that when the Tax Exchange Agreement is satisfied in fiscal year 2022, it will use more of its surplus funds to provide grants and funding to address local community healthcare needs.

Employees' Retirement and Deferred Compensation Plans

Prior to the closure of the Hospital, the District sponsored two defined contribution savings plans intended to qualify under section 457(b) of the Internal Revenue Code for the benefit of those of its employees who met certain eligibility requirements. Under these two plans employer contributions were discretionary. All benefit obligations are fully vested.

In addition, the District sponsored a non-contributory single employer defined benefit pension plan (the "Pension Plan"). This Pension Plan covered all eligible employees of the District prior to 1996. The Pension Plan provided retirement and death benefits to plan members and beneficiaries based on each employee's years of service and annual compensation. As of June 30, 2020, the Pension Plan had an unfunded pension liability of \$10,791,845. An actuarial valuation is currently underway to determine the unfunded pension liability for the fiscal year ending June 30, 2021.

The District also administered two Employer Contributory Tax Deferred Annuity plans intended to qualify, respectively [?? Is that correct??], under section 403(b) and 457 of the Internal Revenue Code (the “Annuity Plans”). Employees who had a minimum of one year of service were eligible to participate in the Annuity Plans. Participants could defer a portion of their compensation, subject to annual limitations, which is fully vested and held in individual participant accounts. The District’s matching contribution consisted of 5.00% of the annual employee compensation. As of June 30, 2021, the Annuity Plans have no unfunded pension liability.

Capital Expenditures

The District no longer owns any real property and does expect to acquire any capital assets. Accordingly, it does not currently have an annual capital budget and it does not anticipate the need for such a budget in the foreseeable future.

District Population

The District’s boundaries include the cities of Richmond, San Pablo, El Cerrito, Hercules and Pinole, as well as neighboring unincorporated areas including Crockett, Rodeo, North Richmond and El Sobrante, among others. The State of California Department of Finance estimates for 2020 indicate that San Pablo had a population of 31,078. Other cities in the County located within the District include the city of El Cerrito with a population of 24,846, the city of Hercules with a population of 25,864, the city of Pinole with a population of 19,390 and the city of Richmond, the third largest city in the County, with a population of 110,288, all as of January 1, 2020. Other cities in the County located outside the District include the city of Concord with a population of 129,453, the city of Antioch with a population of 112,236 and the city of Walnut Creek with a population of 70,592. No other city within the County had a population in excess of 90,000. Since 1990, the resident population of the city of Richmond is estimated to have grown 26% to 110,288. During the past thirty years the population of the County has increased 43% while the population of the State of California has increased 33% over the same period. Population figures as reported for the 1990, 2000, and 2010 census reports for the city of Richmond, the city of El Cerrito, the city of Hercules, the city of Pinole, the city of San Pablo, the County and the State of California follow below as well as the Department of Finance estimates as of January 1, 2020:

	1990	2000	2010	2020	1990-2020 % Change
City of Richmond	87,425	99,216	103,701	110,288	26%
City of El Cerrito	22,869	23,171	23,549	24,846	9%
City of Hercules	16,829	19,488	24,060	25,864	54%
City of Pinole	17,460	19,039	18,390	19,390	11%
City of San Pablo	25,158	30,215	29,139	31,078	24%
Contra Costa County	803,732	948,816	1,049,025	1,149,853	43%
State of California	29,760,021	33,871,648	37,253,956	39,648,938	33%

Source: Census reports and State of California Department of Finance estimates. The 1990, 2000, and 2010 figures are census figures reported as of April 1, in each of those years. The 2020 figures are population estimates as of January 1.

Largest Employers. The County enjoys a diverse labor pool as a result of its role as a regional manufacturing, service and retail center. Because of the need to retrain workers as the economy evolves, the County utilizes a network of job training providers to ensure the maintenance of an abundant and qualified work force. The following table summarizes the 20 largest employers in the County.

Top 20 Largest Employers in Contra Costa County ⁽¹⁾

24 Hour Fitness USA Inc., San Ramon
 Bay Area Rapid Transit, Richmond
 Bio-Rad Laboratories, Hercules
 Broadpectrum Americas, Richmond
 C&H Sugar, Crockett

Chevron (various entities), San Ramon and Richmond
 Contra Costa County (including Contra Costa Medical Center), multiple locations
 GE, San Ramon
 John Muir Medical Center, Concord and Walnut Creek
 Kaiser Permanente, multiple locations
 Phillips 66, Rodeo
 Robert Half International, San Ramon and Walnut Creek
 San Ramon Medical Center, San Ramon
 Santa Fe Pacific Pipe Lines, Richmond
 Shell Oil Products, Martinez
 St Mary's College, Moraga
 Sutter Delta Medical Center, Antioch
 Tesoro Golden Eagle Refinery, Pacheco
 U.S. Veterans Medical Center, Martinez
 USS-Posco Industries, Pittsburg

Source: America's Labor Market Information System Database, 1st Quarter 2020, downloaded via State of California Employment Development Department, October 30, 2019, and "Largest Employers in the East Bay," *San Francisco Business Times*, Oct. 18, 2019.

⁽¹⁾ These employers are listed in alphabetical order.

Employment and Unemployment. Unemployment in the city of Richmond and the city of San Pablo are generally higher than other areas of the San Francisco bay area and the County but are generally lower than the State of California itself. The table below summarizes annual average labor force, employment, and unemployment figures for the years 2018 through 2020 for the city of Richmond, the city of El Cerrito, the city of Hercules, the city of Pinole, the city of San Pablo, the County and the State of California.

Labor Force, Employment, Unemployment and Unemployment Rate Annual Averages ⁽¹⁾

Year and Area	Labor Force	Employment	Unemployment	Unemployment Rate
2020				
City of Richmond	52,200	46,400	5,800	11.1%
City of El Cerrito	13,200	12,200	1,000	7.6%
City of Hercules	13,700	12,600	1,100	8.0%
City of Pinole	9,800	8,900	900	9.2%
City of San Pablo	13,600	12,100	1,500	11.0%
Contra Costa County	541,300	493,200	48,100	8.9%
State of California	18,821,200	16,913,100	1,908,100	10.1%
2019				
City of Richmond	52,800	51,000	800	1.5%
City of El Cerrito	13,800	13,400	400	2.9%
City of Hercules	14,200	13,800	400	2.8%
City of Pinole	10,100	9,800	300	3.0%
City of San Pablo	13,800	13,300	500	3.6%
Contra Costa County	559,700	542,100	17,600	3.1%
State of California	19,353,700	18,442,400	919,800	4.8%
2018				
City of Richmond	52,900	50,900	2,000	3.8%
City of El Cerrito	13,900	13,500	400	2.9%
City of Hercules	13,900	13,500	400	2.9%
City of Pinole	9,900	9,600	300	3.0%

Year and Area	Labor Force	Employment	Unemployment	Unemployment Rate
City of San Pablo	13,900	13,400	500	3.6%
Contra Costa County	560,300	542,200	17,800	3.2%
State of California	19,263,900	18,442,400	821,500	4.3%

Source: California Employment Development Department.

(1) Data not seasonally adjusted.

Commercial Activity. The city of Richmond experienced a 19% decline in retail sales over the past three years while the County experienced an increase of 2.5% in retail sales over the same period. The following table summarizes taxable sales and total outlets (sales tax permits) occurring in the city of Richmond, the city of El Cerrito, the city of Hercules, the city of Pinole, the city of San Pablo and the County for the years 2018, 2019 and 2020.

Total Outlets and Taxable Transactions			
	2018	2019	2020
City of Richmond:			
Total Outlets	2,171	2,250	2,393
Taxable Sales	\$1,574,314,886	\$1,476,315,339	\$1,273,812,759
City of El Cerrito:			
Total Outlets	621	644	652
Taxable Sales	\$265,240,187	\$264,207,566	\$215,962,996
City of Hercules:			
Total Outlets	270	281	288
Taxable Sales	\$200,735,708	\$225,795,557	\$222,050,049
City of Pinole:			
Total Outlets	492	509	558
Taxable Sales	\$340,510,958	\$325,075,647	\$302,471,675
City of San Pablo:			
Total Outlets	517	553	594
Taxable Sales	\$205,376,538	\$214,687,782	\$194,769,163
Contra Costa County:			
Total Outlets	22,079	22,813	23,906
Taxable Sales	\$17,607,890,223	\$18,080,745,538	\$18,043,574,659

Source: California Department of Tax and Fee Administration.

DISTRICT FINANCIAL INFORMATION

Financial Statements

The following summaries of the statements of revenue, expenses and changes in net assets of the District are qualified by reference to and should be read in conjunction with the District's audited financial statements, including the notes thereto set out in APPENDIX B to the Official Statement. The statements of revenue, expenses and changes in net assets of the District for the years ended June 30, 2019, 2020 and 2021, are derived from the District's audited financial statements. As of January 1, 2019 the District changed its reporting period from a calendar year to a fiscal year ending on June 30th. The June 30, 2019, audited financial statements are for the 6-month period due to the change in reporting period.

	Fiscal Year Ended June 30,		
	2019⁽¹⁾	2020	2021
	(audited)	(audited)	(audited)
Operating Revenue:			
Operating Revenue	\$31,176	\$88,699	\$276,252
Total Operating Revenue	31,176	88,699	276,252
Total Operating Expenses	462,719	1,354,628	1,391,515
Operating Losses	(431,543)	(1,265,929)	(1,115,263)
Nonoperating Revenue (Expense)			
District Tax Revenue	5,234,934	10,528,435	10,581,330
Investment Income	71,350	113,489	9,153
Interest Expense	(1,429,265)	(2,504,871)	(2,370,810)
Other non-operating Revenue (Expense)	(4,337,714)	(2,189,807)	(495,595)
Total Net Nonoperating Revenues	(460,695)	5,947,246	7,724,078
Change in Net Position	(892,238)	4,681,317	6,608,815
Net Assets (Deficit) Beginning of Year	(67,755,275)	(68,647,513)	(63,966,196)
Net Assets End of Year	<u>\$(68,647,513)</u>	<u>\$(63,966,196)</u>	<u>\$(57,357,381)</u>

Source: District's audited financial statements as indicated above.

⁽¹⁾ For fiscal year ended June 30, 2019, audited financial information is only a 6-month representation as the District changed its reporting year from December 31st to June 30th, starting January 1, 2019.

The District's tax revenue includes the Parcel Tax Revenues remitted to the District after payment of debt service on the outstanding 2018 and 2019 bonds. The 2004 Parcel Tax has no sunset provision.

Total Unrestricted Funds

The following table provides the total unrestricted funds for the District as of June 30, 2019, 2020 and 2021. Cash and cash equivalents and board designated assets consist of highly liquid investments, including money market accounts and investment-grade debt instruments, many of which are Federally insured or collateralized by government agency securities. Marketable securities are carried at fair market value.

	As of June 30,		
	2019	2020	2021
	(audited)	(audited)	(unaudited)
Cash and Cash Equivalents	\$7,503,446	\$4,989,400	\$4,201,450
Board Designated Assets	0	0	0
Total Unrestricted Funds	<u>\$7,503,446</u>	<u>\$4,989,400</u>	<u>\$4,201,450</u>

Source: District's audited and unaudited financial statements as indicated above.

Direct and Overlapping Bonded Debt

Set forth below is a direct and overlapping debt report (the "Debt Report") in the form prepared by California Municipal Statistics, Inc., and dated August 3, 2021. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representations in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from future revenues of the District nor are they necessarily obligations secured by land within the District. 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.

The table below does not include the delivery of the 2021 Bonds by the District nor the issuance or incurrence of any other debt the District or other agencies listed below subsequent to August 3, 2021.

2020-21 Assessed Valuation: \$37,584,881,069

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 8/1/21</u>	
Bay Area Rapid Transit District	4.388%	\$ 80,512,779	
Contra Costa Community College District	16.665	94,787,187	
John Swett Unified School District	77.328	57,382,345	
West Contra Costa Unified School District	99.952	1,246,831,299	
West Contra Costa Healthcare District Parcel Tax Obligations	100.	50,538,000	(1)
East Bay Regional Park District	7.021	9,349,866	
City of Richmond Community Facilities District No. 1998-1	100.	1,980,000	
1915 Act Bonds	100.	<u>14,336,880</u>	
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$1,555,718,356	
<u>OVERLAPPING GENERAL FUND DEBT:</u>			
Contra Costa County General Fund Obligations	16.618%	\$ 42,284,077	
Contra Costa County Pension Obligations	16.610	7,462,043	
Alameda-Contra Costa Transit District Certificates of Participation	9.872	1,150,582	
West Contra Costa Unified School District Certificates of Participation	99.952	6,776,746	
City of El Cerrito General Fund Obligations	100.	6,180,000	
City of Hercules General Fund Obligations	99.595	13,520,021	
City of Pinole Pension Obligations	100.	2,734,449	
City of Richmond General Fund Obligations	100.	101,295,000	
City of Richmond Pension Obligations	100.	55,326,745	
City of San Pablo General Fund Obligations	100.	29,050,000	
Contra Costa Fire Protection District Pension Obligations	5.576	607,784	
Kensington Police Protection/Fire & Community Services District lease	100.	<u>4,374,000</u>	
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		\$270,761,447	
Less: Contra Costa County supported obligations		6,807,229	
City of Richmond obligations supported by port revenues		<u>12,430,000</u>	
TOTAL NET OVERLAPPING GENERAL FUND DEBT		\$251,524,218	
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u>		\$211,883,886	
GROSS COMBINED TOTAL DEBT		\$2,038,363,689	(2)
NET COMBINED TOTAL DEBT		\$2,019,126,460	

(1) Excludes the 2021 Bond issue.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2020-21 Assessed Valuation:

Direct Debt (\$50,538,000)	0.13%
Total Direct and Overlapping Tax and Assessment Debt	4.14%
Gross Combined Total Debt	5.42%
Net Combined Total Debt	5.37%

PROPERTY TAX

The following discussion of ad valorem property tax revenues and collection procedures for ad valorem taxes is included as background information only. The 2021 Bonds are not secured by a pledge of any ad valorem taxes nor are the 2004 Parcel Taxes ad valorem taxes. However, the County will collect the 2004 Parcel Tax at the same time, in same manner and subject to the same penalties as secured ad valorem property taxes, described below.

Property Tax Collection Procedures

The Contra County Assessor assesses all taxable real property in the District for *ad valorem* tax purposes except public utility property, which is assessed Countywide by the State Board of Equalization. In California, property which is subject to *ad valorem* taxes is classified as “secured” or “unsecured.” The “secured roll” is that part of the assessment roll containing state-assessed public utilities’ property and locally assessed real property, the taxes on which are a lien on real property sufficient, in the opinion of the County assessor, to secure payment of the taxes. A tax placed on unsecured property does not become a lien against such unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens arising pursuant to State law on such secured property, regardless of the time of the creation of the other liens. Secured and unsecured properties are entered separately on the assessment roll maintained by the County assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property.

Ad valorem property taxes on the secured roll are due in two installments, on November 1 and February 1 of each year. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1-1/2% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the County tax collector. The exclusive means of enforcing the payment of delinquent taxes with respect of property on the secured roll is the sale of the property securing the taxes for the amount of taxes which are delinquent.

Generally, *ad valorem* property taxes are levied for each fiscal year on taxable real and personal property situated in the taxing jurisdiction as of the preceding January 1. California Revenue & Tax Code sections 75.10 et seq., however, provide for the supplemental assessment and taxation of property as of the occurrence of a change of ownership or completion of new construction.

Ad valorem property taxes on the unsecured roll are due on the January 1 lien date and become delinquent, if unpaid, on the following August 31. A 10% penalty is also attached to delinquent taxes in respect of property on the unsecured roll, and further, an additional penalty of 1-1/2% per month accrues with respect to such taxes beginning the first day of the third month following the delinquency date. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) 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) filing a certificate of delinquency of record in the County recorder’s office, in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee.

Assessed Valuations

The District has a 2020-21 assessed valuation of \$37,584,881,069, which accounts for approximately 16.4% of the County’s assessed valuation of \$229,088,197,574, as of the same period. Assessed values of property within the District have increased by approximately 53.6% over the 10-year period ended 2020-21, while assessed values for

the County have increased by approximately 60.3% over the same period. The summary below shows a 10-year history of the total secured and unsecured assessed property valuations for the District and total assessed valuations for the County.

Assessed Valuations

Fiscal Year Ended June 30	Local Secured	Utility	Unsecured	Total Before Redevelopment Increment	County Assessed Valuation⁽¹⁾
2011-12	\$23,058,612,543	\$11,476,129	\$1,395,869,645	\$24,465,958,317	\$142,880,293,662
2012-13	23,670,475,615	11,498,195	1,432,836,763	25,114,810,573	145,399,277,188
2013-14	23,090,271,578	11,414,541	1,385,361,828	24,487,047,947	150,129,829,748
2014-15	25,050,106,003	8,464,044	1,457,939,744	26,516,509,791	163,511,671,112
2015-16	27,275,695,797	8,519,004	1,430,439,115	28,714,653,916	174,941,269,612
2016-17	29,057,948,732	6,648,587	1,372,102,967	30,436,700,286	185,301,534,422
2017-18	30,671,913,867	6,677,119	1,380,621,729	32,059,212,715	195,722,598,959
2018-19	32,868,295,989	6,136,731	1,435,220,723	34,309,653,443	207,918,385,563
2019-20	34,448,191,452	6,121,584	1,454,891,730	35,909,204,766	218,716,655,058
2020-21	36,108,318,374	6,063,951	1,470,498,744	37,584,881,069	229,088,197,574

Source: California Municipal Statistics, Inc.

⁽¹⁾ Before redevelopment increment adjustment. Includes unitary utility valuation.

California law exempts from *ad valorem* taxation \$7,000 of the assessed valuation of an owner-occupied dwelling. State law exempts 100% of the value of business inventories from taxation. State law also provides for reimbursements to local agencies based on their share of the revenues derived from the application of the maximum tax rate applied to business inventories, with adjustments to reflect increases in population and the consumer price index.

Revenue estimates to be lost to local taxing agencies due to such exemptions are reimbursed from State sources. Such reimbursements are based upon total taxes due upon such exempt values and are not reduced by any amount for estimated delinquencies.

Approximately 80.8% of the District, based upon assessed values of property, falls within the incorporated cities of Richmond, El Cerrito, Hercules, Pinole and San Pablo, with the remaining 19.2% lying within the unincorporated areas of the County. Approximately 43.8% of assessed valuation of all taxable property located within the District's boundaries lies within the city of Richmond. The following table provides a summary of assessed values of property located within the District's boundaries and the percentage of property of each jurisdiction located within the District, based upon assessed value of property for each jurisdiction for the 2020-21 tax year.

2020-21 Assessed Valuation by Jurisdiction

Jurisdiction	Assessed Valuation in the District	Percent of the District	Assessed Valuation of Jurisdiction	Percent of Jurisdiction in the District
City of El Cerrito	\$4,904,351,762	13.06%	\$4,904,351,762	100.00%
Town of Hercules	4,123,276,410	10.97	4,140,056,466	99.59%
City of Pinole	2,775,957,905	7.39	2,775,957,905	100.00%
City of Richmond	16,462,773,688	43.80	16,462,773,688	100.00%
City of San Pablo	2,113,533,236	5.62	2,113,533,236	100.00%
Unincorporated Contra Costa County	<u>7,204,988,068</u>	<u>19.17</u>	43,760,412,679	16.46%
Total District	<u>\$37,584,881,069</u>	<u>100.00%</u>		
Contra Costa County	\$37,584,881,069	100.00%	\$226,284,478,918	16.61%

Source: California Municipal Statistics, Inc.

Largest 2020-21 Local Secured Taxpayers

	Property Owner	Primary Land Use	2020-21 Assessed Valuations	Percentage of Total ⁽¹⁾
1.	Chevron USA Inc.	Heavy Industrial	\$3,026,428,290	8.05%
2.	Phillips 66 Corporation	Heavy Industrial	1,034,564,703	2.75
3.	Guardian & KW Hilltop LLC	Apartments	209,286,603	0.56
4.	Bio-Rad Laboratories Inc.	Industrial	157,373,304	0.42
5.	MCD-RCCA-El Cerrito LLC	Shopping Center	99,886,097	0.27
6.	LIPT Giant Road Inc.	Industrial	89,225,549	0.24
7.	Richmond Essex LP	Apartments	81,861,025	0.22
8.	Gateway Pinole Vista LLC	Shopping Center	72,481,539	0.19
9.	Hercules Block N Dev Partners	Apartments	70,100,125	0.19
10.	Kaiser Foundation Health Plan	Medical Building	69,659,094	0.19
11.	WCV Aventine Hercules LLC	Apartments	63,502,655	0.17
12.	KMF X El Cerrito LLC	Apartments	60,097,879	0.16
13.	2995 Atlas Road Associates LLC	Industrial	56,312,321	0.15
14.	Pacific Atlantic Terminals LLC	Industrial	54,059,110	0.14
15.	Shore Terminals LLC	Heavy Industrial	51,938,130	0.14
16.	2930 Technology Court LLC	Industrial	50,870,231	0.14
17.	Del Norte Place Apartments LP	Apartments	50,857,698	0.14
18.	KM Phoenix Holdings LLC	Industrial	50,411,936	0.13
19.	El Cerrito Shopping Center LLC	Shopping Center	47,470,741	0.13
20.	Western B Northwest CA LLC	Industrial	47,410,524	0.13
			<u>\$5,443,797,554</u>	<u>14.48%</u>

Source: California Municipal Statistics, Inc.

⁽¹⁾ The 2020-21 local secured assessed valuation for the District is \$37,584,881,069

Tax Levies and Delinquencies

Ad valorem property taxes are collected by the County Tax Collector for property falling within the District's taxing boundaries. The *ad valorem* property taxes and assessments on the secured roll are payable in two installments on November 1 and February 1 of each fiscal year, and become delinquent on December 10 and April 10, respectively. Taxes on unsecured property are assessed and payable as of the January lien date and become delinquent the following August 31. For delinquencies specific to the 2004 Parcel Tax, see "THE 2004 PARCEL TAX AND RELATED MATTERS" in the Official Statement.

Teeter Plan

In 1951, the Board of Supervisors of the County approved implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in section 4701 et seq. of the California Revenue and Taxation Code, both as to general and special taxes entered and collected on the secured tax roll, including any parcel taxes. Under the Teeter Plan, the County apportions secured property taxes on an accrual basis (irrespective of actual collections) to local political subdivisions, for which the County acts as the tax-levying or tax-collecting agency. The Teeter Plan remains in effect unless the Board of Supervisors orders discontinuance. The County policy provides that it may order discontinuance of the Teeter Plan as to special taxes for the next year if the rate of delinquency for a taxing district exceeds 3% in any fiscal year. As such, no assurance can be given that the Teeter Plan will be continued in future years.

The County Treasurer's cash position is protected by a special fund, known as the "Tax Loss Reserve Fund," which accumulates moneys from interest and penalty collections. Amounts in the tax loss reserve fund above a statutory defined threshold may be credited to the County's general fund. Amounts in the tax loss reserve fund may only be used to cover the losses that may occur in the amount of tax liens as a result of special tax-defaulted property.

APPENDIX B

**AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL
YEARS ENDED JUNE 30, 2021 AND 2020**

APPENDIX C
SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

APPENDIX D
FORM OF BOND COUNSEL OPINION

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX F

BOOK ENTRY SYSTEM

The following information concerning DTC and DTC's book-entry system has been obtained from DTC and contains statements that are believed to accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC and certain related matters, but the District and the Underwriters take no responsibility for the accuracy of such statements.

The Depository Trust Company, New York, New York, will act as securities depository for the 2021 Bonds. The 2021 Bonds will be issued as fully-registered 2021 Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity, 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 assets servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information can be found at www.dtcc.com.

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 2021 Bond ("Beneficial Owner") is in turn to be recorded on the Direct Participants' and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchases, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant 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 the Direct Participants 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 2021 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 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 2021 Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants 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 transmission to them of notices of significant events with respect to the 2021 Bonds, such as redemptions, tenders, defaults and proposed amendments to the security documents. 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, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices will 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 such 2010 Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments 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 Trustee or Trustee on a payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct Participants or Indirect 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 Direct Participant or Indirect Participant and not of DTC, the Trustee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct Participants and Indirect Participants.

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

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

THE DISTRICT, THE UNDERWRITER AND THE TRUSTEE WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DTC PARTICIPANT, INDIRECT DTC PARTICIPANT OR ANY BENEFICIAL OWNER OR ANY OTHER PERSON WITH RESPECT TO: (I) THE 2021 BONDS; (II) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT OR INDIRECT DTC PARTICIPANT; (III) THE PAYMENT BY DTC, ANY DTC PARTICIPANT OR INDIRECT DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION OR PURCHASE PRICE OF AND PREMIUM, IF ANY, AND INTEREST ON THE 2021 BONDS; (IV) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC, ANY DTC PARTICIPANT OR INDIRECT DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BENEFICIAL OWNERS; (V) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE 2021 BONDS; OR (VI) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR ITS NOMINEE, CEDE & CO., AS THE REGISTERED OWNER OF THE 2021 BONDS.