

NEW ISSUE -- FULL BOOK-ENTRY

RATINGS: S&P: “___”; Moody’s: “___”
(See “RATINGS” herein)

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California (“Bond Counsel”), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Series B Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the opinion of Bond Counsel, under existing statutes, rulings and judicial decisions, interest on the Refunding Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See “TAX MATTERS” herein with respect to tax consequences relating to the Bonds.

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT
(Alameda and Contra Costa Counties, California)

\$ _____*
Election of 2016 General Obligation Bonds, Series B
(Tax-Exempt)

\$ _____*
2021 General Obligation Refunding Bonds
(Federally Taxable)

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

This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire official statement to obtain information essential to the making of an informed investment decision. Capitalized terms used in this cover page and not otherwise defined shall have the meanings set forth herein.

The Chabot-Las Positas Community College District (Alameda and Contra Costa Counties, California) Election of 2016 General Obligation Bonds, Series B (Tax-Exempt) (the “Series B Bonds”), were authorized at an election of the registered voters of the Chabot-Las Positas Community College District (the “District”) held on June 7, 2016, at which the requisite 55% of the persons voting on the proposition voted to authorize the issuance and sale of \$950,000,000 aggregate principal amount of general obligation bonds of the District. The Series B Bonds are being issued to (i) finance the acquisition, construction, modernization and equipping of District sites and facilities, and (ii) pay the costs of issuing the Series B Bonds.

The Chabot-Las Positas Community College District (Alameda and Contra Costa Counties, California) 2021 General Obligation Refunding Bonds (Federally Taxable) (the “Refunding Bonds,” and together with the Series B Bonds, the “Bonds”) are being issued by the District to (i) advance refund all or a portion of the District’s outstanding 2013 General Obligation Refunding Bonds (2016 Crossover Refunding) and (ii) pay the costs of issuing the Refunding Bonds

The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes. The Boards of Supervisors of Alameda and Contra Costa Counties are empowered and obligated to annually levy such *ad valorem* taxes for the payment of the principal of and interest on the Bonds upon all property subject to taxation by the District without limitation of rate or amount (except as to certain personal property which is taxable at limited rates).

The Bonds will be issued in fully registered book-entry form only (without coupons), and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (collectively referred to herein as “DTC”). Purchasers of the Bonds (the “Beneficial Owners”) will not receive physical certificates representing their interests in the Bonds, but will instead receive credit balances on the books of their respective nominees.

The Bonds will be issued as current interest bonds, such that interest thereon will accrue from the date of delivery of the Bonds and be payable semiannually on February 1 and August 1 of each year, commencing February 1, 2022. Principal of the Bonds is due on August 1 of the years and in the amounts set forth on the inside cover page hereof. The Bonds are issuable as fully registered Bonds in denominations of \$5,000 principal amount or any integral multiple thereof.

Payments of principal of and interest on the Bonds will be made by U.S. Bank National Association, the designated Paying Agent, to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Bonds.

The Bonds are subject to optional and mandatory sinking fund redemption prior to their stated maturity dates as further set forth herein.*

MATURITY SCHEDULE*
(See inside cover page)

The Bonds are offered when, as and if issued, and received by the Underwriters subject to the approval as to their legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel. Certain legal matters will be passed on for the District by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Disclosure Counsel and for the Underwriters by _____. The Bonds, in book-entry form, will be available for delivery through the facilities of the Depository Trust Company in New York, New York, on or about August __, 2021.

Dated: _____, 2021.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

* Preliminary, subject to change.

MATURITY SCHEDULE*

Base CUSIP⁽¹⁾: 15722T

\$ _____ *

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT
(Alameda and Contra Costa Counties, California)
Election of 2016 General Obligation Bonds, Series B
(Tax-Exempt)

\$ _____ Serial Bonds

<u>Maturity</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾</u> <u>Suffix</u>
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\$ _____ – _____ % Term Bonds due August 1, 20__ – Yield _____ %; CUSIP Suffix⁽¹⁾: _____

* Preliminary, subject to change

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MATURITY SCHEDULE*

Base CUSIP⁽¹⁾: 15722T

\$ _____
CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT
(Alameda and Contra Costa Counties, California)
2021 General Obligation Refunding Bonds
(Federally Taxable)

\$ _____ **Serial Bonds**

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP⁽¹⁾ Suffix
--------------------------------	-----------------------------	--------------------------	--------------	---------------------------------------

\$ _____ – _____ % **Term Bonds due August 1, 20__** – **Yield _____ %; CUSIP Suffix⁽¹⁾: _____**

* Preliminary, subject to change

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This Official Statement does not constitute an offering of any security other than the original offering of the Bonds of the District. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the District.

The issuance and sale of the Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Section 3(a)2 and 3(a)12, respectively, for the issuance and sale of municipal securities. The Bonds are not registered under the securities laws of any state. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Certain information set forth herein has been obtained from sources outside the District which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. 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. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

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 or any other entity described or referenced in this Official Statement, the words or phrases “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” “forecast,” “expect,” “intend” and similar expressions identify “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

The Underwriters have provided the following sentence for inclusion in this Official Statement:

“The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.”

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE BONDS TO CERTAIN SECURITIES DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

The District maintains a website and social media account. However, the information presented there is not part of this Official Statement, is not incorporated herein by any reference, and should not be relied upon in making an investment decision with respect to the Bonds.

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

Board of Trustees

Ms. Genevieve Randolph, *President – Trustee Area 3*
Mr. Edralin J. Maduli, *Past Board President – Trustee Area 7*
Ms. Linda Granger, *Secretary – Trustee Area 2*
Dr. Luis Reynoso, *Member – Trustee Area 1*
Ms. Maria L. Heredia, *Member – Trustee Area 4*
Mr. Tim Sbranti, *Member – Trustee Area 5*
Dr. Hal G. Gin, *Member – Trustee Area 6*

District Administrative Staff

Mr. Ronald P. Gerhard, *Chancellor*
Dr. Susan Sperling, *President, Chabot College*
Dr. Dyrell Foster, *President, Las Positas College*
Mr. Bruce Griffin, *Chief Technology Officer*
Mr. Wyman Fong, *Vice Chancellor, Human Resources*
Dr. Theresa Fleischer Rowland, *Vice Chancellor, Educational Services*
Mr. Owen Letcher, *Vice Chancellor, Facilities/Bond Program and Operations*
Mr. Jonah Nicholas, *Vice Chancellor, Business Services*

PROFESSIONAL SERVICES

Bond Counsel and Disclosure Counsel

Stradling Yocca Carlson & Rauth,
a Professional Corporation
San Francisco, California

Municipal Advisor

KNN Public Finance, LLC
Berkeley, California

Paying Agent, Bond Registrar, Transfer Agent and Escrow Agent

U.S. Bank National Association
San Francisco, California

Verification Agent

Causey Demgen & Moore P.C.
Denver, Colorado

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CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT
(Alameda and Contra Costa Counties, California)

\$ _____*
Election of 2016 General Obligation Bonds, Series B
(Tax-Exempt)

\$ _____*
2021 General Obligation Refunding Bonds
(Federally Taxable)

INTRODUCTION

This Official Statement, which includes the cover page, inside cover page and appendices hereto, provides information in connection with the sale of (i) Chabot-Las Positas Community College District (Alameda and Contra Costa Counties, California) Election of 2016 General Obligation Bonds, Series B (Tax-Exempt) (the “Series B Bonds”) and (ii) Chabot-Las Positas Community College District (Alameda and Contra Costa Counties, California) 2021 General Obligation Refunding Bonds (Federally Taxable) (the “Refunding Bonds,” and together with the Series B Bonds, the “Bonds”).

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, inside cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

The District

The Chabot-Las Positas Community College District (the “District”) was founded in 1961 and serves San Francisco Bay Area communities in southern Alameda County (the “County”) and a small portion of Contra Costa County (together with the County, the “Counties”). The District operates two colleges: Chabot College in Hayward and Las Positas College in Livermore (collectively, the “Colleges”). Each of the Colleges is fully accredited by the Accrediting Commission for Community and Junior Colleges (the “ACCJC”) of the Western Association of Schools and Colleges. The Colleges specialize in university transfer, technical training, continuing education, basic skills, workforce development, contract education with local businesses and cultural enrichment. The District encompasses approximately 560 square miles, serves approximately 31,000 students and employs more than 1,300 administrators, faculty and classified staff. Taxable property within the District has an assessed valuation of \$140,507,536,768 for fiscal year 2020-21. As a result of the ongoing COVID-19 (as defined herein), the Colleges have largely transitioned to distance learning. See “FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Considerations Regarding COVID-19” herein.

For fiscal year 2020-21, the District has a projected full time equivalent student count (“FTES”) of [32,991] students. However, the District’s actual FTES count and the future assessed valuation of taxable property may be affected by the ongoing COVID-19 outbreak. See “FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Considerations Regarding COVID-19” herein.

The District is governed by a seven-member Board of Trustees (the “Board”), each member of which is elected to a four-year term from seven voter areas. Elections for positions to the Board are held every two years, alternating between three and four available positions. The management and policies of the District are administered by a Chancellor appointed by the Board who is responsible for day-to-day District operations as well as the supervision of the District’s other key personnel. Mr. Ronald P. Gerhard currently serves as the District’s Chancellor.

See “FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA” and “CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT” herein for information regarding the District generally and “TAX BASE FOR REPAYMENT OF BONDS” herein for information regarding the District’s assessed valuation. The audited financial statements for the District for the fiscal year ending June 30, 2020 are attached hereto as APPENDIX A and should be read in their entirety.

Purpose of Issue

Series B Bonds. The proceeds of the Series B Bonds will be used to (i) finance the acquisition, construction, modernization and equipping of District sites and facilities, and (ii) pay the costs of issuing the Series B Bonds.

Refunding Bonds. The Refunding Bonds are being issued to (i) advance refund all or a portion of the District’s outstanding 2013 General Obligation Refunding Bonds (2016 Crossover Refunding) (the “Prior Bonds”) and (ii) pay the costs of issuing the Refunding Bonds. The Prior Bonds to be refunded with proceeds of the Refunding Bonds are referred to herein as the “Refunded Bonds.”

See “THE BONDS – Application and Investment of Bond Proceeds,” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

Authority for Issuance of the Bonds

The Bonds are issued pursuant to certain provisions of the Government Code and other applicable law, and pursuant to resolutions adopted by the Board on June 15, 2021 for the Series B Bonds (the “Series B Resolution”) and the Refunding Bonds (the “Refunding Resolution,” and together with the Series B Resolution, the “Resolutions”). See “THE BONDS – Authority for Issuance” herein.

Security and Sources of Payment for the Bonds

The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes. The Boards of Supervisors of the Counties are empowered and obligated to annually levy such *ad valorem* taxes for the payment of the principal of and interest on the Bonds upon all property subject to taxation by the District without limitation of rate or amount (except as to certain personal property which is taxable at limited rates). See “THE BONDS – Security and Sources of Payment” herein.

Description of the Bonds

Form and Registration. The Bonds will be issued in fully registered, book-entry form only (without coupons), initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), and will be available to actual purchasers of interests in the Bonds (the “Beneficial Owners”) through the book-entry only system maintained by DTC, only through brokers and dealers who are or act through DTC Participants (defined herein). Beneficial Owners will not be entitled to receive physical delivery of the Bonds, but will instead receive credit balances on the books of their respective nominees. See “THE BONDS – Book-Entry Only System” herein. In event that the book-entry only system described herein is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Resolutions. See “THE BONDS – Discontinuation of Book-Entry Only System; Registration, Payment and Transfer of Bonds” herein.

So long as Cede & Co. is the registered Owner of the Bonds, as nominee of DTC, references herein to the “Owners” “Bond Owners” or “Holders” of the Bonds (other than under the caption

“TAX MATTERS” and in APPENDIX B) will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds.

Denominations. Individual purchases of interests in the Bonds will be available to purchasers of the Bonds in denominations of \$5,000 principal amount or any integral multiple thereof.

Redemption.* The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as further described herein. See “THE BONDS – Redemption” herein.

Payments. The Bonds are being issued as current interest bonds, such that interest thereon will accrue from the initial date of delivery of the Bonds, and be payable semiannually on each February 1 and August 1 (each a “Bond Payment Date”), commencing February 1, 2022. Principal of the Bonds is payable on August 1 in the amounts and years as set forth on the inside cover page hereof.

Payments of the principal of and interest on the Bonds will be made by the designated paying agent, registrar and transfer agent (the “Paying Agent”), to DTC for subsequent disbursement through DTC Participants (as defined herein) to the Beneficial Owners of the Bonds. U.S. Bank National Association has been appointed to act as Paying Agent for the Bonds. See “THE BONDS – Book-Entry Only System” herein.

Tax Matters

Series B Bonds. In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, (“Bond Counsel”), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Series B Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Series B Bonds is exempt from State of California (the “State”) personal income tax. See “TAX MATTERS – Series B Bonds” herein.

Refunding Bonds. In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the Refunding Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). In the further opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Refunding Bonds is exempt from State personal income tax. See “TAX MATTERS –Refunding Bonds” herein

Offering and Delivery of the Bonds

The Bonds are offered when, as and if issued, subject to approval as to their legality by Bond Counsel. It is anticipated that the Bonds will be available for delivery through the facilities of DTC in New York, New York on or about August ____, 2021.*

Bond Owner’s Risks

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes which may be levied on all taxable property in the District, without limitation as to rate or

* Preliminary, subject to change.

amount (except with respect to certain personal property which is taxable at limited rates). For more complete information regarding the taxation of property within the District, and certain other matters, see “TAX BASE FOR REPAYMENT OF BONDS” and “LIMITATION ON REMEDIES; BANKRUPTCY” herein.

Continuing Disclosure

The District will covenant for the benefit of the Owners and Beneficial Owners of the Bonds to make available certain financial information and operating data relating to the District and to provide notices of the occurrence of certain listed events, in order to assist the Underwriters (as defined herein) in complying with Security and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”). See “LEGAL MATTERS – Continuing Disclosure” herein. The specific nature of the information to be made available and of the notices of listed events required to be provided are described in APPENDIX C attached hereto.

Forward Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “intend,” “estimate,” “project,” “budget” or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information regarding the District herein.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

Professionals Involved in the Offering

Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California is acting as Bond Counsel and Disclosure Counsel to the District with respect to the Bonds. KNN Public Finance, LLC, Berkeley, California is acting as Municipal Advisor to the District with respect to the Bonds. Stradling Yocca Carlson & Rauth, a Professional Corporation and KNN Public Finance, LLC will receive compensation from the District contingent upon the sale and delivery of the Bonds. Certain matters will be passed on for the Underwriters by _____. From time to time, Bond Counsel may represent the Underwriters on matters unrelated to the Bonds.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Copies of documents referred to herein and information concerning the Bonds are available from the Chabot-Las Positas Community College District, 7600 Dublin Boulevard, 3rd Floor, Dublin, California 94568, telephone (925) 485-5201. The District may impose a charge for copying, mailing and handling.

No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entirety by reference to each of such documents, statutes and constitutional provisions.

Certain information set forth herein, other than that provided by the District, has been obtained from official sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. 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. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Resolution.

THE BONDS

Authority for Issuance

Series B Bonds. The Series B Bonds are issued pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, Article XIII A of the State Constitution, and pursuant to the Series B Resolution. The District received authorization at an election held on June 7, 2016, by the requisite 55% of the votes cast by eligible voters within the District, to issue not-to-exceed \$950,000,000 of general obligation bonds (the “2016 Authorization”). The Bonds are the second issuance of bonds pursuant to the 2016 Authorization, and following the issuance thereof, \$590,000,000* of bonds shall remain authorized but unissued.

Refunding Bonds. The Refunding Bonds are issued pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, and the Refunding Resolution.

Security and Sources of Payment

The Bonds are general obligations of the District, payable solely from the proceeds of *ad valorem* property taxes. The Boards of Supervisors of the Counties are empowered and obligated to annually levy *ad valorem* property taxes for the payment of the principal of and interest on the Bonds upon all property subject to taxation by the District without limitation as to rate or amount (except certain personal property which is taxable at limited rates). The levy may include an allowance for an annual reserve, established for

* Preliminary, subject to change.

the purpose of avoiding fluctuating tax levies. The Counties, however, are not obligated to establish such a reserve, and the District can make no representation that either of the Counties will do so.

Ad valorem property taxes for the payment of the Bonds, when collected, will be deposited by the County into the respective Debt Service Funds (defined herein) for each series of bonds, which are segregated and held by the County and which is available for the payment of principal of and interest on each series the Bonds when due, and for no other purpose. Pursuant to the Resolutions, the District has pledged amounts on deposit in each of the Debt Service Funds to the payment of the respective series Bonds to which such funds relate. Although the Counties are obligated to levy an *ad valorem* property tax for the payment of the Bonds, and the County will maintain the Debt Service Funds, the Bonds are not a debt of either of the Counties. See “TAX BASE FOR REPAYMENT OF BONDS” herein.

The moneys in the Debt Service Funds, to the extent necessary to pay the principal of and interest on the Bonds, as the same becomes due and payable, will be transferred by the County to the Paying Agent which, in turn, shall pay such moneys to DTC to pay, as the case may be, the principal of and interest on the Bonds. DTC will thereupon make payment of principal of and interest on the Bonds to the DTC Participants who will thereupon make payments of principal and interest to its Participants (as defined herein) for subsequent disbursement to the Beneficial Owners of the Bonds.

The rate of the annual *ad valorem* property taxes levied by the Counties to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds in any year. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the District may cause the annual tax rates to fluctuate. Economic and other factors beyond the District’s control, such as general market decline in land values, disruption in financial markets that may reduce the availability of financing for purchasers of property, outbreak of disease, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, fire, wildfire, flood, drought, or toxic contamination, could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the respective annual tax rates. For further information regarding the District’s assessed valuation, tax rates, overlapping debt, and other matters concerning taxation, see “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the California Constitution”, “TAX BASE FOR REPAYMENT OF BONDS” and “FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Considerations Regarding COVID-19” herein.

Statutory Lien

Pursuant to Government Code Section 53515, the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* property taxes for the payment thereof. The lien automatically attaches, without further action or authorization by the Board, and is valid and binding from the time the Bonds are executed and delivered. The revenues received pursuant to the levy and collection of the *ad valorem* property tax will be immediately subject to the lien, and such lien will be enforceable against the District, its successor, transferees and creditors, and all other parties asserting rights therein, irrespective of whether such parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

This statutory lien, by its terms, secures not only the Bonds, but also any other bonds of the District issued after January 1, 2016 and payable, both as to principal and interest, from the proceeds of *ad valorem* property taxes that may be levied pursuant to paragraphs (2) and (3) of subdivision (b) of Section 1 of

Article XIII A of the California Constitution. The statutory lien provision does not specify the relative priority of obligations so secured or a method of allocation in the event that the revenues received pursuant to the levy and collection of such *ad valorem* property taxes are insufficient to pay all amounts then due and owing that are secured by the statutory lien.

General Provisions

The Bonds will be issued in fully registered book-entry form only (without coupons) and will be initially issued and registered in the name of Cede & Co., as nominee for DTC. Beneficial Owners will not receive physical certificates representing their interests in the Bonds, but will instead receive credit balances on the books of their respective nominees. See “THE BONDS – Book Entry Only System” herein.

The Bonds are being issued as current interest bonds, such that interest thereon will accrue from the date of delivery of the Bonds, and be payable semiannually on each Bond Payment Date, commencing February 1, 2022. Interest on the Bonds will be computed on the basis of a 360-day year of twelve, 30-day months. Each Bond will bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month immediately preceding any Bond Payment Date to and including such Bond Payment Date, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before January 15, 2022, in which event it shall bear interest from its date of delivery. The Bonds are issuable in denominations of \$5,000 principal amount or any integral multiple thereof and mature on August 1 in the years and amounts set forth on the inside cover page hereof.

The principal of the Bonds will be payable in lawful money of the United States of America to the registered Owner thereof, upon the surrender thereof at the principal office of the Paying Agent. The interest on the Bonds will be payable in lawful money to the person whose name appears on the bond registration books of the Paying Agent as the registered Owner thereof as of the close of business on the 15th day of the month immediately preceding any Bond Payment Date (a “Record Date”), whether or not such day is a business day. Such interest is to be paid by wire transfer on such Bond Payment Date to such registered Owner to the bank and account number on file with the Paying Agent as of the Record Date. The Paying Agent is authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. So long as the Bonds are held in the book-entry system of DTC, all payments of principal of and interest on the Bonds will be made by the Paying Agent to Cede & Co. (as a nominee of DTC), as the registered Owner of the Bonds.

Annual Debt Service

The following table shows the debt service schedule with respect to the Series B Bonds, assuming no optional redemptions of Series B Bonds.

<u>Year Ending (August 1)</u>	<u>Annual Principal Payment</u>	<u>Annual Interest Payment</u> ⁽¹⁾	<u>Total Annual Debt Service</u>
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Total

⁽¹⁾ Interest payments on the Bonds will be made semiannually on February 1 and August 1 of each year, commencing February 1, 2022.

The following table shows the debt service schedule with respect to the Refunding Bonds, assuming no optional redemptions of Refunding Bonds.

<u>Year Ending (August 1)</u>	<u>Annual Principal Payment</u>	<u>Annual Interest Payment</u> ⁽¹⁾	<u>Total Annual Debt Service</u>
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Total

⁽¹⁾ Interest payments on the Bonds will be made semiannually on February 1 and August 1 of each year, commencing February 1, 2022.

See “CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT – District Debt Structure – General Obligation Bonds” herein for a schedule of the combined debt service requirements for all of the District’s outstanding general obligation bonds.

Application and Investment of Bond Proceeds

Series B Bonds. The Series B Bonds are being issued to (i) finance the acquisition, construction, modernization and equipping of District sites and facilities within the District, and (ii) pay the costs of issuing the Series B Bonds.

The proceeds of the sale from the Series B Bonds, net of costs of issuance and any premium received upon the sale thereof, will be deposited by the County to the credit of a building fund created by the Series B Resolution (the “Series B Building Fund”), and will be applied solely for the purposes for which the Series B Bonds are being issued. Interest earnings in the Series B Building Fund will be retained therein. The Counties will have no responsibility for assuring the proper use of the proceeds of the Series B Bonds.

The *ad valorem* property taxes levied by the Counties for the payment of the Series B Bonds, when collected, are required to be held separate and apart by the County in a debt service fund created by the Series B Resolution (the “Series B Debt Service Fund”), and used only for payment of principal of and interest on Series B Bonds. Accrued interest and any premium received upon the sale of the Series B Bonds will be deposited into the Series B Debt Service Fund. Any interest earnings on moneys held in the Series B Debt Service Fund will be retained therein. Any excess proceeds of the Series B Bonds not needed for authorized purposes for which the Series B Bonds are being issued will be transferred to the Series B Debt Service Fund and applied to the payment of the principal of and interest on the Series B Bonds. Pursuant to the Series B Resolution, the District has pledged monies on deposit in the Series B Debt Service Fund to the payment of the Bonds. If, after all of the Series B Bonds have been redeemed or paid and otherwise cancelled, there are moneys remaining in the Series B Debt Service Fund, said moneys will be transferred to the general fund of the District as provided and permitted by law.

Refunding Bonds. The Refunding Bonds are being issued to (i) advance refund the Refunded Bonds, and (ii) pay the costs of issuing the Refunding Bonds.

The net proceeds from the sale of the Refunding Bonds will be deposited with the Escrow Agent, to the credit of the “Chabot-Las Positas Community College District 2021 General Obligation Refunding Bonds Escrow Fund” (the “Escrow Fund”) held pursuant to an escrow agreement, dated August 1, 2021, by and between the District and U.S. Bank National Association (the “Escrow Agreement”). Pursuant to the Escrow Agreement, the amounts deposited in the Escrow Fund will be used to purchase certain non-callable direct and general obligations of the United States of America, or non-callable obligations the payment of which is unconditionally guaranteed by the United States of America (collectively, the “Federal Securities”), the principal of and interest on which will be sufficient, together with any monies deposited in the Escrow Fund and held as cash, to enable the Escrow Agent to pay the redemption price of the Refunded Bonds on the first optional redemption dates therefor, as well as the interest due on the Refunded Bonds on and prior to such date. Amounts deposited into the Escrow Fund under the Escrow Agreement are not available to pay any other obligations of the District.

The table on the following page shows information on the specific maturities of the Refunded Bonds to be refunded with proceeds of the Refunding Bonds.

REFUNDED BONDS*
Chabot-Las Positas Community College District
(Alameda and Contra Costa Counties, California)
2013 General Obligation Refunding Bonds
(2016 Crossover Refunding)

<u>Maturity Date</u> <u>(August 1)</u>	<u>Original</u> <u>Principal</u> <u>Amount</u>	<u>Outstanding</u> <u>Principal to</u> <u>be Refunded</u>	<u>Interest Rate</u>	<u>Redemption</u> <u>Date</u>	<u>Redemption Price</u> <u>(% of Principal Amount)</u>	<u>CUSIP</u> [†]
2024	\$17,215,000	\$17,215,000	5.000%	August 1, 2023	100%	15722TFF3
2024	1,000,000	1,000,000	3.000	August 1, 2023	100	15722TFR7
2025	20,295,000	20,295,000	5.000	August 1, 2023	100	15722TFG1
2026	19,800,000	19,800,000	5.000	August 1, 2023	100	15722TFH9
2026	2,750,000	2,750,000	3.000	August 1, 2023	100	15722TFS5
2027	20,410,000	20,410,000	5.000	August 1, 2023	100	15722TFJ5
2027	4,500,000	4,500,000	3.000	August 1, 2023	100	15722TFT3
2028	27,020,000	27,020,000	3.125	August 1, 2023	100	15722TFU0
2029	22,480,000	22,480,000	5.000	August 1, 2023	100	15722TFK2
2029	7,180,000	7,180,000	3.125	August 1, 2023	100	15722TFV8
2030	28,980,000	28,980,000	5.000	August 1, 2023	100	15722TFL0
2030	3,470,000	3,470,000	3.250	August 1, 2023	100	15722TFW6
2031	30,000,000	30,000,000	5.000	August 1, 2023	100	15722TFM8
2031	5,535,000	5,535,000	3.250	August 1, 2023	100	15722TFX4
2032	30,000,000	30,000,000	5.000	August 1, 2023	100	15722TFN6
2032	8,715,000	8,715,000	3.375	August 1, 2023	100	15722TFY2

The sufficiency of the amounts on deposit in the Escrow Fund, together with realizable interest and earnings thereon, to pay the redemption price of the Refunded Bonds as described above will be verified by Causey Demgen & Moore P.C. (the “Verification Agent”). As a result of the deposit and application of funds so provided in the Escrow Agreement, and assuming the accuracy of the computations of the Underwriter and the Verification Agent, the Refunded Bonds will be defeased and the obligation of the Counties to levy *ad valorem* property taxes for payment of the Refunded Bonds will terminate. See “LEGAL MATTERS – Escrow Verification” herein.

Any accrued interest and surplus moneys in the Escrow Fund following the redemption of the Refunded Bonds will be transferred to and accounted for in the funds designated as the debt service fund created by the Refunding Resolution (the “Refunding Debt Service Fund,” and together with the Series B Debt Service Fund, the “Debt Service Funds”) and used by the District only for payment of principal of and

* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright(c) 2021 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Municipal Advisor, the Underwriters or their agents or counsel assume responsibility for the accuracy of such numbers. The CUSIP number for a specific maturity is subject to being changed as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Refunding Bonds and Refunded Bonds.

interest on the Refunding Bonds and for no other purpose. Any excess proceeds of the Refunding Bonds not needed for the authorized purposes for which the Refunding Bonds are being issued will be transferred to the Refunding Debt Service Fund and applied to the payment of principal of and interest on the Refunding Bonds. Pursuant to the Refunding Resolution, the District has pledged monies on deposit in the Refunding Debt Service Fund to the payment of the Refunding Bonds. If, after payment in full of the Refunding Bonds, there remain excess proceeds, any such excess amounts will be transferred to the general fund of the District

Investment of Funds. Funds on deposit in the Escrow Fund will be invested as described above. Moneys in the Building Fund and Debt Service Funds will be invested through the County's pooled investment fund. See "APPENDIX E – ALAMEDA COUNTY TREASURY POOL" attached hereto.

Book-Entry Only System

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

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 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 is rated "AA+" by Standard & Poor's. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information

about DTC can be found at www.dtcc.com. However, the information presented on such website is not incorporated herein by any reference to such website.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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

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

Redemption proceeds and distribution on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and distribution to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

Discontinuation of Book-Entry Only System; Payment to Beneficial Owners

So long as any of the Bonds remain outstanding, the District will cause the Paying Agent to maintain at its principal office all books and records necessary for the registration, exchange and transfer of such Bonds, which shall at all times be open to inspection by the District, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register, exchange or transfer or cause to be registered, exchanged or transferred, on said books, Bonds as provided in the Resolutions.

In the event that the book-entry system described above is no longer used with respect to the Bonds, the following provisions will govern the payment, registration, transfer, exchange and replacement of the Bonds.

Payment of interest on any Bond will be made to the person appearing on the registration books of the Paying Agent as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The principal, and redemption premiums, if any, payable on the Bonds, will be payable upon maturity or redemption upon surrender at the designated corporate trust office of the Paying Agent. The principal of, and premiums, if any, and interest on, the Bonds will be payable in lawful money of the United States of America.

Any Bond may be exchanged for Bonds of like tenor, maturity and Transfer Amount (which with respect to any outstanding Bonds means the principal amount thereof) upon presentation and surrender at the principal office of the Paying Agent, together with a request for exchange signed by the registered Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred only on the Bond Register by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. Upon exchange or transfer, the Paying Agent shall register, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any Bonds during a period beginning with the opening of business on the 16th day next preceding any Bond Payment Date, the stated maturity of any of the Bonds or any date of selection of Bonds to be redeemed and ending with the close of business on the applicable Bond Payment Date, the close of business on the applicable stated maturity date or any day on which the applicable notice of redemption is given or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

Redemption

Optional Redemption.* The Series B Bonds maturing on or before August 1, 20__ are not subject to optional redemption prior to their respective stated maturity dates. The Series B Bonds maturing on or after August 1, 20__ are subject to optional redemption prior to their respective stated maturity dates at the option of the District, from any source of available funds, as a whole or in part, on any date on or after August 1, 20__, at a redemption price equal to the principal amount of the Series B Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

Optional Make-Whole Redemption.* The Refunding Bonds are subject to redemption prior to their stated maturities at the option of the District, in whole or in part (and if in part on a pro-rata basis), on any date, at a redemption price equal to the greater of:

- (a) 100% of the principal amount of the Refunding Bonds to be redeemed; or
- (b) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such Refunding Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Refunding Bonds are to be redeemed, discounted to the date on which such Refunding Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate plus ___ basis points; plus, in each case, accrued interest on such Refunding Bonds to be redeemed to the redemption date.

For purposes of the foregoing provisions concerning optional redemption of the Refunding Bonds, the following terms have the meanings described below:

“Treasury Rate” means, with respect to any redemption date for a particular Refunding Bond, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two business days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Refunding Bond to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

At the request of the District, the optional make-whole redemption price of the Refunding Bonds to be redeemed at the option of the District as described above will be determined by an independent accounting firm, investment banking firm or municipal advisor retained by the District at the District’s expense to calculate such redemption price. The District may conclusively rely on the determination of such redemption price by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.

* Preliminary, subject to change.

Mandatory Sinking Fund Redemption. * The Series B Bonds maturing on August 1, 20__ (the “Series B Term Bonds”), are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20__, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amounts represented by such Series B Term Bonds to be so redeemed, the dates therefor and the final principal payment date are as indicated in the following table:

Redemption Date <u>(August 1)</u>	Principal Amount to <u>be Redeemed</u>
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⁽¹⁾ Maturity.

In the event that a portion of the Series B Term Bonds maturing on August 1, 20__ is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000 of principal amount, in respect of the portion of such Series B Term Bonds optionally redeemed.

The Refunding Bonds maturing on August 1, 20__ (the “Refunding Term Bonds”), are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20__, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amounts represented by such Refunding Term Bonds to be so redeemed, the dates therefor and the final principal payment date are as indicated in the following table:

Redemption Date <u>(August 1)</u>	Principal Amount to <u>be Redeemed</u>
--------------------------------------	---

⁽¹⁾ Maturity.

In the event that a portion of the Refunding Term Bonds maturing on August 1, 20__ is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000 of principal amount, in respect of the portion of such Refunding Term Bonds optionally redeemed.

* Preliminary, subject to change.

Selection of Bonds for Redemption. Whenever provision is made in the Resolution for the optional redemption of Bonds and less than all outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, will select Bonds for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent will select Bonds for redemption by lot. Redemption by lot will be in such manner as the Paying Agent shall determine; provided, however, that with respect to redemption by lot, the portion of any Bond to be redeemed in part will be in the principal amount of \$5,000 or any integral multiple thereof.

Redemption Notice. When redemption is authorized or required pursuant to the Resolution, the Paying Agent, upon written instruction from the District, will give notice (a “Redemption Notice”) of the redemption of the Bonds. Such Redemption Notice will specify: (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the portion of the principal amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part. Such Redemption Notice will further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed at the redemption price thereof, together with the interest accrued to the redemption date, and that from and after such date, interest thereon shall cease to accrue.

The Paying Agent will take the following actions with respect to each such Redemption Notice: (a) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given to the respective Owners of Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the Bond Register; (b) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to the Securities Depository; (c) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by (i) registered or certified mail, postage prepaid, or (ii) delivery service, to one of the Information Services; and (d) provide a Redemption Notice to such other persons as may be required pursuant to the Continuing Disclosure Certificate.

“Information Services” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System; or, such other services providing information with respect to called municipal obligations as the District may specify in writing to the Paying Agent or as the Paying Agent may select.

“Securities Depository” shall mean The Depository Trust Company, 55 Water Street, New York, New York 10041.

A certificate of the Paying Agent or the District that a Redemption Notice has been given as provided in the Resolution will be conclusive as against all parties. Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given will affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds will bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer. The Redemption Notice may state that no representation is made as to the accuracy or correctness of CUSIP numbers printed thereon.

Payment of Redeemed Bonds. When a Redemption Notice has been given substantially as described above, and, when the amount necessary for the redemption of the Bonds called for redemption

(principal, interest, and premium, if any) is set aside in trust for that purpose, as described in “—Defeasance” herein, the Bonds designated for redemption in such notice will become due and payable on the date fixed for redemption thereof and upon presentation and surrender of said Bonds at the place specified in the Redemption Notice, said Bonds will be redeemed and paid at the redemption price out of such funds. All unpaid interest payable at or prior to the redemption date will continue to be payable to the respective Owners, but without interest thereon.

Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Paying Agent will execute and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in principal amounts to the unredeemed portion of the Bond surrendered. Such partial redemption is valid upon payment of the amount required to be paid to such Owner, and the District will be released and discharged thereupon from all liability to the extent of such payment.

Effect of Redemption Notice. If on the applicable designated redemption date, money for the redemption of the Bonds to be redeemed, together with interest to such redemption date, is held by an independent escrow agent selected by the District so as to be available therefore on such redemption date as described in “—Defeasance” herein, and if a Redemption Notice thereof will have been given substantially as described above, then from and after such redemption date, interest on the Bonds to be redeemed shall cease to accrue and become payable.

Rescission of Redemption Notice. With respect to any Redemption Notice in connection with the optional redemption of Bonds (or portions thereof) as described above, unless upon the giving of such notice such Bonds or portions thereof shall be deemed to have been defeased as described in “—Defeasance” herein, such Redemption Notice will state that such redemption will be conditional upon the receipt by an independent escrow agent selected by the District, on or prior to the date fixed for such redemption, of the moneys necessary and sufficient to pay the principal, premium, if any, and interest on, such Bonds (or portions thereof) to be redeemed, and that if such moneys shall not have been so received said Redemption Notice will be of no force and effect, no portion of the Bonds will be subject to redemption on such date and such Bonds will not be required to be redeemed on such date. In the event that such Redemption Notice contains such a condition and such moneys are not so received, the redemption will not be made and the Paying Agent will within a reasonable time thereafter (but in no event later than the date originally set for redemption) give notice to the persons to whom and in the manner in which the Redemption Notice was given that such moneys were not so received. In addition, the District will have the right to rescind any Redemption Notice, by written notice to the Paying Agent, on or prior to the date fixed for such redemption. The Paying Agent will distribute a notice of such recession in the same manner as the Redemption Notice was originally provided.

Bonds No Longer Outstanding. When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity under the provisions of the Resolution, or with respect to which instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys will be held irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, and accrued interest thereon to the date fixed for redemption, then such Bonds will no longer be deemed Outstanding and will be surrendered to the Paying Agent for cancellation.

Defeasance

All or any portion of the outstanding maturities of the Bonds may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with an independent escrow agent selected by the District an amount of cash, which together with amounts transferred from the Debt Service Fund (if any) is sufficient to pay all such Bonds Outstanding and designated for defeasance (including all, principal thereof, interest thereon and redemption premium, if any) at or before their maturity date; or

(b) Government Obligations: by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations together with cash, if required, and moneys transferred from the Debt Service Fund (if any), in such amount as will, together with the interest to accrue thereon, in the opinion of an independent certified public accountant, be fully sufficient to pay and discharge all Bonds Outstanding and designated for defeasance (including all principal thereof, interest thereon and redemption premium, if any) at or before their maturity date;

then, notwithstanding that Bonds designed for defeasance shall not have been surrendered for payment, all obligations of the District with respect to all such designated Outstanding Bonds shall cease and terminate, except only the obligation of the independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) above, to the Owners of such designated Bonds not so surrendered and paid all sums due with respect thereto.

“Government Obligations” means direct and general obligations of the United States of America, obligations that are unconditionally guaranteed as to principal and interest by the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), and obligations secured or otherwise guaranteed, directly or indirectly, as to principal and interest by a pledge of the full faith and credit of the United States of America. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian’s general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed at least as high as direct and general obligations of the United States of America by either S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”) or Moody’s Investors Service (“Moody’s”).

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Bonds are as follows:

Sources of Funds

Principal Amount of the Bonds
Original Issue Premium
Total Sources

Series B Bonds

Refunding Bonds

Uses of Funds

Building Fund
Escrow Fund
Debt Service Funds
Costs of Issuance⁽¹⁾
Total Uses

⁽¹⁾ Reflects all costs of issuance of the Bonds, including, but not limited to, the Underwriter's discount, legal and Municipal Advisor fees, printing costs, rating agencies fees, and the costs and fees of the Paying Agent, Escrow Agent and Verification Agent.

TAX BASE FOR REPAYMENT OF BONDS

The information in this section describes ad valorem property taxation, assessed valuation, and other measures of the tax base of the District. The Bonds are payable solely from ad valorem property taxes levied and collected by the Counties on taxable property in the District. The District's general fund is not a source for the repayment of the Bonds.

Ad Valorem Property Taxation

District property taxes are assessed and collected by the Counties at the same time and on the same rolls as special district property taxes. Assessed valuations are the same for both District and county taxing purposes.

Taxes are levied for each fiscal year on taxable real and personal property which is located in the District as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State assessed public utilities property and real property having a tax lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll." A supplemental roll is developed when property changes hands or new construction is completed. Each of the Counties levies and collects all property taxes for property falling within the respective county's taxing boundaries.

The valuation of secured property is established as of January 1 and is subsequently enrolled in August. Property taxes on the secured roll are payable in two installments, due November 1 and February 1 of the calendar year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent installment plus any additional amount determined by the treasurer-tax collector of each County (each, a "Treasurer"). After the second installment of taxes on the secured roll is delinquent, the tax collector shall collect a cost of \$10 for preparing the delinquent tax records and giving notice of delinquency. Property on the secured roll with delinquent taxes is declared tax-defaulted on July 1 of the calendar year. Such property may thereafter be redeemed, until the right of redemption is terminated, by payment of the delinquent taxes and the delinquency penalty, plus a \$15

redemption fee and a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the respective Treasurer.

Property taxes on the unsecured roll as of July 31 become delinquent if they are not paid by August 31 and are thereafter subject to a delinquent penalty of 10%. Taxes added to the unsecured tax roll after July 31, if unpaid are delinquent and subject to a penalty of 10% on the last day of the month succeeding the month of enrollment. In the case of unsecured property taxes, an additional penalty of 1.5% per month begins to accrue when such taxes remain unpaid on the last day of the second month after the 10% penalty attaches. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the assessee; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on specific property of the assessee; (3) filing a certificate of delinquency for record in the county recorder's office in order to obtain a lien on specified property of the assessee; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. See also "— Secured Tax Charges and Delinquencies" herein.

State law exempts from taxation \$7,000 of the full cash value of an owner-occupied dwelling, but this exemption does not result in any loss of revenue to local agencies, since the State reimburses local agencies for the value of the exemptions.

Assessed valuation growth allowed under Article XIII A (new construction, certain changes of ownership, 2% inflation) is allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies, including community college districts, share the growth of "base" revenues from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year.

Assessed Valuations

The assessed valuation of property in the District is established by the tax assessing authority for the county in which such property is located, except for public utility property which is assessed by the State Board of Equalization (the "SBE"). Assessed valuations are reported at 100% of the "full cash value" of the property, as defined in Article XIII A of the California Constitution. For a discussion of how properties currently are assessed and re-assessed, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" herein. Certain classes of property, such as churches, colleges, not-for-profit hospitals, and charitable institutions, are exempt from property taxation and do not appear on the tax rolls.

Shown on the following page are the assessed valuations for the District for fiscal years 2011-12 through 2020-21.

ASSESSED VALUATIONS
Fiscal Years 2011-12 through 2020-21
Chabot-Las Positas Community College District

Alameda County Portion

	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>	<u>% Change</u>
2011-12	\$79,057,008,730	\$32,502,251	\$4,234,399,676	\$83,323,910,657	--
2012-13	81,047,809,690	32,487,344	4,428,245,352	85,508,542,386	2.62%
2013-14	85,661,675,385	693,313,200	4,526,826,447	90,881,815,032	6.28
2014-15	91,131,453,897	525,740,422	4,721,197,440	96,378,391,759	6.05
2015-16	97,722,798,667	509,312,487	5,032,181,889	103,264,293,043	7.14
2016-17	103,735,885,564	535,906,255	5,446,703,877	109,718,495,696	6.25
2017-18	110,410,541,947	430,401,333	5,517,560,109	116,358,503,389	6.05
2018-19	117,970,562,275	409,604,295	5,924,378,050	124,304,544,620	6.83
2019-20	125,637,891,142	400,703,113	6,570,874,978	132,609,469,233	6.68
2020-21	132,331,121,970	402,404,204	7,016,407,980	139,749,934,154	5.38

Contra Costa County Portion

	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>	<u>% Change</u>
2011-12	\$558,993,822	--	\$480,507	\$559,474,329	--
2012-13	544,639,226	--	359,921	544,999,147	(2.59)%
2013-14	584,230,577	--	348,258	584,578,835	7.26
2014-15	625,920,182	--	351,174	626,271,356	7.13
2015-16	656,965,192	--	350,598	657,315,790	4.96
2016-17	676,203,433	--	383,529	676,586,962	2.93
2017-18	692,068,484	--	416,715	692,485,199	2.35
2018-19	710,297,572	--	389,749	710,687,321	2.63
2019-20	734,614,451	--	369,738	734,984,189	3.42
2020-21	757,179,630	--	422,984	757,602,614	3.07

Total District

	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>	<u>% Change</u>
2011-12	\$79,616,002,552	\$32,502,251	\$4,234,880,183	\$83,883,384,986	--
2012-13	81,592,448,916	32,487,344	4,428,605,273	86,053,541,533	2.59%
2013-14	86,245,905,962	693,313,200	4,527,174,705	91,466,393,867	6.29
2014-15	91,757,374,079	525,740,422	4,721,548,614	97,004,663,115	6.05
2015-16	98,379,763,859	509,312,487	5,032,532,487	103,921,608,833	7.13
2016-17	104,412,088,997	535,906,255	5,447,087,406	110,395,082,658	6.23
2017-18	111,102,610,431	430,401,333	5,517,976,824	117,050,988,588	6.03
2018-19	118,680,859,847	409,604,295	5,924,767,799	125,015,231,941	6.80
2019-20	126,372,505,593	400,703,113	6,571,244,716	133,344,453,422	6.66
2020-21	133,088,301,600	402,404,204	7,016,830,964	140,507,536,768	5.37

Source: California Municipal Statistics, Inc.; Percent change figures provided by the Municipal Advisor.

Reduction in Assessed Valuation. Economic and other factors beyond the District's control, such as general market decline in property values, outbreak of disease, disruption in financial markets that may reduce availability of financing for purchasers of property, outbreak of disease, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, drought, fire, wildfire, flood or toxic contamination could cause a reduction in

the assessed value of taxable property within the boundaries of the District. Any such reduction would result in a corresponding increase in the annual tax rates levied by the Counties to pay the debt service on the Bonds. See “THE BONDS – Security and Sources of Payment” and “FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Considerations Regarding COVID-19” herein.

Appeals and Adjustments of Assessed Valuation. Under State law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization (the “SBE”), with the appropriate county board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed.

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

In addition to the above-described taxpayer appeals, county assessors may independently reduce assessed valuations based on changes in the market value of property, or for other factors such as the complete or partial destruction of taxable property caused by natural or man-made disasters such as earthquakes, floods, fire, drought or toxic contamination pursuant to relevant provisions of the State Constitution.

Whether resulting from taxpayer appeals or county assessor reductions, adjustments to assessed value are subject to yearly reappraisals by the county assessor and may be adjusted back to their original values when real estate market conditions improve. Once property has regained its prior assessed value, adjusted for inflation, it once again is subject to the annual inflationary growth rate factor allowed under Article XIII A. See also “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the California Constitution” herein.

The District does not have information regarding pending appeals of assessed valuation of property within the District. No assurance can be given that property tax appeals currently pending or in the future will not significantly reduce the assessed valuation of property within the District.

Assembly Bill 102. On June 27, 2017, the Governor signed into law Assembly Bill 102 (“AB 102”). AB 102 restructures the functions of the SBE and creates two new separate agencies: (i) the California Department of Tax and Fee Administration, and (ii) the Office of Tax Appeals. Under AB 102, the California Department of Tax and Fee Administration will take over programs previously in the SBE Property Tax Department, such as the Tax Area Services Section, which is responsible for maintaining all property tax-rate area maps and for maintaining special revenue district boundaries. Under AB 102, the SBE will continue to perform the duties assigned by the State Constitution related to property taxes, however, beginning January 1, 2018, the SBE will only hear appeals related to the programs that it constitutionally administers and the Office of Tax Appeals will hear tax appeals on all other taxes and fee matters, such as sales and use tax and other special taxes and fees. AB 102 obligates the Office of Tax Appeals to adopt regulations as necessary to carry out its duties, powers, and responsibilities. No assurances can be given as to the effect of such regulations on the appeals process or on the assessed valuation of property within District.

Assessed Valuation by Jurisdiction. The following table shows an analysis of the distribution of taxable property in the District by jurisdiction, in terms of its fiscal year 2020-21 assessed valuation.

ASSESSED VALUATION BY JURISDICTION
Fiscal Year 2020-21
Chabot-Las Positas Community College District

<u>Jurisdiction:</u>	Assessed Valuation <u>in District</u>	% of <u>District</u>	Assessed Valuation <u>of Jurisdiction</u>	% of Jurisdiction <u>in District</u>
City of Dublin	\$19,245,668,169	13.70%	\$19,245,668,169	100.00%
City of Fremont	9,136,794	0.01	57,930,689,385	0.02
City of Hayward	25,261,794,831	17.98	25,261,794,831	100.00
City of Livermore	21,191,743,364	15.08	21,191,743,364	100.00
City of Oakland	1,290,289,369	0.92	69,954,465,646	1.84
City of Pleasanton	26,474,219,535	18.84	26,474,219,535	100.00
City of San Leandro	14,848,484,619	10.57	14,848,484,619	100.00
City of San Ramon	636,083,818	0.45	23,438,358,917	2.71
City of Union City	10,268,228,671	7.31	11,475,007,618	89.48
Unincorporated Alameda County	21,160,368,802	15.06	21,532,361,445	98.27
Unincorporated Contra Costa County	<u>121,518,796</u>	<u>0.09</u>	43,760,412,679	0.28
Total District	\$140,507,536,768	100.00%		
Summary by County:				
Alameda County	\$139,749,934,154	99.46%	\$331,459,902,826	42.16%
Contra Costa County	<u>757,602,614</u>	<u>0.54</u>	226,284,478,918	0.33
Total District	\$140,507,536,768	100.00%		

Source: California Municipal Statistics, Inc.

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Assessed Valuation and Parcels by Land Use. The following table shows the distribution of taxable property within the District by principal use, as measured by assessed valuation and parcels in fiscal year 2020-21.

ASSESSED VALUATION AND PARCELS BY LAND USE
Fiscal Year 2020-21
Chabot-Las Positas Community College District

	2020-21 <u>Assessed Valuation</u> ⁽¹⁾	% of <u>Total</u>	<u>No. of Parcels</u>	% of <u>Total</u>
Non-Residential:				
Agricultural/Rural	\$1,845,068,883	1.38%	1,994	1.01%
Commercial/Office Building	13,633,689,622	10.21	5,307	2.70
Vacant Commercial	666,825,590	0.50	372	0.19
Industrial	12,304,182,976	9.22	3,414	1.74
Vacant Industrial	697,885,743	0.52	393	0.20
Recreational/Golf Course	177,996,261	0.13	366	0.19
Power Plant/Utility Roll	402,404,204	0.30	65	0.03
Government/Social/Institutional	<u>451,311,907</u>	<u>0.34</u>	<u>790</u>	<u>0.40</u>
Subtotal Non-Residential	\$30,179,365,186	22.61%	12,701	6.46%
Residential:				
Single Family Residence	\$79,513,364,826	59.56%	140,238	71.38%
Condominium/Townhouse	11,993,853,723	8.98	30,768	15.66
Mobile Home	92,739,700	0.07	1,784	0.91
Mobile Home Park	237,872,444	0.18	66	0.03
2-4 Residential Units	2,494,161,386	1.87	5,266	2.68
5+ Residential Units/Apartments	8,039,754,112	6.02	3,109	1.58
Vacant Residential	<u>939,594,427</u>	<u>0.70</u>	<u>2,542</u>	<u>1.29</u>
Subtotal Residential	\$103,311,340,618	77.39%	183,773	93.54%
Total	\$133,490,705,804	100.00%	196,474	100.00%

⁽¹⁾ Local secured assessed valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Assessed Valuation of Single Family Homes. The following table shows the distribution of single family homes within the District among various fiscal year 2020-21 assessed valuation ranges, as well as the average and median assessed valuation of single family homes within the District.

ASSESSED VALUATION OF SINGLE FAMILY HOMES
Fiscal Year 2020-21
Chabot-Las Positas Community College District

	<u>No. of Parcels</u>	<u>2020-21 Assessed Valuation</u>		<u>Average Assessed Valuation</u>	<u>Median Assessed Valuation</u>	
Single Family Residential	140,238	\$79,513,364,826		\$566,989	\$499,234	
<u>2020-21 Assessed Valuation</u>	<u>No. of Parcels⁽¹⁾</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>	<u>Total Valuation</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>
\$0 - \$99,999	11,378	8.113%	8.113%	\$813,288,442	1.023%	1.023%
100,000 - 199,999	10,741	7.659	15.772	1,591,069,945	2.001	3.024
200,000 - 299,999	15,870	11.316	27.089	4,029,058,313	5.067	8.091
300,000 - 399,999	16,648	11.871	38.960	5,806,349,253	7.302	15.393
400,000 - 499,999	15,614	11.134	50.094	7,026,005,442	8.836	24.230
500,000 - 599,999	14,505	10.343	60.437	7,963,457,392	10.015	34.245
600,000 - 699,999	12,821	9.142	69.580	8,317,516,253	10.461	44.705
700,000 - 799,999	11,386	8.119	77.699	8,507,910,904	10.700	55.405
800,000 - 899,999	8,518	6.074	83.773	7,214,448,405	9.073	64.479
900,000 - 999,999	6,364	4.538	88.311	6,032,283,777	7.587	72.065
1,000,000 - 1,099,999	4,456	3.177	91.488	4,660,744,132	5.862	77.927
1,100,000 - 1,199,999	3,085	2.200	93.688	3,538,249,323	4.450	82.377
1,200,000 - 1,299,999	2,371	1.691	95.379	2,956,537,500	3.718	86.095
1,300,000 - 1,399,999	1,646	1.174	96.552	2,214,770,928	2.785	88.880
1,400,000 - 1,499,999	1,256	0.896	97.448	1,815,412,112	2.283	91.163
1,500,000 - 1,599,999	831	0.593	98.040	1,285,250,519	1.616	92.780
1,600,000 - 1,699,999	552	0.394	98.434	908,345,516	1.142	93.922
1,700,000 - 1,799,999	464	0.331	98.765	811,237,298	1.020	94.942
1,800,000 - 1,899,999	315	0.225	98.990	581,249,732	0.731	95.673
1,900,000 - 1,999,999	256	0.183	99.172	498,205,474	0.627	96.300
2,000,000 and greater	<u>1,161</u>	<u>0.828</u>	100.000	<u>2,941,974,166</u>	<u>3.700</u>	100.000
	140,238	100.000%		\$79,513,364,826	100.000%	

⁽¹⁾ Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

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Tax Levies, Collections and Delinquencies

The following table shows secured *ad valorem* property tax levies for bonded indebtedness of the District, and amounts delinquent as of June 30, for the fiscal years shown.

SECURED TAX CHARGES AND DELINQUENCIES Fiscal Years 2010-11 through 2019-20⁽¹⁾ Chabot-Las Positas Community College District

	(Alameda County)		
	<u>Secured Tax Charge⁽¹⁾</u>	<u>Amt. Del. June 30</u>	<u>% Del. June 30</u>
2010-11	\$19,898,223.50	\$515,019.50	2.59%
2011-12	19,844,016.07	434,133.98	2.19
2012-13	20,376,988.67	314,972.69	1.55
2013-14	21,495,959.05	263,277.61	1.22
2014-15	22,910,804.53	261,844.04	1.14
2015-16	24,511,316.84	332,177.76	1.36
2016-17	26,079,280.55	308,225.04	1.18
2017-18	27,793,862.06	264,723.85	0.95
2018-19	29,717,105.63	279,522.34	0.94
2019-20	37,713,818.50	361,783.67	1.14
	(Contra Costa County)		
	<u>Secured Tax Charge⁽¹⁾</u>	<u>Amt. Del. June 30</u>	<u>% Del. June 30</u>
2010-11	\$109,684.85	\$1,220.97	1.11%
2011-12	117,833.37	1,638.86	1.39
2012-13	118,416.65	869.25	0.73
2013-14	124,419.39	391.14	0.31
2014-15	135,216.38	793.15	0.59
2015-16	129,071.49	179.70	0.14
2016-17	165,637.50	312.48	0.19
2017-18	306,675.84	817.58	0.27
2018-19	314,070.13	3,015.58	0.96
2019-20	317,449.58	2,594.34	0.82

⁽¹⁾ 1% general fund apportionment.

Source: California Municipal Statistics, Inc.

SECURED TAX CHARGES AND DELINQUENCIES
Fiscal Years 2010-11 through 2020-21
Chabot-Las Positas Community College District

	(Alameda County)		
	<u>Secured Tax Charge⁽²⁾</u>	<u>Amt. Del. June 30</u>	<u>% Del. June 30</u>
2010-11	\$16,495,721.89	\$364,951.97	2.19%
2011-12	16,776,129.85	302,981.84	1.81
2012-13	17,561,425.53	236,094.99	1.34
2013-14	18,113,374.95	188,082.33	1.04
2014-15	19,685,049.49	188,353.36	0.96
2015-16	19,306,731.05	257,284.28	1.33
2016-17	25,399,782.19	218,162.29	0.86
2017-18	48,959,334.48	358,845.74	0.73
2018-19	52,187,794.78	371,165.96	0.71
2019-20	52,843,452.59	444,839.68	0.84
	(Contra Costa County)		
	<u>Secured Tax Charge⁽²⁾</u>	<u>Amt. Del. June 30</u>	<u>% Del. June 30</u>
2010-11	\$109,684.85	\$1,220.97	1.11%
2011-12	117,833.37	1,638.86	1.39
2012-13	118,416.65	869.25	0.73
2013-14	124,419.39	391.14	0.31
2014-15	135,216.38	793.15	0.59
2015-16	129,071.49	179.70	0.14
2016-17	165,637.50	312.48	0.19
2017-18	306,675.84	817.58	0.27
2018-19	314,070.13	3,015.58	0.96
2019-20	308,873.88	2,580.35	0.84

⁽²⁾ General obligation bond debt service levy.
Source: California Municipal Statistics, Inc.

Alternative Method of Tax Apportionment - Teeter Plan

Under 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 State Revenue and Taxation Code, each participating local agency levying property taxes, including community college districts, receives from its county the amount of uncollected taxes credited to its fund, in the same manner as if the amount credited had been collected. In return, the county receives and retains delinquent payments, penalties and interest as collected, that would have been due the local agency. The Teeter Plan, once adopted by a county, remains in effect unless the county board of supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year, the board of supervisors receives a petition for its discontinuance from two-thirds of the participating revenue districts in the county. A board of supervisors may, after holding a public hearing on the matter, discontinue the procedures under the Teeter Plan with respect to any tax levying agency in the county when delinquencies for taxes levied by that agency exceed 3%.

The Teeter Plan applies to the 1% general purpose property tax levy. Whether or not the Teeter Plan also is applied to other tax levies for local agencies, such as the tax levy for general obligation bonds of a local agency, varies by county.

The Boards of Supervisors of the Counties have each approved the implementation of the Teeter

Plan. The Teeter Plan, as adopted by the Counties, apportions secured property taxes on an accrual basis when due (irrespective of actual collections) to local political subdivisions for which each of the Counties acts as the tax-levying or tax-collecting agency. The Teeter Plan, as implemented by Contra Costa County, is applicable to the *ad valorem* property tax levied to pay the principal of and interest on the District’s general obligation bonds, including the Bonds. The District will receive 100% of the *ad valorem* property tax levied by Contra Costa County to pay the principal of and interest on Bonds irrespective of actual delinquencies in the collection of the tax by Contra Costa County. **However the Teeter Plan, as implemented by Alameda County, is not applicable to *ad valorem* property taxes levied to pay the principal of and interest on the District’s general obligation bonds, including the Bonds. Consequently, the District will receive from Alameda County the *ad valorem* property taxes to pay debt service on the Bonds based on actual collections for that purpose, rather than the amount levied.**

Tax Rates

A representative tax rate area (a “TRA”) located within the District is Tax Rate Area 19-006. The tables below demonstrates the total *ad valorem* property tax rates, as a percentage of assessed valuation, levied by all taxing entities in this TRA during the five-year period from fiscal year 2016-17 through 2020-21.

TYPICAL TAX RATES (TRA 19-006 - ALAMEDA COUNTY)⁽¹⁾
Fiscal Years 2016-17 through 2020-21
Chabot-Las Positas Community College District

	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
General Tax Rate	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Alameda County	--	--	.0112	.0108	.0036
Pleasanton Unified School District	.0224	.0672	.0640	.0642	.0580
Chabot-Las Positas Community College District	.0246	.0445	.0443	.0422	.0214
Flood Zone 7 – State Water	.0333	.0359	.0332	.0309	.0309
Bay Area Rapid Transit District	.0080	.0084	.0070	.0120	.0139
East Bay Regional Park District	<u>.0032</u>	<u>.0021</u>	<u>.0057</u>	<u>.0060</u>	<u>.0014</u>
Total Tax Rate	1.0915%	1.1581%	1.1654%	1.1661%	1.1292%

⁽¹⁾ The 2020-21 assessed valuation of TRA 19-006 is \$8,303,634,328 which is 5.91% of the District’s total assessed valuation.
Source: California Municipal Statistics, Inc.

Largest Property Owners

The more property (by assessed value) which is owned by a single taxpayer within the District, the greater amount of tax collections that are exposed to weaknesses in such a taxpayer's financial situation and ability or willingness to pay property taxes. The following table lists the 20 largest local secured taxpayers in the District in terms of their fiscal year 2020-21 secured assessed valuations. Each taxpayer listed below is a name listed on the tax rolls. The District cannot make any representation as to whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below.

LARGEST LOCAL SECURED TAXPAYERS
Fiscal Year 2020-21
Chabot-Las Positas Community College District

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2020-21 Assessed Valuation</u>	<u>% of Total⁽¹⁾</u>
1.	Kaiser Foundation Health Plan Inc.	Medical Buildings	\$787,473,521	0.59%
2.	Russell City Energy Center	Power Plant	381,400,000	0.29
3.	Stoneridge Creek Pleasanton CCRC LLC	Apartments	274,986,465	0.21
4.	Stoneridge Properties	Shopping Center/Mall	271,920,888	0.20
5.	Rosewood Commons Property Owner LLC	Office Building	269,188,154	0.20
6.	Southland Mall LP	Shopping Center	248,416,869	0.19
7.	Safeway Inc.	Office Building	236,323,740	0.18
8.	PSB Northern California Industrial Portfolio	Office Building	233,454,265	0.17
9.	Livermore Premium Outlets LLC	Outlet Stores	222,465,663	0.17
10.	6200 Stoneridge Mall Road Investors LLC	Office Building	218,138,660	0.16
11.	Essex Pleasanton Owner LP	Apartments	205,743,723	0.15
12.	Avalon Dublin Station II LP	Apartments	175,071,491	0.13
13.	Hayward 544 LLC	Apartments	171,783,871	0.13
14.	Stoneridge Residential LLC	Apartments	166,326,234	0.12
15.	CP IV Vintage LLC	Apartments	162,062,825	0.12
16.	Dublin Crossing LLC	Residential Development	159,598,390	0.12
17.	Boehringer Mannheim Corporation	Industrial	158,234,490	0.12
18.	Livermore Oaks Joint Venture LLC	Industrial	152,239,091	0.11
19.	Ghirardelli Chocolate Company	Industrial	148,846,800	0.11
20.	GH Pacvest LLC	Commercial	<u>142,220,900</u>	<u>0.11</u>
			\$4,785,896,040	3.59%

⁽¹⁾ The fiscal year 2020-21 total secured assessed valuation of the District is \$133,490,705,804.
Source: California Municipal Statistics, Inc.

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Statement of Direct and Overlapping Debt

Set forth on the following page is a direct and overlapping debt report (the “Debt Report”) prepared by California Municipal Statistics, Inc. effective as of June 1, 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 representation 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 revenues of the District (except as indicated) 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 shows the percentage of each overlapping entity’s assessed value located within the boundaries of the District. The table also shows the corresponding portion of the overlapping entity’s existing debt payable from property taxes levied within the District. The total amount of debt for each overlapping entity is not given in the table.

The first column in the table names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. The second column shows the percentage of each overlapping agency’s assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in the third column, which is the apportionment of each overlapping agency’s outstanding debt to taxable property in the District.

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**STATEMENT OF DIRECT AND OVERLAPPING BONDED DEBT
Chabot-Las Positas Community College District**

2020-21 Assessed Valuation: \$140,507,536,768

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 6/1/21</u>
Alameda County	42.162%	\$80,655,906
Bay Area Rapid Transit District	16.404	307,064,836
Chabot-Las Positas Community College District	100.000	593,290,000⁽¹⁾
Dublin Unified School District	100.000	541,658,268
Hayward Unified School District	100.000	706,695,575
New Haven Unified School District	90.959	220,611,425
San Leandro Unified School District	100.000	316,756,547
Other Unified School Districts	Various	636,053,793
Cities of Fremont and Oakland	0.016&1.844	8,304,649
Washington Township Healthcare District	14.564	47,532,527
East Bay Regional Park District	22.129	29,469,189
Hayward Area Recreation and Park District	100.000	102,480,000
Community Facilities District	23.458-100.000	132,416,162
1915 Act Bonds	18.199-100.000	<u>22,559,026</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$3,745,547,903
<u>OVERLAPPING GENERAL FUND DEBT:</u>		
Alameda County General Fund Obligations	42.162%	\$333,131,448
Contra Costa County Obligations	0.335	1,003,309
Alameda-Contra Costa Transit District Certificates of Participation	21.797	2,540,440
Hayward Unified School District Certificates of Participation	100.000	13,677,255
Other Unified School District General Fund Obligations	Various	14,146,551
City of Hayward General Fund Obligations	100.000	73,213,469
City of Livermore General Fund Obligations	100.000	49,500,000
City of San Leandro General Fund and Pension Obligation Bonds	100.000	46,302,107
Other City General Fund Obligations	Various	19,364,308
San Ramon Fire Protection District Certificates of Participation	1.392	<u>691,746</u>
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		\$553,570,633
Less: Contra Costa County supported obligations		137,292
City of Livermore supported obligations		<u>7,465,000</u>
TOTAL NET OVERLAPPING GENERAL FUND DEBT		\$545,968,341
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u>		
Alameda County Redevelopment Agency	100.000%	\$23,450,000
Hayward Redevelopment Agency	100.000	26,130,000
Livermore Redevelopment Agency	100.000	18,535,000
San Leandro Redevelopment Agency	100.000	29,643,000
Union City Redevelopment Agency	99.302	<u>111,699,855</u>
TOTAL OVERLAPPING TAX INCREMENT DEBT		\$209,457,855
GROSS COMBINED TOTAL DEBT		\$4,508,576,391 ⁽²⁾
NET COMBINED TOTAL DEBT		\$4,500,974,099

Ratios to 2020-21 Assessed Valuation:

Direct Debt (\$593,290,000)	0.42%
Total Direct and Overlapping Tax and Assessment Debt	2.67%
Gross Combined Total Debt	3.21%
Net Combined Total Debt	3.20%

Ratios to Redevelopment Incremental Valuation (\$13,960,886,628):

Total Overlapping Tax Increment Debt.....	1.50%
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⁽¹⁾ Includes the Refunded Bonds and excludes the Bonds as described herein.

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

Source: California Municipal Statistics, Inc.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

The principal of and interest on the Bonds are payable solely from the proceeds of an ad valorem property tax levied by the Counties for the payment thereof. See “THE BONDS – Security and Sources of Payment” herein. Articles XIII A, XIII B, XIII C and XIII D of the California Constitution, Propositions 98 and 111, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the Counties to levy taxes on behalf of the District and the District to spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the District to levy taxes for payment of the Bonds. The tax levied by the Counties for payment of the Bonds was approved by the District’s voters in compliance with Article XIII A, Article XIII C, and all applicable laws.

Article XIII A of the California Constitution

Article XIII A (“Article XIII A”) of the California Constitution limits the amount of *ad valorem* property taxes on real property to 1% of “full cash value” as determined by the county assessor. Article XIII A defines “full cash value” to mean “the county assessor’s valuation of real property as shown on the 1975-76 bill under ‘full cash value,’ or thereafter, the appraised value of real property when purchased, newly constructed or a change in ownership has occurred after the 1975 assessment,” subject to exemptions in certain circumstances of property transfer or reconstruction. Determined in this manner, the full cash value is also referred to as the “base year value.” The full cash value is subject to annual adjustment to reflect increases, not to exceed 2% for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Article XIII A has been amended to allow for temporary reductions of assessed value in instances where the fair market value of real property falls below the adjusted base year value described above. Proposition 8—approved by the voters in November of 1978—provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the adjusted base year value. Reductions in assessed value could result in a corresponding increase in the annual tax rate levied by the Counties to pay debt service on the Bonds. See “THE BONDS – Security and Sources of Payment” and “TAX BASE FOR REPAYMENT OF BONDS – Assessed Valuations” herein.

Article XIII A requires a vote of two-thirds or more of the qualified electorate of a city, county, special district or other public agency to impose special taxes, while totally precluding the imposition of any additional *ad valorem*, sales or transaction tax on real property. Article XIII A exempts from the 1% tax limitation any taxes above that level required to pay debt service (a) on any indebtedness approved by the voters prior to July 1, 1978, or (b), as the result of an amendment approved by State voters on June 3, 1986, on any bonded indebtedness approved by two-thirds of the votes cast by the voters for the acquisition or improvement of real property on or after July 1, 1978, or (c) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by fifty-five percent or more of the votes cast on the proposition, but only if certain accountability measures are included in the proposition. The tax for payment of the Series B Bonds falls within the exception described in (c) of the immediately preceding sentence. In addition, Article XIII A requires the approval of two-thirds of all members of the California Legislature to change any state taxes for the purpose of increasing tax revenues.

Proposition 19

On November 3, 2020, State voters approved Proposition 19, a legislatively referred constitutional amendment (“Proposition 19”), which amends Article XIII A to: (i) expand special rules that give property tax savings to homeowners that are over the age of 55, severely disabled, or whose property has been impacted by wildfire or natural disaster, when they buy a different home; (ii) narrow existing special rules for inherited properties; and (iii) dedicate most of the potential new State revenue generated from Proposition 19 toward fire protection. The District cannot make any assurance as to what effect the implementation of Proposition 19 will have on District revenues or the assessed valuation of real property in the District.

Legislation Implementing Article XIII A

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

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property value included in this Official Statement is shown at 100% of taxable value (unless noted differently) and all tax rates reflect the \$1 per \$100 of taxable value.

Both the United States Supreme Court and the State Supreme Court have upheld the general validity of Article XIII A of the California Constitution.

Unitary Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions (“unitary property”). Under the California Constitution, such property is assessed by the SBE as part of a “going concern” rather than as individual pieces of real or personal property. State-assessed unitary and certain other property is allocated to the counties by SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year. So long as the District is not a community funded (basic aid) district, taxes lost through any reduction in assessed valuation will be compensated by the State as equalization aid under the State’s financing formula for community college districts. See “FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Major Revenues” herein.

Article XIII B of the California Constitution

Article XIII B (“Article XIII B”) of the California Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, community college district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. As amended, Article XIII B defines

- (a) “change in the cost of living” with respect to school districts and community college districts to mean the percentage change in State per capita income from the preceding year, and
- (b) “change in population” with respect to a school district or community college district to mean the percentage change in the average daily attendance of such school district or community college district from the preceding fiscal year.

For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year pursuant to the provisions of Article XIII B, as amended.

The appropriations of an entity of local government subject to Article XIII B limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain state subventions to that entity. “Proceeds of taxes” include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service such as the Bonds, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the State Legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIII B includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

Article XIII B also includes a requirement that fifty percent of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund pursuant to Section 8.5 of Article XVI of the California Constitution. See “– Propositions 98 and 111” below.

Article XIII C and Article XIII D of the California Constitution

On November 5, 1996, the voters of the State approved Proposition 218, popularly known as the “Right to Vote on Taxes Act.” Proposition 218 added to the State Constitution Articles XIII C and XIII D (respectively, “Article XIII C” and “Article XIII D”), which contain a number of provisions affecting the ability of local agencies, including community college districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the “Title and Summary” of Proposition 218 prepared by the State Attorney General, Proposition 218 limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” Among other things, Article XIII C establishes that every tax is either a “general tax” (imposed for general governmental purposes) or a “special tax” (imposed for specific purposes), prohibits special purpose government agencies such as community college districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIII C

further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the California Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4. Article XIII D deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIII C or XIII D will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic one percent *ad valorem* property tax levied and collected by the Counties pursuant to Article XIII A of the California Constitution. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

Proposition 26

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIII C of the California Constitution to expand the definition of “tax” to include “any levy, charge, or exaction of any kind imposed by a local government” except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIII D. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.

Propositions 98 and 111

On November 8, 1988, voters approved Proposition 98, a combined initiative constitutional amendment and statute called the “Classroom Instructional Improvement and Accountability Act” (the “Accountability Act”). Certain provisions of the Accountability Act were modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changed State funding of public education below the university level and the operation of the State’s appropriations limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (hereinafter referred to collectively as “K-14 school districts”) at a level equal to the greater of (a) the same percentage of State general fund revenues as the percentage appropriated to such districts in the 1986-87 fiscal year, and (b) the amount actually appropriated to such districts from the State general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the State Legislature to suspend this formula for a one-year period.

The Accountability Act also changed how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount are, instead of being returned to taxpayers, transferred to K-14 school districts. Any such transfer to K-14 school districts would be excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year is automatically increased by the amount of such transfer. These additional moneys enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIII B surplus. The maximum amount of excess tax revenues which can be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Since the Accountability Act is unclear in some details, there can be no assurances that the State Legislature or a court might not interpret the Accountability Act to require a different percentage of State general fund revenues to be allocated to K-14 school districts, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the State budget.

On June 5, 1990, the voters approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limitation Act of 1990" ("Proposition 111") which further modified Article XIII B and Sections 8 and 8.5 of Article XVI of the California Constitution with respect to appropriations limitations and school funding priority and allocation.

The most significant provisions of Proposition 111 are summarized as follows:

- a. Annual Adjustments to Spending Limit. The annual adjustments to the Article XIII B spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in State per capita personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.
- b. Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIII B are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the schools' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.
- c. Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIII B spending limit: (i) all appropriations for "qualified capital outlay projects" as defined by the State Legislature, and (ii) any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the State Legislature and the Governor, which was expected to raise over \$15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

- d. Recalculation of Appropriations Limit. The Article XIII B appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.
- e. School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues (“Test 1”) or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to per capita personal income) and enrollment (“Test 2”). Under Proposition 111, schools will receive the greater of (1) Test 1, (2) Test 2, or (3) a third test (“Test 3”), which will replace Test 2 in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in State per capita personal income. Under Test 3, schools will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 will become a “credit” to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, State voters approved an amendment (commonly known as “Proposition 39”) to the State Constitution. This amendment (1) allows school facilities bond measures to be approved by fifty-five percent (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current one percent limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another Statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the State Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-12 school districts, community college districts, and county offices of education. As noted above, the State Constitution previously limited property taxes to one percent of the value of property, such that property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to buy or improve real property that receive two-thirds voter approval after July 1, 1978.

The fifty-five percent vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the governing board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the governing board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school facilities bonds to be approved by fifty-five percent of the voters. These provisions require that the tax rate levied as the result of any single election be no more than \$60 (for a unified school district), \$30 (for an elementary or high school district), or \$25 (for a community college district), per \$100,000 of taxable property value, when assessed valuation is projected to increase in accordance with Article XIII A of the California Constitution. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the State Legislature and approval by the Governor.

Proposition 1A and Proposition 22

On November 2, 2004, State voters approved Proposition 1A, which amends the State constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-third approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. The State may shift to schools and community colleges a limited amount of local government property tax revenue if certain conditions are met, including: (i) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State, and (ii) approval of the shift by the State Legislature with a two-thirds vote of both houses. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amends the California Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, The Local Taxpayer, Public Safety, and Transportation Protection Act, approved by the voters of the State on November 2, 2010, prohibits the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies and eliminates the State's authority to shift property taxes temporarily during a severe financial hardship of the State. In addition, Proposition 22 restricts the State's authority to use State fuel tax revenues to pay debt service on state transportation bonds, to borrow or change the distribution of state fuel tax revenues, and to use vehicle license fee revenues to reimburse local governments for state mandated costs. Proposition 22 impacts resources in the State's general fund and transportation funds, the State's main funding source for schools and community colleges, as well as universities, prisons and health and social services programs. According to an analysis of Proposition 22 submitted by the Legislative Analyst's Office (the "LAO") on July 15, 2010, the reduction in resources available for the State to spend on these other programs as a consequence of the passage of Proposition 22 was projected to be approximately \$1 billion in fiscal year 2010-11, with an estimated immediate fiscal effect equal to approximately 1% of the State's total general fund spending. The longer-term effect of Proposition 22, according to the LAO analysis, was projected to be an increase in the State's general fund costs by approximately \$1 billion annually for several decades.

Proposition 55

The California Children's Education and Health Care Protection Act of 2016 (also known as "Proposition 55") is a constitutional amendment approved by the voters of the State on November 8, 2016. Proposition 55 extends, through 2030, the increases to personal income tax rates for high-income taxpayers that were approved as part of Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"). Proposition 30 increased the marginal personal income tax rate by: (i) 1% for taxable income over \$250,000 but less than \$300,001 for single filers (over \$500,000 but less than \$600,001 for joint filers and over \$340,000 but less than \$408,001 for head-of-household filers), (ii) 2% for taxable income over \$300,000 but less than \$500,001 for single filers (over \$600,000 but less than \$1,000,001 for joint filers and over \$408,000 but less than \$680,001 for head-of-household filers), and (iii) 3% for taxable income over \$500,000 for single filers (over \$1,000,000 for joint filers and over \$680,000 for head-of-household filers).

The revenues generated from the personal income tax increases will be included in the calculation of the Proposition 98 minimum funding guarantee for school districts and community college districts. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Propositions 98 and 111” herein. From an accounting perspective, the revenues generated from the personal income tax increases are being deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the “EPA”). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to school districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than \$200 per unit of ADA and no community college district will receive less than \$100 per FTES. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing board is prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

Jarvis v. Connell

On May 29, 2002, the State Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller of the State). The Court of Appeal held that either a final budget bill, an emergency appropriation, a self-executing authorization pursuant to state statutes (such as continuing appropriations) or the California Constitution or a federal mandate is necessary for the State Controller to disburse funds. The foregoing requirement could apply to amounts budgeted by the District as being received from the State. To the extent the holding in such case would apply to State payments reflected in the District’s budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of such payments to the District if such required legislative action is delayed, unless the payments are self-executing authorizations or are subject to a federal mandate. On May 1, 2003, the State Supreme Court upheld the holding of the Court of Appeal, stating that the State Controller is not authorized under State law to disburse funds prior to the enactment of a budget or other proper appropriation, but under federal law, the State Controller is required, notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those State employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

Proposition 2

On November 4, 2014, voters approved the Rainy Day Budget Stabilization Fund Act (also known as “Proposition 2”). Proposition 2 is a legislatively-referred constitutional amendment which makes certain changes to State budgeting practices, including substantially revising the conditions under which transfers are made to and from the State’s Budget Stabilization Account (the “BSA”) established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

Under Proposition 2, and beginning in fiscal year 2015-16 and each fiscal year thereafter, the State will generally be required to annually transfer to the BSA an amount equal to 1.5% of estimated State general fund revenues (the “Annual BSA Transfer”). Supplemental transfers to the BSA (a “Supplemental BSA Transfer”) are also required in any fiscal year in which the estimated State general fund revenues that are allocable to capital gains taxes exceed 8% of total estimated general fund tax revenues. Such excess capital gains taxes—net of any portion thereof owed to K-14 school districts pursuant to Proposition 98—will be transferred to the BSA. Proposition 2 also increases the maximum size of the BSA to an amount equal to 10% of estimated State general fund revenues for any given fiscal year. In any fiscal year in which

a required transfer to the BSA would result in an amount in excess of the 10% threshold, Proposition 2 requires such excess to be expended on State infrastructure, including deferred maintenance.

For the first 15-year period ending with the 2029-30 fiscal year, Proposition 2 provides that half of any required transfer to the BSA, either annual or supplemental, must be appropriated to reduce certain State liabilities, including making certain payments owed to K-14 school districts, repaying State interfund borrowing, reimbursing local governments for State mandated services, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. Following the initial 15-year period, the Governor and the State Legislature are given discretion to apply up to half of any required transfer to the BSA to the reduction of such State liabilities. Any amount not applied towards such reduction must be transferred to the BSA or applied to infrastructure, as described above.

Proposition 2 changes the conditions under which the Governor and the State Legislature may draw upon or reduce transfers to the BSA. The Governor does not retain unilateral discretion to suspend transfers to the BSA, nor does the State Legislature retain discretion to transfer funds from the BSA for any reason, as previously provided by law. Rather, the Governor must declare a “budget emergency,” defined as an emergency within the meaning of Article XIIB of the Constitution or a determination that estimated resources are inadequate to fund State general fund expenditures, for the current or ensuing fiscal year, at a level equal to the highest level of State spending within the three immediately preceding fiscal years. Any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the BSA are limited to the amount necessary to address the budget emergency, and no draw in any fiscal year may exceed 50% of funds on deposit in the BSA unless a budget emergency was declared in the preceding fiscal year.

Proposition 2 also requires the creation of the Public School System Stabilization Account (the “PSSSA”) into which transfers will be made in any fiscal year in which a Supplemental BSA Transfer is required (as described above). Such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would otherwise be paid to K-14 school districts as part of the minimum funding guarantee. A transfer to the PSSSA will only be made if certain additional conditions are met, as follows: (i) the minimum funding guarantee was not suspended in the immediately preceding fiscal year, (ii) the operative Proposition 98 formula for the fiscal year in which a PSSSA transfer might be made is “Test 1,” (iii) no maintenance factor obligation is being created in the budgetary legislation for the fiscal year in which a PSSSA transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the minimum funding guarantee for the fiscal year in which a PSSSA transfer might be made is higher than the immediately preceding fiscal year, as adjusted for enrollment growth and cost of living. Proposition 2 caps the size of the PSSSA at 10% of the estimated minimum guarantee in any fiscal year, and any excess funds must be paid to K-14 school districts. Reductions to any required transfer to the PSSSA, or draws on the PSSSA, are subject to the same budget emergency requirements described above. However, Proposition 2 also mandates draws on the PSSSA in any fiscal year in which the estimated minimum funding guarantee is less than the prior year’s funding level, as adjusted for enrollment growth and cost of living.

Proposition 51

The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (also known as Proposition 51) is a voter initiative that was approved by voters on November 8, 2016. Proposition 51 authorizes the sale and issuance of \$9 billion in general obligation bonds for the new construction and modernization of K-14 facilities.

K-12 School Facilities. Proposition 51 includes \$3 billion for the new construction of K-12 facilities and an additional \$3 billion for the modernization of existing K-12 facilities. K-12 school districts

will be required to pay for 50% of the new construction costs and 40% of the modernization costs with local revenues. If a school districts lack sufficient local funding, it may apply for additional state grant funding, up to 100% of the project costs. In addition, a total of \$1 billion will be available for the modernization and new construction of charter school (\$500 million) and technical education (\$500 million) facilities. Generally, 50% of modernization and new construction project costs for charter school and technical education facilities must come from local revenues. However, schools that cannot cover their local share for these two types of projects may apply for state loans. State loans must be repaid over a maximum of 30 years for charter school facilities and 15 years for career technical education facilities. For career technical education facilities, state grants are capped at \$3 million for a new facility and \$1.5 for a modernized facility. Charter schools must be deemed financially sound before project approval.

Community College Facilities. Proposition 51 includes \$2 billion for community college district facility projects, including buying land, constructing new buildings, modernizing existing buildings, and purchasing equipment. In order to receive funding, community college districts must submit project proposals to the Chancellor of the community college system, who then decides which projects to submit to the State Legislature and Governor based on a scoring system that factors in the amount of local funds contributed to the project. The Governor and Legislature will select among eligible projects as part of the annual state budget process.

The District makes no guarantees that it will either pursue or qualify for Proposition 51 state facilities funding.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C and Article XIII D of the California Constitution and Propositions 22, 26, 30, 39, 98, 55 and 51 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA

The information in this section concerning State funding of community colleges is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from State revenues. The Bonds are payable solely from the proceeds of an ad valorem property tax required to be levied by the Counties in an amount sufficient for the payment thereof.

Major Revenues

General. California community college districts (other than “community supported” Basic Aid districts, as described below) receive a majority of their funding from the State, and the balance from local and federal sources. State funds include general apportionment, categorical funds, capital construction, lottery funds, and other minor sources. Every community college district receives the same amount of State lottery funds on a per-student basis (which is generally less than 3%), although lottery funds are not categorical funds as they are not for particular programs or students. The initiative authorizing the lottery requires the funds to be used for instructional purposes, and prohibits their use for capital purposes.

The major local revenue source is local property taxes that are collected from within district boundaries, with student enrollment fees accounting for the most of the remainder. A small part of a community college district’s budget is from local sources other than property taxes and student enrollment fees, such as interest income, donations, educational foundation contributions and sales or leases of property.

The sum of property taxes, student enrollment fees, EPA funds, and State aid comprise a district’s revenue limit. State funding is generally subject to the appropriation of funds in the State’s annual budget. Thus, decreases in State revenues may affect appropriations made by the State Legislature to community college districts.

Community supported community college districts (also referred to “basic aid” districts) are those districts whose local property taxes, student enrollment fee collections, and Education Protection Account funds exceed the revenue allocation determined by the current State funding model. See also “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 55” herein. Thus, Basic Aid districts do not receive any general apportionment funding from the State. The current law in the State allows these districts to keep the excess funds without penalty. The implication for Basic Aid districts is that legislatively determined annual COLAs and other politically determined factors are less significant in determining such districts primary funding sources. Rather, property tax growth and the local economy become the determining factors. [The District is not currently a community supported district.]

Enrollment Based Funding. California community college districts apportionments were previously funded pursuant to a system established by Senate Bill 361 (“SB 361”). SB 361 provided for a basic allocation (a “Basic Allocation”) based on the number of colleges, state-approved education centers and total enrollment, together with funding based on per-student rates for credit FTES, non-credit FTES and career development and college preparation (“CDCP”) non-credit FTES.

SB 361 specified that, commencing with the 2006-07 fiscal year the minimum funding per FTES would be: (a) not less than \$4,367 per credit FTES; (b) at a uniform rate of \$2,626 per non-credit FTES; and (c) \$3,092 per CDCP FTES. Although CDCP FTES were initially funded at a lower rate than credit FTES, subsequent legislation effective as of the 2015-16 fiscal year set the minimum funding for CDCP

FTES at the same level as credit FTES. Each such minimum funding rate was subject to cost of living adjustments (each, a “COLA”), if any, funded through the State budgeting legislation in each fiscal year.

One unit of FTES is equivalent to 525 student contact hours, which is determined based on a State formula of one student multiplied by 15 weekly contact hours multiplied by 35 weeks. Accordingly, the number of FTES in the District may not equal the number of students enrolled in the District.

In each fiscal year, the State budget established an enrollment cap on the maximum number of resident FTES, known as the “funded” FTES, for which a community college district would receive a revenue allocation. A district’s enrollment cap was based on the previous fiscal year’s reported FTES, plus the growth allowance provided for by the State budget, if any. All student hours in excess of the enrollment cap were considered “unfunded” FTES. Nonresident and international students are excluded from the State funding formula and pay full tuition.

Student Centered Funding Formula. Assembly Bill 1809 (“AB 1809”), the higher education trailer bill passed as part of the State budget for fiscal year 2018-19, implemented a new funding mechanism for community college districts referred to as the “Student Centered Funding Formula,” (the “SCFF”). The SCFF includes three components: (1) a base allocation (the “Base Allocation”) driven primarily by enrollment, (2) a supplemental allocation (the “Supplemental Allocation”) based on the number of certain types of low-income students, and (3) a student success allocation (the “Student Success Allocation”) calculated using various performance-based metrics.

The SCFF includes several provisions to provide districts greater financial stability in transitioning to the new formula: (i) for fiscal years 2018-19 through 2021-22, community college districts will receive no less in total apportionment funding than they received in 2017-18, adjusted for COLAs; (ii) for fiscal year 2022-23 and onward, districts will receive no less in apportionment funding per-student than they received in fiscal year 2017-18; and (iii) beginning in fiscal year 2018-19, districts will receive the greater of the amount calculated by the SCFF for the current or prior year (excluding amounts districts receive pursuant to the provision summarized in (i) above). In addition, State budgetary legislation has extended the hold harmless provision of the SCFF through fiscal year 2023-24. See also “—State Assistance” herein.

Base Allocation. The Base Allocation is composed of (1) the Basic Allocation, determined consistent with the prior funding formula (see “—Enrollment Based Funding” herein), and (2) funding for credit, non-credit and CDCP FTES. The Base Allocation was expected to constitute approximately 70% of Statewide funding for community college districts in fiscal year 2018-19 and in fiscal year 2019-20.

The SCFF provides minimum funding levels for credit FTES for the first fiscal year at \$3,727 for fiscal year 2018-19. For fiscal year 2019-20 the 2019-20 State Budget recalculated funding rates in the base, supplemental and student success allocations so that 70% of SCFF funds would be allocated to the base allocation. Funding rates are required to be adjusted by COLA. Notwithstanding the foregoing, the SCFF provides higher credit FTES funding rates for certain districts that were entitled to higher funding rates under the prior funding formula. Future provision of COLAs and other adjustments will be subject to appropriation therefor in the annual State budget. Total funding for credit FTES will be based on a rolling three-year average of the funded credit FTES from the current fiscal year and the two immediately preceding fiscal years. Credit FTES associated with enrollment growth proposed in the annual budget act shall be excluded from the three-year average and shall instead be added to the computed three-year rolling average. In computing the three-year average, credit FTES generated by incarcerated and special admit students shall be excluded and funded consistent with the prior funding formula.

Funding levels for non-credit and CDCP FTES are determined consistent with the prior funding formula. See “—Enrollment Based Funding” herein. Total funding for these categories will be based on actual non-credit and CDCP FTES for the most recent fiscal year.

The following table shows the District’s FTES figures for the last 10 fiscal years, along with the projected figures for fiscal year 2020-21.

FULL-TIME EQUIVALENT STUDENTS⁽¹⁾
Fiscal Years 2010-11 through 2020-21
Chabot-Las Positas Community College District

<u>Fiscal Year</u>	<u>Funded FTES⁽²⁾</u>	<u>Unfunded FTES</u>	<u>Total FTES</u>	<u>% Change</u>
2010-11	17,207	292	17,499	--
2011-12	15,889	307	16,196	(7.4)
2012-13	16,144	59	16,203	0.0
2013-14	16,456	--	16,456	1.6
2014-15	17,197	--	17,197	4.5
2015-16	17,640	--	17,640	2.6
2016-17	15,594	--	15,594	(11.6)
2017-18	17,400	--	17,400	11.6
2018-19 ⁽³⁾	15,348	--	15,348	(18.5)
2019-20 ⁽⁴⁾	16,987	--	16,987	10.7
2020-21 ⁽⁴⁾⁽⁵⁾				

⁽¹⁾ One FTES is equivalent to 525 student contract hours, which is determined based on a State formula of one student multiplied by 15 weekly contact hours multiplied by 35 weeks. Accordingly, the number of FTES in the District may not equal the number of students enrolled in the District.

⁽²⁾ In allocating per-student funding each year, the State budget establishes an enrollment limit (the “Cap”), on the maximum number of FTES for which each district will be funded (the “Funded FTES”). Each community college district’s Cap is based on the previous year’s reported FTES, plus an additional growth allowance. The excess of FTES over Cap is the unfunded FTES (the “Unfunded FTES”).

⁽³⁾ Fiscal year 2018-19 new SCFF implemented, which pays 3 year average credit FTES. See also, “— Student Centered Funding Formula” herein.

⁽⁴⁾ Due to COVID-19, in fiscal years 2019-20 and 2020-21, the District will be funded based on Fiscal Year 2019-20 P1 FTES.

⁽⁵⁾ Projected.

Source: Chabot-Las Positas Community College District.

Supplemental Allocation. The Supplemental Allocation, accounting for approximately 20% of Statewide funding, will be distributed to districts based on their headcounts of students that receive Federal Pell Grants, a student who is granted an exemption from nonresident tuition pursuant to Section 68130.5 (AB540), and student fee waivers under Education Code Section 76300 (California College Promise Grant). The SCFF provides \$919 per qualifying student for fiscal year 2018-19. Beginning in fiscal year 2019-20, the 2019-20 State budget recalculated funding rates for supplemental allocation so that in 2019-20, 20% of the SCFF funds would be allocated for the supplemental allocation. Beginning in 2020-21 those rates were required to be adjusted by COLA. Headcounts are not unduplicated, such that districts will receive twice or three times as much supplemental funding for a student that falls into more than one of the aforementioned categories.

Student Success Allocation. The Student Success Allocation will be distributed to districts based on their performance in various student outcome metrics, including obtaining various degrees and certificates, completing transfer-level math and English courses within a student’s first year, and having students obtain a regional living wage within a year of completing community college. The Student Success Allocation accounted for 10% of statewide funding for community college districts in fiscal years 2018-19 and 2019-20, and is expected to account for 10% of statewide funding in fiscal years 2020-21 and beyond. Each metric is assigned a point value, with some metrics are weighted more than others. A single student

outcome with more points will generate more funding. Outcome metrics for students that qualify for Federal Pell Grants and California College Promise Grants are eligible for additional funding. The student success allocation counts only the highest of all awards a student earned in the same year and will only count the award if the student was enrolled in the district in the year the award was granted. The student success allocation will also calculate based on the three-year rolling average of each metric. Outcome metrics for students that qualify for Federal Pell Grants, AB 540 and California College Promise Grants are eligible for additional funding.

Considerations Regarding COVID-19

An outbreak of disease or similar public health threat, such as the novel strain of coronavirus (“COVID-19”) outbreak, or fear of such an event, could have an adverse impact on the District’s financial condition and operating results. The spread of COVID-19 is having significant negative impacts throughout the world, including in the District. The World Health Organization has declared the COVID-19 outbreak to be a pandemic, and states of emergency have been declared by the State and the United States. The purpose behind these declarations are to coordinate and formalize emergency actions across federal, State and local governmental agencies, and to proactively prepare for a wider spread of the virus.

On March 17, 2020, the Governor signed Senate Bill 89 (“SB 89”), which amends the Budget Act of 2019 by appropriating \$500,000,000 from the State General Fund for any purpose related to executing the emergency proclamation issued by the Governor on March 4, 2020. On March 19, 2020, the Governor ordered all State residents to stay home or at their place of residence to protect the general health and well-being, except as needed to maintain continuity of 16 critical infrastructure sectors described therein (the “Stay Home Order”).

On March 27, 2020 the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) was signed by the President of the United States. The CARES Act appropriates over \$2 trillion to, among other things, (i) provide cash payments to individuals, (ii) expand unemployment assistance and eligibility, (iii) provide emergency grants and loans for small businesses, (iv) provide loans and other assistance to corporations, (v) provide funding for hospitals and community health centers, (vi) expand funding for safety net programs, including child nutrition programs, and (vii) provide aid to state and local governments. The CARES Act includes approximately \$14.25 billion in funding for higher education, including California community college districts, principally in the form of direct emergency aid to students and institutional grants. The CARES Act also waived a number of federal regulatory requirements to provide institutions greater flexibility in addressing the effects of the COVID-19 outbreak. On December 27, 2020, the President signed the Consolidated Appropriations Act, 2021, which includes approximately \$900 billion worth of provisions for additional COVID-related relief, including extension of or additional funding for various relief programs implemented by the CARES Act. The Consolidated Appropriations Act, 2021 provides approximately \$82 billion of COVID-19 related relief for education, including \$54.3 billion for K-12 schools (largely through Title I funding), \$22.7 billion for higher education and \$4 billion for state governors to spend at their discretion. See also “—State Assistance – Proposed 2021-22 State Budget” herein. On March 12, 2021, the President signed the American Rescue Plan Act of 2021 (the “American Rescue Plan”), which will provide approximately \$1.9 trillion in federal economic stimulus intended to accelerate the recovery from the COVID-19 pandemic. The American Rescue Plan provides direct payments to individuals, extends unemployment benefits, provides funding to distribute COVID-19 vaccines and provides funding for schools, higher education institutions, state, tribal governments and businesses.

[The District has received \$_____ pursuant to the CARES Act, 50% of which is allocated for emergency student grants and 50% for the District, which is being used for tuition refunds, faculty distance learning training, student and employee computer equipment, hotspots, software, and campus safety. The District has received \$_____pursuant to the CARES Act, \$4,315,430 of which is allocated for

emergency student grants to students and \$_____ to the District. The District has received \$_____ pursuant to the CARES Act DHSI which is being used for lost revenue due to COVID-19. As part of the State's 2020-21 Budget, the District received \$_____ from the Coronavirus Relief Fund (the federal portion) and \$_____ from Proposition 98 funds (the state portion) for a total of \$_____. These funds were largely used and will be used to facilitate distance learning, improve telework capabilities of public employees, student emergency grants, and for public health expenses. The District was notified that we will receive \$_____ pursuant to the American Rescue Plan Federal stimulus, 50% of which is allocated for emergency student grants and 50% for the District.]

On August 28, 2020, the Governor released a revised system of guidelines for reopening entitled Blueprint for a Safer Economy ("Blueprint"). Blueprint assigns each of the State's 58 counties into four color-coded tiers - purple, red, orange and yellow - in descending order of severity, based on the number of new daily cases of COVID-19 and the percentage of positive tests. Counties must remain in a tier for at least three weeks before advancing to the next one. To move forward, a county must meet the next tier's criteria for two consecutive weeks. If a county's case rate and positivity rate fall into different tiers, the county remains in the stricter tier. Community college districts can reopen for limited in-person instruction once their county has been in the red tier (daily new cases of 4-7 per 100,000 people and 5-8% positive tests) for at least two weeks. When they reopen, community college districts must follow the guidance for institutions of higher education (the "Guidelines"), released by the Governor on September 30, 2020. Implementation of the Guidelines as part of a phased reopening will depend on local conditions, including the level of COVID-19 infections and hospitalization rates consistently decreasing over at least 14 days, testing resources of the District and Counties, and preparedness of the County's healthcare system. If there are positive cases of COVID-19 within a community college district, a campus could be partially or fully closed for in-person instruction. While indoor lectures and student gatherings are prohibited at community college districts in counties that are in the purple (widespread) tier, some non-lecture based courses may be permitted on campuses. For classes that are held in person, the guidelines encourage use of outdoor and other non-classroom spaces for instruction. Indoor lectures are permitted in the red tier (limited to 25% capacity or 100 people, whichever is fewer), the orange tier (limited to 50% capacity or 200 people, whichever is fewer) and the yellow tier (limited to 50% capacity). [As of May 24, 2021, the County is currently assigned to the orange tier.]

On November 19, 2020, the California Department of Public Health issued a limited Stay at Home order, effective November 21, 2020 for those counties under the purple tier of the Blueprint for a Safer Economy, requiring that all gatherings with members of other households and all activities conducted outside the residence, lodging, or temporary accommodation with members of other households cease between 10:00 p.m. PST and 5:00 a.m. PST, except for those activities associated with the operation, maintenance, or usage of critical infrastructure or required by law.

On December 3, 2020, the California Department of Public Health announced a Regional Stay at Home Order (the "Regional Stay at Home Order"), and a supplemental order, signed December 6, 2020, which divides the State into five regions (Northern California, Bay Area, Greater Sacramento, San Joaquin Valley, and Southern California), which went into effect at 11:59 PM the day after a region had been announced to have less than 15% intensive care unit availability. The supplemental order clarified retail operations and went into effect immediately. The orders prohibited private gatherings of any size, close sector operations except for critical infrastructure and retail, and required 100% masking and physical distancing in all others. Guidance related to community colleges remains in effect and unchanged. The Regional Stay at Home Order went into effect in the County on December 6, 2020 and was lifted on January 25, 2021, with all counties returning to restrictions according to their respective tiers under the Blueprint.

During certain emergency conditions, state regulations provide that a community college district may be provided an "emergency conditions allowance," calculated to approximate the same general

purpose apportionment that such district would have received in absence of the emergency. Emergency conditions are defined to include epidemics, an order from a city or county board of health or the State Board of Health, or another emergency declared by the State or federal government. Districts are required to demonstrate that the occurrence of the emergency condition prevented the district from maintaining its schools during a fiscal year for a period of 175 days, or caused the district's general purpose apportionment to be materially decreased in that year or in subsequent years. To receive the emergency conditions allowance, a district must demonstrate to the satisfaction of the Chancellor that the district made good faith efforts to avoid material decreases in general purposes apportionments. Community college districts may also seek a waiver of the 175-day requirement. Finally, the Board of Governors of the California Community Colleges (the "Board of Governors"), on March 16, 2020, granted the Chancellor temporary emergency powers to suspend or waive State regulatory requirements and local rules and regulations that present barriers to the continuity of educational services. This temporary grant is in addition to standing emergency powers of the Chancellor to hold community college districts financially harmless in the wake of campus closures.

[As a result of the COVID-19 pandemic, effective March 17, 2020, classes and student services transitioned to being delivered remotely and will continue remotely at least through the spring term of the 2020-21 academic year, except for select classes to train first responders (nurses, firefighters, law enforcement, and emergency medical technicians) and other critical workforce needs identified by the State. These limited course offerings, representing approximately ___% of all courses offered, have been delivered in person with safety protocols in place. The other ___% of course offerings have been converted to online/hybrid delivery or were already structured as online courses prior to COVID-19. The District will continue to evaluate the State's guidance for institutions of higher education and will consult with local health officials and the State's guidance for institutions of higher education in implementing the District's plans for the 2020-21 and 2021-22 academic years. The District's plan for the Fall term of the 2021-22 academic year is to offer 50% in-person instruction and 50% online/hybrid.]

Other potential impacts to the District associated with the COVID-19 outbreak include, but are not limited to, increasing costs and challenges relating to establishing distance learning programs or other measures to permit instruction while District facilities remain closed, disruption of the regional and local economy with corresponding decreases in tax revenues (including property tax revenue, sales tax revenue and other revenues), potential declines in property values, potential increases in property tax delinquencies, and decreases in new home sales and real estate development. The economic consequences and the potential for volatility in the U.S. and global stock markets resulting from the spread of COVID-19, and responses thereto by local, State, and the federal governments, could have a material impact on the investments in the State pension trusts, which could materially increase the unfunded actuarial accrued liability of the STRS Defined Benefit Program and PERS Schools Pool, which, in turn, could result in material changes to the District's required contribution rates in future fiscal years. See "CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT – Retirement Programs" herein.

The COVID-19 outbreak is ongoing, and the ultimate geographic spread of the virus, the duration and severity of the outbreak, and the economic and other of actions that may be taken by governmental authorities to contain the outbreak or to treat its impact are uncertain. The ultimate impact of COVID-19 on the District's operations and finances is unknown. Additional information with respect to events surrounding the outbreak of COVID-19 and responses thereto can be found on State and local government websites, including but not limited to the Governor's office (<http://www.gov.ca.gov>), the California Department of Public Health (<http://covid19.ca.gov/>), the County (<https://covid-19.acgov.org/index.page>) and the Chancellor's Office (<https://www.cccco.edu/About-Us/Chancellors-Office/Divisions/Communications-and-Marketing/Novel-Coronavirus>). *The District has not incorporated by reference the information on such websites, and the District does not assume any responsibility for the accuracy of the information on such websites.*

The ultimate impact of COVID-19 on the District's operations and finances is unknown. There can be no assurances that the spread of COVID-19, or the responses thereto by local, State, or the federal government, will not materially adversely impact the local, state and national economies or the assessed valuation of property within the District, or adversely impact enrollment or FTES within the District and, notwithstanding the Stay Home Order or the Blueprint, materially adversely impact the financial condition or operations of the District. See also "TAX BASE FOR REPAYMENT OF THE BONDS –Assessed Valuations" herein.

Budget Procedures

On or before September 15, the Board of Trustees of a community college district is required under Section 58305 of the California Code of Regulations, Title 5, to adopt a balanced budget. Each September, every State agency, including the Chancellor's Office of the California Community Colleges (the "Chancellor's Office"), submits to the Department of Finance ("DOF") proposals for changes in the State budget. These proposals are submitted in the form of Budget Change Proposals ("BCPs"), involving analyses of needs, proposed solutions and expected outcomes. Thereafter, the DOF makes recommendations to the Governor, and by January 10 a proposed State budget is presented by the Governor to the State Legislature. The Governor's State budget is then analyzed and discussed in committees and hearings begin in the State Assembly and Senate. In May, based on the debate, analysis and changes in the economic forecasts, the Governor issues a revised budget with changes he or she can support. The law requires the State Legislature to submit its approved budget by June 15, and by June 30 the Governor should announce his or her line item reductions and sign the State budget. In response to growing concern for accountability and with enabling legislation (AB 2910, Chapter 1486, Statutes of 1986), the Board of Governors and the Chancellor's Office have established expectations for sound district fiscal management and a process for monitoring and evaluating the financial condition to ensure the financial health of the State's community college districts. In accordance with statutory and regulatory provisions, the Chancellor has been given the responsibility to identify districts at risk and, when necessary, the authority to intervene to bring about improvement in their financial condition. To stabilize a district's financial condition, the Chancellor may, as a last resort, seek an appropriation for an emergency apportionment.

The monitoring and evaluation process is designed to provide early detection and amelioration that will stabilize the financial condition of a district before an emergency apportionment is necessary. This is accomplished by (1) assessing the financial condition of districts through the use of various information sources and (2) taking appropriate and timely follow-up action to bring about improvement in a district's financial condition, as needed. A variety of instruments and sources of information are used to provide a composite of each district's financial condition, including quarterly financial status reports, annual financial and budget reports, attendance reports, annual district audit reports, district input and other financial records. In assessing each district's financial condition, the Chancellor will pay special attention to each district's general fund balance, spending pattern, and full-time equivalent student patterns. Those districts with greater financial difficulty will receive follow-up visits from the Chancellor's Office where financial solutions to the district's problems will be addressed and implemented.

See "CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT – General Fund Budgeting" herein for more information regarding the District's recent budgets.

Minimum Funding Guarantees for California Community College Districts Under Propositions 98 and 111

General. In 1988, State voters approved Proposition 98, an initiative that amended Article XVI of the State Constitution and provided specific procedures to determine a minimum guarantee for annual K-14 funding. The constitutional provision links the K-14 funding formulas to growth factors that are also

used to compute the State appropriations limit. Proposition 111 (Senate Constitutional Amendment 1), adopted in June 1990, among other things, changed some earlier school funding provisions of Proposition 98 relating to the treatment of revenues in excess of the State spending limit and added a third funding “test” to calculate the annual funding guarantee. This third calculation is operative in years in which general fund tax revenue growth is weak. The amendment also specified that under Test 2 (see below), the annual COLA for the minimum guarantee for annual K-14 funding would be the change in the State’s per-capita personal income, which is the same COLA used to make annual adjustments to the State appropriations limit (Article XIII B).

Calculating Minimum Funding Guarantee. There are currently three tests which determine the minimum level of K-14 funding. Under implementing legislation for Proposition 98 (AB 198 and SB 98 of 1989), each segment of public education (K-12 districts, community college districts, and direct elementary and secondary level instructional services provided by the State) has separately calculated amounts under the Proposition 98 tests. The base year for the separate calculations is the 1989-90 fiscal year. Each year, each segment is entitled to the greater of the amounts separately computed for each under Test 1 or 2. Should the calculated amount under Proposition 98 guarantee (K-14 education aggregated) be less than the sum of the separate calculations, then the Proposition 98 guarantee amount shall be prorated to the three segments in proportion to the amount calculated for each. This statutory split has been suspended in every year beginning with 1992-93. In those years, community colleges received less than was required from the statutory split.

Test 1 guarantees that K-14 education will receive at least the same funding share of the State general fund budget it received in 1986-87. Initially, that share was just over 40%. Because of the major shifts of property tax from local government to community colleges and K-12 which began in 1992-93 and increased in 1993-94, the percentage dropped to 33.0%.

Test 2 provides that K-14 education will receive as a minimum, its prior-year total funding (including State general fund and local revenues) adjusted for enrollment growth and per-capita personal income COLA.

Test 3 provides an alternative calculation of the funding base in years in which State per-capita General Fund revenues grow more slowly than per-capita personal income. When this condition exists, K-14 minimum funding is determined based on the prior-year funding level, adjusted for changes in enrollment and COLA where the COLA is measured by the annual increase in per-capita general fund revenues, instead of the higher per-capita personal income factor. The total allocation, however, is increased by an amount equal to one-half of 1% of the prior-year funding level as a funding supplement.

In order to make up for the lower funding level under Test 3, in subsequent years K-14 education receives a maintenance allowance equal to the difference between what should have been provided if the revenue conditions had not been weak and what was actually received under the Test 3 formula. This maintenance allowance is paid in subsequent years when the growth in per-capita State tax revenue outpaces the growth in per-capita personal income.

The enabling legislation to Proposition 111, Chapter 60, Statutes of 1990 (SB 98, Garamendi), further provides that K-14 education shall receive a supplemental appropriation in a Test 3 year if the annual growth rate in non-Proposition 98 per-capita appropriations exceeds the annual growth rate in per-pupil total spending.

Additional Sources of Funding

Tax Offset and Pass-Through Revenues. The District receives tax offset revenue from the Counties as a part of certain redevelopment projects within the Counties (the “Tax Offset Revenues”). The Tax Offset Revenues received are deposited directly into the general fund of the District and offset the State apportionment received by the District. The District also receives pass-through tax increment revenue (the “Pass-Through Revenues”) from the former redevelopment agencies within the District’s boundaries. The Pass-Through Revenues received by the District are deposited into the District’s capital outlay fund, and do not offset the State apportionment received by the District. The amount of Tax Offset Revenues and Pass-Through Revenues received by the District from fiscal years 2015-16 through 2020-21, are shown in table on the following page.

TAX OFFSET AND PASS-THROUGH REVENUES Fiscal Years 2015-16 through 2020-21⁽¹⁾ Chabot-Las Positas Community College District

<u>Fiscal Year</u>	<u>Tax Offset Revenues</u>	<u>Pass-Through Revenues</u>
2015-16	\$1,324,840	\$577,011
2016-17	1,733,518	660,258
2017-18		
2018-19		
2019-20		
2020-21 ⁽¹⁾		

⁽¹⁾ Fiscal year 2020-21 not available. The District’s practice is to not budget for redevelopment revenues in each year.
Source: Chabot-Las Positas Community College District.

The District, however, can make no representations that Tax Offset Revenues and Pass-Through Revenues will continue to be received by the District in amounts consistent with prior years, or as currently projected. See also “—Dissolution of Redevelopment Agencies” herein. The Bonds, however, are not payable from such revenues. The Bonds are payable solely from the proceeds of an *ad valorem* property tax required to be levied by the Counties in an amount sufficient for the payment thereof. See “THE BONDS – Security and Sources of Payment” herein.

Dissolution of Redevelopment Agencies

On December 30, 2011, the State Supreme Court issued its decision in the case of *California Redevelopment Association v. Matosantos* (“*Matosantos*”), finding ABx1 26, a trailer bill to the 2011-12 State budget, to be constitutional. As a result, all Redevelopment Agencies in the State ceased to exist as a matter of law on February 1, 2012. The Court in *Matosantos* also found that ABx1 27, a companion bill to ABx1 26, violated the California Constitution, as amended by Proposition 22. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 1A and Proposition 22” herein. ABx1 27 would have permitted redevelopment agencies to continue operations provided their establishing cities or counties agreed to make specified payments to K-14 school districts and county offices of education, totaling \$1.7 billion statewide.

ABx1 26 was modified by Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12) (“AB 1484”), which, together with ABx1 26, is referred to herein as the “Dissolution Act.” The Dissolution Act provides that all rights, powers, duties and obligations of a redevelopment agency under the California Community Redevelopment Law that have not been repealed, restricted or revised pursuant to ABx1 26 will be vested in a successor agency, generally the county or city that authorized the creation of the redevelopment agency

(each, a “Successor Agency”). All property tax revenues that would have been allocated to a redevelopment agency, less the corresponding county auditor-controller’s cost to administer the allocation of property tax revenues, are now allocated to a corresponding Redevelopment Property Tax Trust Fund (“Trust Fund”), to be used for the payment of pass-through payments to local taxing entities, and thereafter to bonds of the former redevelopment agency and any “enforceable obligations” of the Successor Agency, as well as to pay certain administrative costs. The Dissolution Act defines “enforceable obligations” to include bonds, loans, legally required payments, judgments or settlements, legal binding and enforceable obligations, and certain other obligations.

Among the various types of enforceable obligations, the first priority for payment is tax allocation bonds issued by the former redevelopment agency; second is revenue bonds, which may have been issued by the host city, but only where the tax increment revenues were pledged for repayment and only where other pledged revenues are insufficient to make scheduled debt service payments; third is administrative costs of the Successor Agency, equal to at least \$250,000 in any year, unless the oversight board reduces such amount for any fiscal year or a lesser amount is agreed to by the Successor Agency; then, fourth tax revenues in the Trust Fund in excess of such amounts, if any, will be allocated as residual distributions to local taxing entities in the same proportions as other tax revenues. Moreover, all unencumbered cash and other assets of former redevelopment agencies will also be allocated to local taxing entities in the same proportions as tax revenues. Notwithstanding the foregoing portion of this paragraph, the order of payment is subject to modification in the event a Successor Agency timely reports to the Controller and the Department of Finance that application of the foregoing will leave the Successor Agency with amounts insufficient to make scheduled payments on enforceable obligations. If the county auditor-controller verifies that the Successor Agency will have insufficient amounts to make scheduled payments on enforceable obligations, it shall report its findings to the Controller. If the Controller agrees there are insufficient funds to pay scheduled payments on enforceable obligations, the amount of such deficiency shall be deducted from the amount remaining to be distributed to taxing agencies, as described as the fourth distribution above, then from amounts available to the Successor Agency to defray administrative costs. In addition, if a taxing agency entered into an agreement pursuant to Health and Safety Code Section 33401 for payments from a redevelopment agency under which the payments were to be subordinated to certain obligations of the redevelopment agency, such subordination provisions shall continue to be given effect.

As noted above, the Dissolution Act expressly provides for continuation of pass-through payments to local taxing entities. Per statute, 100% of contractual and statutory two percent pass-throughs, and 56.7% of statutory pass-throughs authorized under the Community Redevelopment Law Reform Act of 1993 (AB 1290, Chapter 942, Statutes of 1993) (“AB 1290”), are restricted to educational facilities without offset against revenue limit apportionments by the State. Only 43.3% of AB 1290 pass-throughs are offset against State aid so long as the affected local taxing entity uses the moneys received for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance as provided under Education Code Section 42238(h).

ABx1 26 states that in the future, pass-throughs shall be made in the amount “which would have been received . . . had the redevelopment agency existed at that time,” and that the county auditor-controller shall “determine the amount of property taxes that would have been allocated to each redevelopment agency had the redevelopment agency not been dissolved pursuant to the operation of [ABx1 26] using current assessed values . . . and pursuant to statutory formulas and contractual agreements with other taxing agencies.”

Successor Agencies continue to operate until all enforceable obligations have been satisfied and all remaining assets of the Successor Agency have been disposed of. AB 1484 provides that once the debt of the Successor Agency is paid off and remaining assets have been disposed of, the Successor Agency shall terminate its existence and all pass-through payment obligations shall cease.

The District can make no representations as to the extent to which its base apportionments from the State may be offset by the future receipt of residual distributions or from unencumbered cash and assets of former redevelopment agencies or any other surplus property tax revenues pursuant to the Dissolution Act.

State Assistance

State community college districts' principal funding formulas and revenue sources are derived from the State budget. The following information concerning the State's budgets has been obtained from publicly available information which the District believes to be reliable; however, neither the District, nor the Underwriters guarantee the accuracy or completeness of this information and neither the District, nor the Underwriters have independently verified such information. Furthermore, it should not be inferred from the inclusion of this information herein that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable solely from the proceeds of an ad valorem property tax required to be levied by the Counties in an amount sufficient for the payment thereof.

2020-21 State Budget. On June 29, 2020, the Governor signed into law the State budget for fiscal year 2020-21 (the "2020-21 Budget"). The following information is drawn from the DOF's and LAO's summaries of the 2020-21 Budget.

As with the Governor's May revision (the "May Revision") to the proposed State budget, the 2020-21 Budget acknowledged that the rapid onset of COVID-19 had an immediate and severe impact on the State's economy. The ensuing recession caused significant job losses, precipitous drops in family and business income, and exacerbated inequality. The 2020-21 Budget included a number of measures intended to address a projected deficit of \$54.3 billion identified by the May Revision, and occasioned principally by declines in the State's three main tax revenues (personal income, sales and use, and corporate). The measures included in the 2020-21 Budget, and described below, were intended to close this deficit and set aside \$2.6 billion in the State's traditional general fund reserve, including \$716 million for the State to respond to the changing conditions of the COVID-19 pandemic:

- *Draw Down of Reserves* – The 2020-21 Budget drew down \$8.8 billion in total State reserves, including \$7.8 billion from the BSA, \$450 million from the Safety Net Reserve and all funds in the PSSSA.
- *Triggers* – The 2020-21 Budget included \$11.1 billion in reductions and deferrals that would have been restored if at least \$14 billion in federal funds were received by October 15, 2020. If the State had received less than this amount, reductions and deferrals were to be partially restored. The triggers included \$6.6 billion in deferred spending on education, \$970 million in funding for the California State University and University of California systems, \$2.8 billion in State employee compensation and \$150 million for courts, as well as funding for various other State programs. The triggers would also have funded an additional \$250 million for county programs to backfill revenue losses. Such federal funds, however, were not received by the October 15 date identified in the 2020-21 Budget. The District can make no representation as to whether such federal funds will be received or in what amount. See "— Future Actions and Events" herein.
- *Federal Funds* – The 2020-21 Budget relied on \$10.1 billion in federal funds allocated to the State, including \$8.1 billion of which had already been received as of the passage of the 2020-21 Budget. This relief included a temporary increase in the federal government's share of Medicaid costs, a portion of the State's Coronavirus Relief Fund allocation pursuant to the CARES Act and federal funds provided for childcare programs.

- *Borrowing/Transfers/Deferrals* – The 2020-21 Budget relied on \$9.3 billion in special fund borrowing and transfers, as well as deferrals to K-14 education discussed further herein. Approximately \$900 million of special fund borrowing was associated with reductions to State employee compensation and was to be subject to the triggers discussed above.
- *Increased Revenues* – The 2020-21 Budget temporarily suspended for three years net operating loss tax deductions for medium and large businesses and limited business tax credits, with an estimated increase in tax revenues of \$4.3 billion in fiscal year 2020-21.
- *Cancelled Expansions, Updated Assumptions and Other Measures* – The 2020-21 Budget included an additional \$10.6 billion of measures, including cancelling multiple programmatic expansions, anticipated governmental efficiencies, higher ongoing revenues above the forecast included in the May Revision, and lower health and human services caseload costs than assumed by the May Revision.

For fiscal year 2019-20, the 2020-21 Budget projected total general fund revenues and transfers of \$137.6 billion and authorized expenditures of \$146.9 billion. The State was projected to end the 2019-20 fiscal year with total available general fund reserves of \$17 billion, including \$16.1 billion in the BSA and \$900 million in the Safety Net Reserve Fund. For fiscal year 2020-21, the 2020-21 Budget projected total general fund revenues and transfers of \$137.7 billion and authorized expenditures of \$133.9 billion. The State was projected to end the 2020-21 fiscal year with total available general fund reserves of \$11.4 billion, including \$2.6 billion in the traditional general fund reserve (of which \$716 million is earmarked for COVID-related responses), \$8.3 billion in the BSA and \$450 million in the Safety Net Reserve Fund.

As a result of the projected reduction of State revenues occasioned by the COVID-19 pandemic, the 2020-21 Budget estimated that the Proposition 98 minimum funding guarantee for fiscal year 2020-21 would be \$70.1 billion, approximately \$10 billion below the revised prior-year funding level.

The 2020-21 Budget proposed several measures intended to ameliorate the immediate impact of State revenue declines, and avoid a permanent decline in education funding:

- *Apportionment Deferrals* – The 2020-21 Budget provided for \$330.1 million in SCFF apportionment deferrals for fiscal year 2019-20. The deferrals increased to \$662.1 million in fiscal year 2020-21. A portion of these deferrals to be triggered off in fiscal year 2020-21 if sufficient federal funding for this purpose was received. Such federal funds, however, were not received by the October 15 date identified in the 2020-21 Budget. The District can make no representation as to whether such federal funds will be received or in what amount. See “— Future Actions and Events” herein. The 2020-21 Budget also provided a hardship exemption from the deferrals for districts that would be unable to meet their financial obligations.
- *Supplemental Appropriations* – The 2020-21 Budget provided for a new, multi-year payment obligation to supplement K-14 education funding. The total obligation would equal approximately \$12.4 billion, and reflected the administration’s estimate of the additional funding K-14 school districts would have received in the absence of COVID-19-related reductions. Under this proposal the State will make annual payments toward this obligation beginning in fiscal year 2021-22. These payments would equal 1.5% of State general fund revenue. The 2020-21 Budget also increased the share of State general fund revenue required to be spent on K-14 school districts from 38% to 40% by fiscal year 2023-24.
- *CalSTRS/CalPERS* – The 2020-21 Budget redirected \$2.3 billion in funds previously appropriated for prefunding CalSTRS and CalPERS liabilities, and instead applied them to

further reduce local educational agency contribution rates for such programs in fiscal years 2020-21 and 2021-22. This reduced CalSTRS employer rates to 16.15% in fiscal year 2020-21 and 16.02% in fiscal year 2021-22. CalPERS employer rates would be reduced to 20.7% in fiscal year 2020-21 and 22.84% in fiscal year 2021-22. See also “CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT – Retirement Programs” herein.

- *Temporary Revenue Increases* – As discussed above, as part of closing the State’s projected deficit, the 2020-21 Budget provided for a temporary revenue increase of approximately \$4.3 billion in fiscal year 2020-21, of which approximately \$1.6 billion counted towards the Proposition 98 funding guarantee.

Other significant features of community college funding in the 2020-21 Budget include the following:

- *Student Centered Funding Formula* – The 2020-21 Budget suspended the COLA for community college apportionments under the SCFF, and did not provide any funding for enrollment growth. The 2020-21 Budget extended the hold-harmless provisions of the SCFF for an additional two years, and authorized the use of past-year data sources that have not been impacted by the COVID-19 pandemic for purposes of calculating SCFF apportionments in 2020-21.
- *COVID-19 Response Block Grant* – A one-time increase of approximately \$120 million (comprised of \$54 million in CARES Act funds and \$66 million in Proposition 98 funding) for a block grant to support student learning and mitigate learning loss related to the COVID-19 pandemic.
- *Immigrant Resources* – An increase of \$5.8 million in Proposition 98 funding for resource liaisons and student support services for immigrant students, including undocumented students. The 2020-21 Budget also provided \$10 million in ongoing Proposition 98 funding for legal services to immigrant students, faculty and staff.
- *Proposition 51* – The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (also known as Proposition 51) is a voter initiative approved at the November 8, 2016 election that authorizes the sale and issuance of \$9 billion in State general obligation bonds for the new construction and modernization of K-14 facilities. The Proposed 2020-21 Budget allocated \$223.1 million of such bond funds for community college facility projects.

For additional information regarding the 2020-21 Budget, see the DOF website at www.dof.ca.gov and the LAO website at www.lao.ca.gov. However, the information presented on such websites is not incorporated herein by reference.

Proposed Fiscal Year 2021-22 Budget. On January 8, 2021, the Governor released his proposed State budget for fiscal year 2021-22 (the “Proposed 2021-22 Budget”). The information below is drawn from the DOF summary of the Proposed 2021-22 Budget.

The Proposed 2021-22 Budget indicates that, since the adoption of the 2020-21 Budget, the administration’s economic forecast and revenue projections have significantly improved, driven in large part by a rebound in the stock market and an attendant growth in capital gains tax revenues. However, the Proposed 2021-22 Budget acknowledges that the risks to the revenue forecast remain higher than usual, and economic inequality has intensified since the beginning of the COVID-19 pandemic. The Proposed 2021-22 Budget acknowledges that the State is currently in the midst of a second and more serious wave

of COVID-19 infections, but that federally-approved COVID-19 vaccines are arriving to assist the recovery from the pandemic.

The Proposed 2021-22 Budget indicates that the revenue forecast was finalized prior to the passage of the most recent federal stimulus bill. See “FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Considerations Regarding COVID-19” herein. Of the almost \$900 billion in federal funding that was approved, the Proposed 2021-22 Budget identifies approximately \$106 billion allocable to the State, including \$42.4 billion in direct assistance to individuals and families (including \$38.3 billion in unemployment benefits and direct payments), \$2.2 billion for COVID-19 testing, tracing and vaccine distribution, \$700 million for health and mental health services, \$50.1 billion in business and transportation support, and \$10.1 billion for education. The Governor’s May revision to the Proposed 2021-22 Budget will include a revised revenue forecast that will reflect this federal assistance. The Proposed 2021-22 Budget also acknowledges that further federal relief will be critical to assisting individuals and businesses survive and recover from the pandemic.

For fiscal year 2020-21, the Proposed 2021-22 Budget projects total general fund revenues and transfers of \$168.1 billion and expenditures of \$156 billion. The State is projected to end the 2020-21 fiscal year with total available general fund reserves of approximately \$22.7 billion, including \$9 billion in the traditional State reserve, \$12.5 billion in the BSA, \$747 million in the PSSSA and \$450 million in the Safety Net Reserve Fund. For fiscal year 2021-22, the Proposed 2021-22 Budget projects total general fund revenues and transfers of \$170.6 billion and authorizes expenditures of \$164.5 billion. The State is projected to end the 2021-22 fiscal year with total available general fund reserves of approximately \$22 billion, including \$2.9 billion in the traditional general fund reserve, \$15.6 billion in the BSA, \$3 billion in the PSSSA and \$450 million in the Safety Net Reserve Fund.

In recognition of the need to address the various impacts of the COVID-19 pandemic, the Proposed 2021-22 Budget includes a package of measures intended to be implemented through legislative action earlier than the traditional State budget timeline. For immediate action in January, this package includes \$3 billion in direct support for small businesses and low income earners (the latter principally through a income tax refund) and \$2 billion to support the re-opening of K-12 schools (as further described herein). For early action in the spring, the package includes \$4.6 billion in instructional support for K-14 school districts, \$973 million in jobs and workforce training, \$561 million in environmental sustainability measures and \$262 million in housing and homelessness-related measures.

As a result of the expected increases in State general fund revenues, the Proposed 2021-22 Budget sets the Proposition 98 minimum funding guarantee for fiscal year 2021-22 at \$85.8 billion, including \$60.8 billion from the State general fund. This represents a year-to-year increase of \$14.9 billion (or 21%) over the level included in the 2020-21 Budget. The Proposed 2021-22 Budget also makes retroactive increases to the minimum funding guarantee in fiscal years 2019-20 and 2020-21 of \$1.9 billion and \$11.9 billion, respectively, due almost exclusively to increases in allocable general fund revenues in those years. With respect to community college districts, the Proposed 2021-22 Budget sets the minimum guarantee at \$10 billion, and provides total funding from all sources in fiscal year 2021-22 of \$16.2 billion, representing an increase of \$8.6 million (or 0.1%) from the prior year’s level.

Other significant features of community college funding include the following:

- *General Apportionments* – \$111.1 million in ongoing Proposition 98 funding to provide a 1.5% COLA for general apportionments, as well as \$23.1 million in ongoing Proposition 98 funding for a 0.5% growth in enrollment. The Proposed 2021-22 Budget also provides an increase of \$52.7 million in one-time Proposition 98 funding to increase current fiscal year funding apportionments.

- *Deferrals* – The 2020-21 Budget deferred approximately \$12.5 billion in payments to K-14 school districts. The Proposed 2021-22 Budget would pay down \$8.4 billion of this amount, with districts receiving the associated cash in fiscal year 2021-22. Approximately \$4 billion would remain deferred from fiscal year 2021-22 to fiscal year 2022-23.
- *Supplemental Payment* – The 2020-21 Budget provided for a new, multi-year payment obligation to avoid a permanent decline in K-14 education funding as a result of then-projected reductions in available revenues. The Proposed 2021-22 Budget would eliminate this supplemental payment obligation in its entirety, but would fund a one-time payment of \$2.3 billion in fiscal year 2021-22.
- *Student Support* – The Proposed 2021-22 Budget provides a series of measures to alleviate student financial hardship and improve access to online education, including (i) \$150 million in one-time Proposition 98 funding for emergency financial assistance, (ii) \$100 million in one-time Proposition 98 funding to address food and housing insecurity, (iii) \$30 million in ongoing Proposition 98 funding to support the acquisition of electronic devices and high-speed internet connectivity, (iv) \$20 million in one-time Proposition 98 funding for culturally competent online professional development, and (v) \$10.6 million in ongoing Proposition 98 funding to support continuity of education and quality distance learning.
- *Adult Education* – An increase of \$8.1 million in ongoing Proposition 98 funding to reflect a 1.5% COLA for adult education programs. The Proposed 2021-22 Budget also provides an increase of \$1 million in ongoing Proposition 98 funding to support technical assistance for adult education programs.
- *Proposition 51* – The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (also known as Proposition 51) is a voter initiative approved at the November 8, 2016 election that authorizes the sale and issuance of \$9 billion in State general obligation bonds for the new construction and modernization of K-14 facilities. The Proposed 2020-21 Budget allocates \$709 million of such bond funds for community college facility projects.

For additional information regarding the Proposed 2021-22 Budget, see the DOF website at www.dof.ca.gov and the LAO website at www.lao.ca.gov. However, the information presented on such websites is not incorporated herein by reference.

May Revision. On May 14, 2021, the Governor released his May revision (the “May Revision”) to the Proposed 2021-22 Budget. The following information is drawn from the DOF’s summary of the May Revision.

The May Revision reflects a significantly improved fiscal outlook since the beginning of the COVID-19 pandemic. As compared to the \$54 billion deficit projected in the 2020-21 State Budget, the May Revision projects a total budgetary surplus of approximately \$75.7 billion. This figure includes funds available for certain constitutionally-required spending on K-14 school districts, reserves and debt payments. Revenue projections are also significantly improved from the levels included in the Proposed 2021-22 Budget, primarily due to strong State cash trends, the passage of two major federal relief bills and continued improvement in the stock market. The State is also expected to receive an additional \$27 billion in COVID-19 relief funds from the American Rescue Plan (as defined herein). See “FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Considerations Regarding COVID-19” herein. This brings the total amount of federal stimulus funds for State programs to over \$275 billion.

For fiscal year 2020-21, the May Revision projects total general fund revenues and transfers of \$187 billion and expenditures of \$165.2 billion. The State is projected to end the 2020-21 fiscal year with total available general fund reserves of approximately \$39.3 billion, including \$24.3 billion in the traditional State reserve, \$12.5 billion in the BSA, \$2 billion in the PSSSA and \$450 million in the Safety Net Reserve Fund. For fiscal year 2021-22, the May Revision projects total general fund revenues and transfers of \$176 billion and authorizes expenditures of \$196.8 billion. The State is projected to end the 2021-22 fiscal year with total available general fund reserves of approximately \$24.4 billion, including \$3.4 billion in the traditional general fund reserve, \$15.9 billion in the BSA, \$4.6 billion in the PSSSA and \$450 million in the Safety Net Reserve Fund.

The May Revision sets the Proposition 98 minimum funding guarantee for fiscal year 2021-22 at \$93.7 billion. The Proposed 2021-22 Budget also makes retroactive increases to the minimum funding guarantee in fiscal years 2019-20 and 2020-21, due almost exclusively to increases in allocable general fund revenues in those years. Over the three-year period, the minimum funding guarantee has increased \$17.7 billion over the amount projected by the 2020-21 Budget.

Additionally, excess revenues above the State appropriations limit in fiscal year 2020-21 and 2021-22 create a Constitutional obligation for the State to make a one-time payment to K-14 school districts in addition to the Proposition 98 minimum funding guarantee, and allocated based on K-12 average daily attendance and community college FTES. While this payment amount will not be finalized until the State's 2023-24 budget, the Administration currently anticipates that it will total approximately \$8.1 billion, and will be provided to K-14 school districts in the 2022-23 fiscal year.

Other significant features of community college funding include the following:

- *General Apportionments* – An increase of \$185.4 million in ongoing Proposition 98 funding to provide a collective COLA to general apportionments of 4.05%, covering fiscal years 2020-21 and 2021-22.
- *Deferrals* – The 2020-21 Budget deferred approximately \$12.5 billion in payments to K-14 school districts. The Proposed 2021-22 Budget proposed paying down \$8.4 billion of this amount, with districts receiving the associated cash in fiscal year 2021-22. The May Revision provides an increase of \$326.5 million in one-time Proposition 98 funding to fully retire community college district deferrals.
- *Supplemental Payment* – The 2020-21 Budget provided for a new, multi-year payment obligation to avoid a permanent decline in K-14 education funding as a result of then-projected reductions in available revenues. The Proposed 2021-22 Budget would have eliminated this supplemental payment obligation in its entirety, but proposed a one-time payment of \$2.3 billion in fiscal year 2021-22. As a result of revised increases in the minimum funding guarantee, the May Revision would also eliminate the one-time payment.
- *Zero Textbook Degrees* – \$100 million in one-time Proposition 98 funding for the development and implementation of zero-textbook-cost degrees and open educational resources.
- *Guided Pathways* – An increase of \$150 million in one-time Proposition 98 funding to support efforts to implement Guided Pathways programs, which are highly tailored and streamlines academic pathways intended to rapidly and equitably advance students seeking associate degrees and college transfers.

- *Student Retention and Enrollment* – An increase of \$100 million in one-time Proposition 98 funding to support efforts to bolster community college student retention rates and enrollment.
- *Student Support* – An increase of \$30 million in ongoing Proposition 98 funding to establish basic needs centers and hire basic needs coordinators. The May Revision also provides an increase of \$5.8 million in ongoing Proposition 98 funding to further support Dreamer Resource Liaisons and student support services for immigrant students, including undocumented students.
- *English as a Second Language* – An increase of \$50 million in ongoing Proposition 98 funding to expand vocational training opportunity and English as a Second Language (ESL) programs for community college students. The Administration expects that these programs will be linked to pathways enabling ESL students to subsequently enroll in for-credit certificate, credential, or degree programs.
- *Workforce Training* – The May Revision includes a number of workforce-focused measures, including (i) an increase of \$20 million in one-time Proposition 98 funding to support participation by community college districts in regional partnerships developed by the California Workforce Development Board, (ii) an increase of \$12.4 million in ongoing Proposition 98 funding for the California Community College Strong Workforce Program, (iii) an increase of \$10 million in one-time Proposition 98 funding to develop work-based learning opportunities in cloud computing and zero emissions and supply chain fields, and (iv) an increase of \$10 million in one-time Proposition 98 funding to pilot implementation of competency-based education at selected community college districts.
- *Deferred Maintenance* – An increase of \$314.1 million in one-time Proposition 98 funding and \$250 million in one-time American Rescue Plan funding to address deferred maintenance.
- *COVID-19 Block Grant* – An increase of \$50 million in one-time Proposition 98 funding to support grants to assist community college districts with responding to the COVID-19 pandemic and to transition back towards in-person instruction.

For additional information regarding the May Revision, see the DOF website at www.dof.ca.gov. However, the information presented on such website is not incorporated herein by reference.

Future Actions and Events. The District cannot predict what additional actions will be taken in the future by the State legislature and the Governor to address changing State revenues and expenditures. The District also cannot predict the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the District will have no control. Certain actions or results could produce a significant shortfall of revenue and cash, and could consequently impair the State’s ability to fund schools. The COVID-19 pandemic has already resulted in significant negative economic effects at State and federal levels, and additional negative economic effects are possible, each of which could negatively impact anticipated State revenue levels. In addition, the pandemic could also result in higher State expenditures, of both a direct nature (such as those related to managing the outbreak) and an indirect nature (such as higher public usage of need-based programs resulting from unemployment or disability). See “FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Considerations Regarding COVID-19” herein. The District also cannot predict whether the federal government will provide additional funding in amounts sufficient to offset any of the fiscal impacts of the COVID-19 pandemic described above. State budget shortfalls in future fiscal years may also have an adverse financial impact on the financial condition of the District. However, the obligation to levy *ad*

valorem property taxes upon all taxable property within the District for the payment of principal of and interest on the Bonds would not be impaired.

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

The information in this section concerning the operations of the District and the District’s finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable solely from the proceeds of an ad valorem property tax levied by the Counties for the payment thereof. See “THE BONDS – Security and Sources of Payment” herein.

Introduction

The Chabot-Las Positas Community College District (the “District”) was founded in 1961 and serves San Francisco Bay Area communities in southern Alameda County (the “County”) and a small portion of Contra Costa County (together with the County, the “Counties”). The District operates two colleges: Chabot College in Hayward and Las Positas College in Livermore (collectively, the “Colleges”). Each of the Colleges is fully accredited by the Accrediting Commission for Community and Junior Colleges (the “ACCJC”) of the Western Association of Schools and Colleges. The Colleges specialize in university transfer, technical training, continuing education, basic skills, workforce development, contract education with local businesses and cultural enrichment. The District encompasses approximately 560 square miles, serves approximately 31,000 students and employs more than 1,300 administrators, faculty and classified staff. Taxable property within the District has an assessed valuation of \$140,507,536,768 for fiscal year 2020-21. As a result of the ongoing COVID-19 (as defined herein), the Colleges have largely transitioned to distance learning. See “FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Considerations Regarding COVID-19” herein.

For fiscal year 2020-21, the District has a projected full time equivalent student count (“FTES”) of [32,991] students. However, the District’s actual FTES count and the future assessed valuation of taxable property may be affected by the ongoing COVID-19 outbreak. See “FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Considerations Regarding COVID-19” herein.

Administration

The District is governed by a seven-member Board. The trustees serve four-year terms, and elections for positions to the Board are held every two years within the appropriate trustee areas, alternating between three and four available positions.

Current members of the Board, together with their office, trustee area, the date their term expires, are listed below:

<u>Board Member</u>	<u>Office</u>	<u>Trustee Area</u>	<u>Term Expires</u>
Ms. Genevieve Randolph	President	3	December 2022
Mr. Edralin J. Maduli	Past Board President	7	December 2024
Ms. Linda Granger	Secretary	2	December 2022
Dr. Luis Reynoso	Member	1	December 2024
Ms. Maria L. Heredia	Member	4	December 2022
Mr. Tim Sbranti	Member	5	December 2024
Dr. Hal G. Gin	Member	6	December 2022

The Chancellor of the District is appointed by the Board and reports to the Board. The Chancellor is responsible for management of the District's day-to-day operations and supervises the work of other key administrators. Brief biographies of the Chancellor and the Vice Chancellor of Business Services follow:

Ronald P. Gerhard, Chancellor. Mr. Gerhard was appointed as Chancellor on April 21, 2020. Previously, Mr. Gerhard served the District as Interim Chancellor and Vice Chancellor of Business Services. Prior to joining the District, Mr. Gerhard served as Vice Chancellor of Finance and Administration at both San Francisco Community College District and Peralta Community College District, Chief Business Officer at Compton Community College District and held various positions at San Bernardino Community College District. Mr. Gerhard earned a Master of Business Administration in finance and accounting from the University of California, Riverside and a Bachelor of Arts in accounting from University of Redlands.

Jonah Nicholas, Vice Chancellor of Business Services. Mr. Nicholas was appointed Vice Chancellor of Business Services on October 20, 2020. Prior to joining the District, Mr. Nicholas served as Associate Vice Chancellor/Chief Financial Officer of Contra Costa Community College District and the Director of Fiscal Services at Wenatchee Valley College. Mr. Nicholas earned a Master of Business Administration in business administration and management from Washington State University and a Bachelor's degree in economics from Central Washington University.

Labor Relations

The District employs 320 full-time faculty, 500 part-time faculty, 390 classified, 50 confidential and supervisory employees, and 80 management employees. District employees, except management, confidential, supervisory and some part-time employees, are represented by two bargaining units as noted below:

**CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT
Labor Relations**

<u>Labor Organization</u>	<u>Number of Employees In Organization</u>	<u>Contract Expiration Date</u>
Chabot-Las Positas Faculty Association	820	June 30, 2022
Service Employees International Union – Local 1021	390	June 30, 2022

Source: Chabot-Las Positas Community College District.

Retirement Programs

The information set forth below regarding the STRS and PERS programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not to be construed as a representation by either the District or the Underwriters.

STRS. All full-time certificated employees, as well as certain classified employees, are members of the California State Teachers’ Retirement System (“STRS”). STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program (the “STRS Defined Benefit Program”). The STRS Defined Benefit Program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended from time to time.

Prior to fiscal year 2014-15, and unlike typical defined benefit programs, none of the employee, employer nor State contribution rates to the STRS Defined Benefit Program varied annually to make up funding shortfalls or assess credits for actuarial surpluses. In recent years, the combined employer, employee and State contributions to the STRS Defined Benefit Program have not been sufficient to pay actuarially required amounts. As a result, and due to significant investment losses, the unfunded actuarial liability of the STRS Defined Benefit Program has increased significantly in recent fiscal years. In September 2013, STRS projected that the STRS Defined Benefit Program would be depleted in 31 years assuming existing contribution rates continued, and other significant actuarial assumptions were realized. In an effort to reduce the unfunded actuarial liability of the STRS Defined Benefit Program, the State passed the legislation described below to increase contribution rates.

Prior to July 1, 2014, K-14 school districts were required by such statutes to contribute 8.25% of eligible salary expenditures, while participants contributed 8% of their respective salaries. On June 24, 2014, the Governor signed AB 1469 (“AB 1469”) into law as a part of the State’s fiscal year 2014-15 budget. AB 1469 seeks to fully fund the unfunded actuarial obligation with respect to service credited to members of the STRS Defined Benefit Program before July 1, 2014 (the “2014 Liability”), within 32 years, by increasing member, K-14 school district and State contributions to STRS. Commencing July 1, 2014, the employee contribution rate increased over a three-year phase-in period in accordance with the following schedule:

**MEMBER CONTRIBUTION RATES
STRS (Defined Benefit Program)**

<u>Effective Date</u>	<u>STRS Members Hired Prior to January 1, 2013</u>	<u>STRS Members Hired After January 1, 2013</u>
July 1, 2014	8.150%	8.150%
July 1, 2015	9.200	8.560
July 1, 2016	10.250	9.205

Source: AB 1469.

Pursuant to the Reform Act (defined below), the contribution rates for members hired after the Implementation Date (defined below) will be adjusted if the normal cost increases by more than 1% since the last time the member contribution was set. The contribution rate for employees hired after the Implementation Date (defined below) increased from 9.205% of creditable compensation for fiscal year commencing July 1, 2017 to 10.205% of creditable compensation effective July 1, 2018. For fiscal year commencing July 1, 2019, the contribution rate was 10.250% for employees hired before the Implementation Date and 10.205% for employees hired after the Implementation Date. For fiscal year commencing July 1, 2020, the contribution rate will be 10.250% for employees hired before the Implementation Date and 10.205% employees hired after the Implementation Date.

Pursuant to AB 1469, K-14 school districts' contribution rate increased over a seven-year phase-in period in accordance with the following schedule:

**K-14 SCHOOL DISTRICT CONTRIBUTION RATES
STRS (Defined Benefit Program)**

<u>Effective Date</u>	<u>K-14 school districts</u>
July 1, 2014	8.88%
July 1, 2015	10.73
July 1, 2016	12.58
July 1, 2017	14.43
July 1, 2018	16.28
July 1, 2019	18.13
July 1, 2020	19.10

Source: AB 1469.

Based upon the recommendation from its actuary, for fiscal year 2021-22 and each fiscal year thereafter the STRS Teachers' Retirement Board (the "STRS Board"), is required to increase or decrease the K-14 school districts' contribution rate to reflect the contribution required to eliminate the remaining 2014 Liability by June 30, 2046; provided that the rate cannot change in any fiscal year by more than 1% of creditable compensation upon which members' contributions to the STRS Defined Benefit Program are based; and provided further that such contribution rate cannot exceed a maximum of 20.25%. In addition to the increased contribution rates discussed above, AB 1469 also requires the STRS Board to report to the State Legislature every five years (commencing with a report due on or before July 1, 2019) on the fiscal health of the STRS Defined Benefit Program and the unfunded actuarial obligation with respect to service credited to members of that program before July 1, 2014. The reports are also required to identify adjustments required in contribution rates for K-14 school districts and the State in order to eliminate the 2014 Liability.

On June 27, 2019, the Governor signed SB 90 (“SB 90”) into law as a part of the 2019-20 Budget. Pursuant to SB 90, the State Legislature appropriated \$2.246 billion to be transferred to the Teacher’s Retirement Fund for the STRS Defined Benefit Program to pay in advance, on behalf of employers, part of the contributions required for fiscal years 2019-20 and 2020-21, resulting in K-14 school districts having to contribute 1.03% less in fiscal year 2019-20 and 0.70% less in fiscal year 2020-21, resulting in employer contribution rates of 17.1% in fiscal year 2019-20 and 18.4% in fiscal year 2020-21. In addition, the State made a contribution of \$1.117 billion to be allocated to reduce the employer’s share of the unfunded actuarial obligation determined by the STRS Board upon recommendation from its actuary. This additional payment will be reflected in the June 30, 2020 actuarial valuation. Subsequently, the State’s 2020-21 Budget redirected \$2.3 billion previously appropriated to STRS and PERS pursuant to SB 90 for long-term unfunded liabilities to further reduce the employer contribution rates in fiscal year 2020-21 and 2021-22. As a result, the effective employer contribution rate is 16.15% in fiscal year 2020-21 and is projected to be 15.92% in fiscal year 2021-22. See also “FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Considerations Regarding COVID-19” herein.

The District’s contributions to STRS were \$4,124,466 in fiscal year 2015-16, \$5,486,952 in fiscal year 2016-17, \$6,874,668 for fiscal year 2017-18, \$7,402,589 in fiscal year 2018-19, and \$8,252,295 in fiscal year 2019-20. The District has currently projects \$7,350,200 for its contribution to STRS for fiscal year 2020-21.

The State also contributes to STRS, currently in an amount equal to 8.328% for fiscal year 2020-21. The State’s contribution reflects a base contribution rate of 2.017%, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the STRS Board is required, with certain limitations, to increase or decrease the State’s contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990. The STRS Board approved State supplemental contribution rate for fiscal year 2020-21 reflects an increase of 0.5% of payroll, the maximum allowed under current law.

In addition, the State is currently required to make an annual general fund contribution up to 2.5% of the fiscal year covered STRS member payroll to the Supplemental Benefit Protection Account (the “SBPA”), which was established by statute to provide supplemental payments to beneficiaries whose purchasing power has fallen below 85% of the purchasing power of their initial allowance.

PERS. Classified employees working four or more hours per day are members of the California Public Employees’ Retirement System (“PERS”). PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the State statutes, as legislatively amended from time to time. PERS operates a number of retirement plans including the Public Employees Retirement Fund (“PERF”). PERF is a multiple-employer defined benefit retirement plan. In addition to the State, employer participants at June 30, 2019 included 1,612 public agencies and 1,319 K-14 school districts and charter schools. PERS acts as the common investment and administrative agent for the member agencies. The State and K-14 school districts (for “classified employees,” which generally consist of school employees other than teachers) are required by law to participate in PERF. Employees participating in PERF generally become fully vested in their retirement benefits earned to date after five years of credited service. One of the plans operated by PERS is for K-14 school districts throughout the State (the “Schools Pool”).

Contributions by employers to the Schools Pool are based upon an actuarial rate determined annually and contributions by plan members vary based upon their date of hire. Pursuant to SB 90, the State Legislature appropriated \$904 million to the Schools Pool, including transfers in fiscal years 2019-20 and 2020-21 to the Public Employees Retirement Fund to pay, in advance on behalf of K-14 school district

employers, part of the contributions required for K-14 school district employers for such fiscal years, as well as additional amounts to be applied toward certain unfunded liabilities for K-14 school district employers. In June 2020, SB 90 was amended by Assembly Bill/Senate Bill 111 (“AB 84”). Under AB 84, \$144 million of the State contribution under SB 90 was deemed to satisfy a portion of the State’s required contribution in fiscal year 2019-20, and the amounts previously allocated toward future liabilities were redirected such that, \$430 million will satisfy a portion of the employer contribution rate in fiscal year 2020-21, and \$330 million will satisfy a portion of the employer contribution rate in fiscal year 2021-22. As a result of the payments made by the State pursuant to SB 90, as amended by AB 84, the employer contribution rate was 19.721% for fiscal year 2019-20, 20.7% in fiscal year 2020-21, and will be 22.91% in fiscal year 2021-22. See also “FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – State Assistance” herein. Participants enrolled in PERS prior to January 1, 2013 contribute at a rate established by statute, which is 7% of their respective salaries in fiscal year 2020-21 and will be 7% of such salaries in fiscal year 2021-22, while participants enrolled after January 1, 2013 contribute at an actuarially determined rate, which is 7% in fiscal year 2020-21 and will be 7% in fiscal year 2021-22. See “—California Public Employees’ Pension Reform Act of 2013” herein.

The District’s contributions to PERS were \$3,127,817 in fiscal year 2015-16, \$3,915,740 in fiscal year 2016-17, \$4,853,298 for fiscal year 2017-18, \$5,419,198 in fiscal year 2018-19, and \$6,780,391 in fiscal year 2019-20. The District has currently projects \$6,411,400 for its contribution to PERS for fiscal year 2020-21.

State Pension Trusts. Each of STRS and PERS issues a separate comprehensive financial report that includes financial statements and required supplemental information. Copies of such financial reports may be obtained from each of STRS and PERS as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; (ii) PERS, P.O. Box 942703, Sacramento, California 94229-2703. Moreover, each of STRS and PERS maintains a website, as follows: (i) STRS: www.calstrs.com; (ii) PERS: www.calpers.ca.gov. However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Both STRS and PERS have substantial statewide unfunded liabilities. The amount of these unfunded liabilities will vary depending on actuarial assumptions, returns on investments, salary scales and participant contributions. The following table summarizes information regarding the actuarially-determined accrued liability for both STRS and PERS. Actuarial assessments are “forward-looking” information that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

FUNDED STATUS
STRS (Defined Benefit Program) and PERS (Schools Pool)
(Dollar Amounts in Millions) ⁽¹⁾
Fiscal Years 2010-11 through 2019-20

<u>STRS</u>					
<u>Fiscal Year</u>	<u>Accrued Liability</u>	<u>Value of Trust Assets (MVA)⁽²⁾</u>	<u>Unfunded Liability (MVA)⁽²⁾</u>	<u>Value of Trust Assets (AVA)⁽³⁾</u>	<u>Unfunded Liability (AVA)⁽³⁾</u>
2010-11	\$208,405	\$147,140	\$68,365	\$143,930	\$64,475
2011-12	215,189	143,118	80,354	144,232	70,957
2012-13	222,281	157,176	74,374	148,614	73,667
2013-14	231,213	179,749	61,807	158,495	72,718
2014-15	241,753	180,633	72,626	165,553	76,200
2015-16	266,704	177,914	101,586	169,976	96,728
2016-17	286,950	197,718	103,468	179,689	107,261
2017-18	297,603	211,367	101,992	190,451	107,152
2018-19	310,719	225,466	102,636	205,016	105,703
2019-20					

<u>PERS</u>					
<u>Fiscal Year</u>	<u>Accrued Liability</u>	<u>Value of Trust Assets (MVA)</u>	<u>Unfunded Liability (MVA)</u>	<u>Value of Trust Assets (AVA)⁽³⁾</u>	<u>Unfunded Liability (AVA)⁽³⁾</u>
2010-11	\$58,358	\$45,901	\$12,457	\$51,547	\$6,811
2011-12	59,439	44,854	14,585	53,791	5,648
2012-13	61,487	49,482	12,005	56,250	5,237
2013-14	65,600	56,838	8,761	-- ⁽⁴⁾	-- ⁽⁴⁾
2014-15	73,325	56,814	16,511	-- ⁽⁴⁾	-- ⁽⁴⁾
2015-16	77,544	55,785	21,759	-- ⁽⁴⁾	-- ⁽⁴⁾
2016-17	84,416	60,865	23,551	-- ⁽⁴⁾	-- ⁽⁴⁾
2017-18	92,071	64,846	27,225	-- ⁽⁴⁾	-- ⁽⁴⁾
2018-19	99,528	68,177	31,351	-- ⁽⁴⁾	-- ⁽⁴⁾
2019-20 ⁽⁵⁾	104,062	71,400	32,662	-- ⁽⁴⁾	-- ⁽⁴⁾

⁽¹⁾ Amounts may not add due to rounding.

⁽²⁾ Reflects market value of assets, including the assets allocated to the SBPA reserve. Since the benefits provided through the SBPA are not a part of the projected benefits included in the actuarial valuations summarized above, the SBPA reserve is subtracted from the STRS Defined Benefit Program assets to arrive at the value of assets available to support benefits included in the respective actuarial valuations.

⁽³⁾ Reflects actuarial value of assets.

⁽⁴⁾ Effective for the June 30, 2014 actuarial valuation, PERS no longer uses an actuarial value of assets.

⁽⁵⁾ On April 19, 2021, the PERS Board (defined below) approved the K-14 school district contribution rate for fiscal year 2021-22 and released certain actuarial information to be incorporated into the June 30, 2020 actuarial valuation to be released in the latter half of 2021. For fiscal year 2021-22, the impact of the additional \$330 million State contribution made pursuant to AB 84 is directly reflected in the actuarially determined contribution for the first time, because the additional payment was in the Schools Pool as of the June 30, 2020 actuarial valuation date, which served to reduce the required employer contribution rate by 2.16% of payroll.

Source: PERS Schools Pool Actuarial Valuation; STRS Defined Benefit Program Actuarial Valuation.

The STRS Board has sole authority to determine the actuarial assumptions and methods used for the valuation of the STRS Defined Benefit Program. Based on the multi-year CalSTRS Experience Analysis (spanning from July 1, 2010, through June 30, 2015) (the “2017 Experience Analysis”), on February 1, 2017, the STRS Board adopted a new set of actuarial assumptions that reflect member’s increasing life expectancies and current economic trends. These new assumptions were first reflected in the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2016 (the “2016 STRS Actuarial

Valuation”). The new actuarial assumptions include, but are not limited to: (i) adopting a generational mortality methodology to reflect past improvements in life expectancies and provide a more dynamic assessment of future life spans, (ii) decreasing the investment rate of return (net of investment and administrative expenses) to 7.25% for the 2016 STRS Actuarial Valuation and 7.00% for the June 30, 2017 actuarial evaluation (the “2017 STRS Actuarial Valuation”), and (iii) decreasing the projected wage growth to 3.50% and the projected inflation rate to 2.75%.

Based on the multi-year CalSTRS Experience Analysis (spanning from July 1, 2015, through June 30, 2018) (the “2020 Experience Analysis”), on January 31, 2020, the STRS Board adopted a new set of actuarial assumptions that were first reflected in the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2019 (the “2019 STRS Actuarial Valuation”). While no changes were made to the actuarial assumptions discussed above, which were established as a result of the 2017 Experience Analysis, certain demographic changes were made, including: (i) lowering the termination rates to reflect a continued trend of lower than expected teachers leaving their employment prior to retirement, and (ii) adopting changes to the retirement rates for both employees hire before the Implementation Date and after the Implementation Date to better reflect the anticipated impact of years of service on retirements. The 2019 STRS Actuarial Valuation continues using the Entry Age Normal Actuarial Cost Method.

Based on salary increases less than assumed, additional State contributions, and actuarial asset gains recognized from the current and prior years, the 2019 STRS Actuarial Valuation reports that the unfunded actuarial obligation decreased by \$1.5 billion since the 2018 STRS Actuarial Valuation and the funded ratio increased by 2.0% to 66.0% over such time period.

According to the 2019 STRS Actuarial Valuation, the future revenues from contributions and appropriations for the STRS Defined Benefit Program are projected to be approximately sufficient to finance its obligations with a projected ending funded ratio in fiscal year ending June 30, 2046 of 99.9%, except for a small portion of the unfunded actuarial obligation related to service accrued on or after July 1, 2014 for member benefits adopted after 1990, for which AB 1469 provides no authority to the STRS Board to adjust rates to pay down that portion of the unfunded actuarial obligation. This finding reflects the scheduled contribution rate increases directed by statute, assumes additional increases in the scheduled contribution rates allowed under the current law will be made, and is based on the valuation assumptions and valuation policy adopted by the STRS Board, including a 7.00% investment rate of return assumption and includes the \$1.117 billion State contribution made in July 2019 pursuant to SB 90.

The actuary for the STRS Defined Benefit Program notes in the 2019 STRS Actuarial Report that, since such report is dated as of June 30, 2019, the significant declines in the investment markets that have occurred in the first half the 2020 calendar year are not directly reflected in the 2019 STRS Actuarial Report. The actuary notes that such declines will almost certainly impact the future of the STRS Defined Benefit Program funding, and that, all things being equal, it is expected that the actuarial valuation for the fiscal year ending June 30, 2020 will show a greater increase in the projected State contribution rate (and possibly the employer rate) and a possible decline in the funded ratio. See “FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Considerations Regarding COVID-19” herein.

In recent years, the PERS Board of Administration (the “PERS Board”) has taken several steps, as described below, intended to reduce the amount of the unfunded accrued actuarial liability of its plans, including the Schools Pool.

On March 14, 2012, the PERS Board voted to lower the PERS’ rate of expected price inflation and its investment rate of return (net of administrative expenses) (the “PERS Discount Rate”) from 7.75% to 7.5%. On February 18, 2014, the PERS Board voted to keep the PERS Discount Rate unchanged at 7.5%. On November 17, 2015, the PERS Board approved a new funding risk mitigation policy to incrementally

lower the PERS Discount Rate by establishing a mechanism whereby such rate is reduced by a minimum of 0.05% to a maximum of 0.25% in years when investment returns outperform the existing PERS Discount Rate by at least four percentage points. On December 21, 2016, the PERS Board voted to lower the PERS Discount Rate to 7.0% over a three year phase-in period in accordance with the following schedule: 7.375% for the June 30, 2017 actuarial valuation, 7.25% for the June 30, 2018 actuarial valuation and 7.00% for the June 30, 2019 actuarial valuation. The new discount rate went into effect July 1, 2017 for the State and July 1, 2018 for K-14 school districts and other public agencies. Lowering the PERS Discount Rate means employers that contract with PERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013, under the Reform Act (defined below) will also see their contribution rates rise.

On April 17, 2013, the PERS Board approved new actuarial policies aimed at returning PERS to fully-funded status within 30 years. The policies include a rate smoothing method with a 30-year fixed amortization period for gains and losses, a five-year increase of public agency contribution rates, including the contribution rate at the onset of such amortization period, and a five year reduction of public agency contribution rates at the end of such amortization period. The new actuarial policies were first included in the June 30, 2014 actuarial valuation and were implemented with respect the State, K-14 school districts and all other public agencies in fiscal year 2015-16.

Also, on February 20, 2014, the PERS Board approved new demographic assumptions reflecting (i) expected longer life spans of public agency employees and related increases in costs for the PERS system and (ii) trends of higher rates of retirement for certain public agency employee classes, including police officers and firefighters. The new actuarial assumptions were first reflected in the Schools Pool in the June 30, 2015 actuarial valuation. The increase in liability due to the new assumptions will be amortized over 20 years with increases phased in over five years, beginning with the contribution requirement for fiscal year 2016-17. The new demographic assumptions affect the State, K-14 school districts and all other public agencies.

The PERS Board is required to undertake an experience study every four years under its Actuarial Assumptions Policy and State law. As a result of the most recent experience study, on December 20, 2017, the PERS Board approved new actuarial assumptions, including (i) lowering the inflation rate to 2.625% for the June 30, 2018 actuarial valuation and to 2.50% for the June 30, 2019 actuarial valuation, (ii) lowering the payroll growth rate to 2.875% for the June 30, 2018 actuarial valuation and 2.75% for the June 30, 2019 actuarial valuation, and (iii) certain changes to demographic assumptions relating to the salary scale for most constituent groups, and modifications to the mortality, retirement, and disability retirement rates.

On February 14, 2018, the PERS Board approved a new actuarial amortization policy with an effective date for actuarial valuations beginning on or after June 30, 2019, which includes (i) shortening the period over which actuarial gains and losses are amortized from 30 years to 20 years, (ii) requiring that amortization payments for all unfunded accrued liability bases established after the effective date be computed to remain a level dollar amount throughout the amortization period, (iii) removing the 5-year ramp-up and ramp-down on unfunded accrued liability bases attributable to assumptions changes and non-investment gains/losses established on or after the effective date and (iv) removing the 5-year ramp-down on investment gains/losses established after the effective date. While PERS expects that reducing the amortization period for certain sources of unfunded liability will increase future average funding ratios, provide faster recovery of funded status following market downturns, decrease expected cumulative contributions, and mitigate concerns over intergenerational equity, such changes may result in increases in future employer contribution rates.

On April 19, 2021, the PERS Board established the employer contribution rates for fiscal year 2021-22 and released certain information from the Schools Pool Actuarial Valuation as of June 30, 2020,

ahead of its release date in the latter half of 2021. From June 30, 2019 to June 30, 2020 the funded status for the Schools Pool increased by 0.1% (from 68.5% to 68.6%); primarily due to the additional State contribution in July 2019 offset by the lower than expected investment return in fiscal year 2019-20. The return on assets for the year ending June 30, 2020 was approximately 4.7%, reduced for administrative expenses, which was lower than the assumed return of 7.0%, leading to an investment experience loss. PERS attributes the slight decline in the funded status over the last five years to investment losses in excess of investment gains, adoption of new assumptions, both demographic and economic (particularly the lowering of the discount rate from 7.5% to 7.0%), and negative amortization. Assuming all actuarial assumptions are realized, including investment return of 7% in fiscal year 2020-21, that no changes to assumptions, methods or benefits will occur during the projection period, along with the expected reductions in normal cost due to the continuing transition of active members from those employees hired prior to the Implementation Date (defined below), to those hired after such date, the projected contribution rate for fiscal year 2022-23 is projected to be 26.1%, with annual increases in most years thereafter, resulting in a projected 27.6% employer contribution rate for fiscal year 2026-27.

The District can make no representations regarding the future program liabilities of STRS, or whether the District will be required to make additional contributions to STRS in the future above those amounts required under AB 1469. The District can also provide no assurances that the District's required contributions to PERS will not increase in the future.

California Public Employees' Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013 (the "Reform Act"), which makes changes to both STRS and PERS, most substantially affecting new employees hired after January 1, 2013 (the "Implementation Date"). For STRS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor (the age factor is the percent of final compensation to which an employee is entitled for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. Similarly, for non-safety PERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and increases the eligibility requirement for the maximum age factor of 2.5% to age 67. Among the other changes to PERS and STRS, the Reform Act also: (i) requires all new participants enrolled in PERS and STRS after the Implementation Date to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (ii) requires STRS and PERS to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (previously 12 months for STRS members who retire with 25 years of service), and (iii) caps "pensionable compensation" for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers) and benefit base for members participating in Social Security or 120% for members not participating in social security (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers), while excluding previously allowed forms of compensation under the formula such as payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off.

GASB Statement Nos. 67 and 68. On June 25, 2012, GASB approved Statements Nos. 67 and 68 ("Statements") with respect to pension accounting and financial reporting standards for state and local governments and pension plans. The new Statements, No. 67 and No. 68, replace GASB Statement No. 27 and most of Statements No. 25 and No. 50. The changes impact the accounting treatment of pension plans in which state and local governments participate. Major changes include: (1) the inclusion of unfunded pension liabilities on the government's balance sheet (currently, such unfunded liabilities are typically included as notes to the government's financial statements); (2) more components of full pension costs

being shown as expenses regardless of actual contribution levels; (3) lower actuarial discount rates being required to be used for underfunded plans in certain cases for purposes of the financial statements; (4) closed amortization periods for unfunded liabilities being required to be used for certain purposes of the financial statements; and (5) the difference between expected and actual investment returns being recognized over a closed five-year smoothing period. In addition, according to GASB, Statement No. 68 means that, for pensions within the scope of the Statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. Because the accounting standards do not require changes in funding policies, the full extent of the effect of the new standards on the District is not known at this time. The reporting requirements for pension plans took effect for the fiscal year beginning July 1, 2013 and the reporting requirements for government employers, including the District, took effect for the fiscal year beginning July 1, 2014.

As of June 30, 2016, the District's reported shares of the net pension liabilities for the STRS and PERS systems were \$76,223,000 and \$66,279,000, respectively. See also "APPENDIX A – 2019-20 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Notes 7 and 8."

Post-Employment Health Care Benefits

Post-Employment Benefits. The District administers a single-employer defined benefit healthcare plan (the "Plan") that provides post-retirement medical, dental and vision insurance coverage, as prescribed in employee union contracts, to eligible retirees (the "Post-Employment Benefits"). Eligibility criteria are as follows: (i) employees participating in PERS must reach at least age 55 with at least 10 years of service, and (ii) employees participating in STRS must reach at least age 60 with at least 5 years of service, or age 50 with 30 years of service. All employees who retire from the District and meet the above eligibility requirements receive subsidized health insurance benefits from the District. Group medical coverage is also provided for (i) academic retirees who were hired on or after April 1, 1986 and prior to January 1, 2013, and (ii) classified retirees who were hired on or after July 1, 1984 and prior to January 1, 2013. As of June 30, 2020, membership in the Plan consisted of 466 retirees and beneficiaries receiving Post-Employment Benefits, and 336 active Plan members.

Funding Policy. The District's contribution requirements are established and amended by the District. The District's annual contributions towards the Post-Employment Benefits are currently based on a "pay-as-you-go" basis to cover the cost of insurance premiums for current retirees. For fiscal years 2015-16 through 2019-20, the District contributed \$5,240,346, \$5,653,785, \$6,920,426, \$7,197,243 and \$7,377,725, respectively towards the Post-Employment Benefits. For fiscal year 2020-21, the District has budgeted a contribution of \$7,847,691 towards the Post-Employment Benefits. [The District is also in the process of establishing an irrevocable trust to begin funding its accrued liability (discussed below) with respect to Post-Employment Benefits. The District expects to transfer approximately \$5 million to such a trust. Future transfers to the trust will be made from time to time from available surplus funds.]

Actuarial Study. The District has implemented *GASB Statement #74, Financial Reporting for Postemployment Benefit Plans Other Than Pensions* ("GASB Statement No. 74") and *GASB Statement #75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB Statement No. 75"), pursuant to which the District has commissioned and received an actuarial study of its liability with respect to the Benefits. GASB Statements No. 74 and No. 75 (discussed below) require biennial actuarial valuations for all plans. The most recent actuarial study for the Plan was dated October 20, 2020 (the "Study"), and had a valuation date of June 30, 2020 and a measurement date of June 30, 2020. The Study concluded that, as of a June 30, 2020 measurement date, the Total OPEB Liability (the "TOL") with respect to such Benefits was \$251,576,551, the fiduciary net position was \$0, and the net OPEB liability was \$251,576,551. The District anticipates the TOL to reduce dramatically once the irrevocable

trust is incepted as the liabilities will be subject to a much higher discount rate than is currently being used. For more information regarding the District's other post-employment benefit liability, see "APPENDIX A – 2019-20 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 9" attached hereto.

GASB Statement Nos. 74 and 75. On June 2, 2015, the Governmental Accounting Standards Board ("GASB") approved GASB Statement No. 74 and GASB Statement No. 75 with respect to pension accounting and financial reporting standards for public sector post-retirement benefit programs and the employers that sponsor them. GASB Statement No. 74 replaces GASB Statements No. 43 and 57 and GASB Statement No. 75 replaces GASB Statement No. 45.

Most of GASB Statement No. 74 applies to plans administered through trusts, in which contributions are irrevocable, trust assets are dedicated to providing other post-employment benefits to plan members, and trust assets are legally protected from creditors. GASB Statements No. 74 and No. 75 will require a liability for OPEB obligations, known as the Net OPEB Liability (the "NOL"), to be recognized on the balance sheet of the plan and the participating employer's financial statements. In addition, an OPEB expense (service cost plus interest on total OPEB liability plus current-period benefit changes minus member contributions minus assumed earning on plan investments plus administrative expenses plus recognition of deferred outflows minus recognition of deferred inflows) will be recognized in the income statement of the participating employers. In the notes to its financial statements, employers providing other post-employment benefits will also have to include information regarding the year-to-year change in the NOL and a sensitivity analysis of the NOL to changes in the discount rate and healthcare trend rate. The required supplementary information will also be required to show a 10-year schedule of the plan's net OPEB liability reconciliation and related ratios, and any actuarially determined contributions and investment returns.

Under GASB Statement No. 74, the measurement date must be the same as the plan's fiscal year end, but the actuarial valuation date may be any date up to 24 months prior to the measurement date. For the TOL, if the valuation date is before the measurement date, the results must be projected forward from the valuation date to the measurement date using standard actuarial roll-forward techniques. For plans that are unfunded or have assets insufficient to cover the projected benefit payments, a discount rate reflecting a 20-year tax-exempt municipal bond yield or index rate must be used. For plans with assets that meet the GASB Statement No. 74 requirements, a projection of the benefit payments and future Fiduciary Net Position (the "FNP") is performed based on the funding policy and assumptions of the plan, along with the methodology specified in GASB.

GASB Statement No. 74 has an effective date for plan fiscal years beginning after June 15, 2016 and GASB Statement No. 75 is effective for employer fiscal years beginning after June 15, 2017. The District first recognized GASB Statement No. 74 and GASB Statement No. 75 in its financial statements for fiscal year 2017-18. As of June 30, 2020, the District's TOL was \$251,576,551, which equaled its NOL because the District did not have any FNP. For additional information, see "APPENDIX A – 2019-20 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 9" attached hereto.

Risk Management

The District is exposed to various risks of loss related to property, general liability, workers' compensation and employee benefits. These risks are addressed through a combination of commercial insurance, self-insurance and participation in certain public entity risk pools. The District participates in joint powers agreements (collectively, the "JPAs") with the Statewide Association of Community Colleges ("SWACC"), Statewide Educational Wrap Up Program ("SEWUP"), Protected Insurance Program for Schools ("PIPS"), the School Project for Utility Rate Reduction ("SPURR"), and California College Insurance Group ("CCIG").

The District contracts with SWACC for property and liability insurance coverage. Liability claims in excess of \$25 million and property claims up to \$250 million, per occurrence, are covered by SWACC. SEWUP provides financial administration, policy formulation, claim services, and other items necessary and appropriate for the establishment, operation, and maintenance of owner controlled insurance program protection for its members. PIPS is a group insurance pool exclusively for schools and community colleges that provides workers' compensation coverage to its member districts. SPURR is a joint purchasing group that aggregates utility purchasing power for its constituent public agencies, with access to major wholesalers that compete to supply such agencies' natural gas needs. CCIG provides dental and vision benefits for employees. The relationship between the District and the JPAs is such that the JPAs are not a component units of the District for financial reporting purposes. The District pays a premium commensurate with the level of coverage requested from each of the JPAs, and settled claims resulting from risks have not exceeded the District's insurance coverage in any of the past three years. See also "APPENDIX A –2019-20 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 11" attached hereto.

Accounting Practices

The accounting policies of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California Community College Budget and Accounting Manual. This manual, according to Section 84030 of the Education Code, is to be followed by all State community college districts. The GASB has released (i) Statement No. 34, which is effective for the District and makes changes in the annual financial statements for all governmental agencies in the United States, especially in recording of fixed assets and their depreciation, and in the way the report itself is formatted, and (ii) Statement No. 35, which is effective for the District and makes changes in the required content and format of annual financial statements for public colleges and universities. Revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the period in which the liability is incurred.

Comparative Financial Statements

Pursuant to applicable guidance from GASB, the District's financial statements present a comprehensive, entity-wide perspective of the District's assets, liabilities, and cash flows rather than the fund-group perspective previously required. The table on the following page displays the District's audited revenues, expenses and changes in net assets for fiscal years 2015-16 through 2019-20.

SUMMARY OF AUDITED REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS
Fiscal Years 2015-16 through 2019-20
Chabot-Las Positas Community College District

OPERATING REVENUES	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Tuition and fees	\$25,743,474	25,707,312	\$25,404,290	\$25,556,306	\$24,952,177
Less scholarship discounts and allowances	<u>(9,657,574)</u>	<u>(9,120,604)</u>	<u>(8,932,901)</u>	<u>(8,548,111)</u>	<u>(8,306,611)</u>
Net tuition and fees	16,085,900	16,586,708	16,471,389	17,008,195	16,645,566
Grants and contracts, non-capital:					
Federal	9,230,791	8,662,681	8,983,863	9,069,933	12,570,884
State	18,946,591	37,099,191	65,836,957	92,570,023	85,144,681
Local	<u>6,557,421</u>	<u>7,739,045</u>	<u>8,554,506</u>	<u>9,045,103</u>	<u>9,924,129</u>
Total operating revenues	50,820,703	70,087,625	99,846,715	127,693,254	124,285,260
OPERATING EXPENSES					
Salaries	78,788,256	86,293,621	91,437,430	92,504,824	97,723,821
Employee benefits	37,743,147	41,466,231	51,764,072	69,107,362	89,078,879
Supplies, materials and Other Operating expenses	36,191,687	47,514,353	83,808,858	97,815,421	91,887,321
Student financial aid and scholarship	20,402,279	19,666,946	20,027,366	20,213,397	24,497,500
Depreciation	<u>19,827,971</u>	<u>20,190,857</u>	<u>19,944,234</u>	<u>20,354,708</u>	<u>18,802,696</u>
Total operating expenses	192,953,340	215,132,008	266,981,950	299,995,712	321,990,217
Operating Loss	(142,132,637)	(145,044,383)	(167,135,235)	(172,302,458)	(197,704,957)
NON-OPERATING REVENUES (EXPENSES)					
State apportionments, noncapital	46,308,602	49,300,177	46,303,779	57,206,489	51,179,059
Local property taxes, noncapital	41,779,945	40,577,629	49,391,500	50,688,622	55,211,177
State taxes and other revenues	14,050,649	7,203,823	5,351,661	6,796,810	9,661,918
Federal grants – Pell	16,902,192	15,865,130	16,203,353	15,974,784	16,850,468
Investment income, net	474,454	738,619	2,343,544	3,929,291	4,513,669
Interest expense on capital asset-related debt, net	(19,369,999)	(11,149,994)	(23,051,962)	(29,315,476)	(27,893,958)
Gain (Loss) on disposal of capital assets	(136,522)	(683,726)	(163,574)	(17,283)	(5,022,716)
Other non-operating revenues (expenses), net	<u>4,035,940</u>	<u>4,205,826</u>	<u>4,941,076</u>	<u>3,283,391</u>	<u>3,283,391</u>
Total non-operating revenues (expenses)	104,045,261	106,057,484	101,299,377	108,546,628	107,518,083
Income (loss) before capital revenues	(38,087,376)	(38,986,899)	(65,835,858)	(63,755,830)	(90,186,874)
CAPITAL REVENUES					
Gifts and grants	--	--	--	--	--
Local property taxes and revenues	<u>21,972,750</u>	<u>28,136,720</u>	<u>52,893,191</u>	<u>58,450,584</u>	<u>59,122,324</u>
Total capital revenues	21,972,750	28,136,720	52,893,191	58,450,750	59,122,324
Change in net assets	(16,114,626)	(10,850,179)	(12,942,667)	(5,305,246)	(31,064,550)
Net Assets – Beginning of Year	(101,363,014)	(117,477,640)	(128,327,819)	(269,092,840)	(274,398,086)
Restatement	--	--	(127,822,355)	--	--
Net Assets, July 1, as restated	<u>(101,363,014)</u>	<u>(117,477,640)</u>	<u>(256,150,174)⁽¹⁾</u>	<u>(269,092,246)</u>	<u>(274,398,086)</u>
Net Assets – End of Year	<u>\$(117,477,640)</u>	<u>\$(128,327,819)</u>	<u>\$(269,092,841)</u>	<u>\$(274,398,086)</u>	<u>\$(305,462,636)</u>

⁽¹⁾ Restated to recognize the net OPEB liabilities following the implementation of GASB Statement No. 75. See also, “- Other Post-Employment Benefits – GASB Statement Nos. 74 and 75” herein.

Source: Chabot-Las Positas Community College District.

General Fund Budgeting

The table on the following page shows the District's general fund budgets for fiscal years 2016-17 through 2020-21, ending results for fiscal years 2016-17 through 2019-20. For further information, see also "APPENDIX A –2019-20 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT" attached hereto.

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GENERAL FUND BUDGETING⁽¹⁾
Fiscal Years 2013-14 through 2017-18
Chabot-Las Positas Community College District

	Fiscal Year 2016-17		Fiscal Year 2017-18		Fiscal Year 2018-19		Fiscal Year 2019-20		Fiscal Year 2020-21
	<u>Budgeted</u>	<u>Ending</u>	<u>Budgeted</u>	<u>Ending</u>	<u>Budgeted</u>	<u>Ending</u>	<u>Budgeted</u>	<u>Ending</u>	<u>Budgeted</u>
REVENUES:									
Federal	\$7,000,081	\$6,389,728	\$15,294,652	\$7,198,774	\$7,409,118	\$7,207,913	\$6,818,538	\$7,111,498	\$10,596,395
State ⁽²⁾	95,902,417	90,360,232	151,527,431	113,655,550	120,985,038	151,275,228	208,180,971	78,045,493	75,739,529
Local	<u>61,168,626</u>	<u>67,218,135</u>	<u>64,227,749</u>	<u>77,278,379</u>	<u>81,133,974</u>	<u>78,675,970</u>	<u>87,725,917</u>	<u>71,646,114</u>	<u>74,157,012</u>
TOTAL REVENUES	164,071,124	163,968,095	231,049,832	198,132,703	209,528,130	237,159,111	302,725,426	156,803,105	160,492,936
EXPENDITURES:									
Academic Salaries	50,323,743	55,598,442	52,696,296	57,988,196	52,440,082	57,792,686	53,749,063	60,206,676	59,256,147
Classified Salaries	28,762,754	29,244,775	32,705,936	31,412,477	32,998,871	32,597,523	35,336,169	33,793,465	34,553,270
Employee Benefits	31,652,114	34,535,620	36,462,150	43,767,626	38,198,211	49,451,379	41,672,427	46,324,300	42,100,391
Supplies and Materials	3,370,854	3,120,566	21,434,257	0	2,614,736	3,006,281	5,046,917	2,366,427	2,765,999
Other Operating Expenses and Services ⁽²⁾	45,018,638	34,732,996	86,834,966	66,972,891	77,299,717	82,832,370	154,186,242	15,828,372	21,410,248
Capital Outlay	<u>2,362,611</u>	<u>3,083,657</u>	<u>1,458,468</u>	<u>3,041,885</u>	<u>1,948,410</u>	<u>2,723,268</u>	<u>876,266</u>	<u>1,503,326</u>	<u>1,322,687</u>
TOTAL EXPENDITURES	161,490,714	160,316,056	231,592,073	203,183,075	205,500,027	228,403,507	290,867,084	160,022,566	161,408,742
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	2,580,410	3,652,039	(542,241)	(5,050,372)	4,028,103	8,755,604	11,858,342	(3,219,461)	(915,806)
OTHER FINANCING SOURCES (USES)	1,293,864	3,759,601	6,345,443	5,820,118	4,240,570	5,767,478	4,347,163	2,114,247	6,752,496
OTHER OUTGO	(2,373,944)	3,797,217	5,054,138	5,368,068	5,020,504	11,738,884	8,273,248	4,097,128	5,539,409
NET INCREASE (DECREASE) IN FUND BALANCES	1,500,330	3,614,423	749,064	(4,598,322)	3,248,169	2,784,198	7,932,257	(5,202,342)	297,281
BEGINNING FUND BALANCE	27,587,584	27,587,584	31,202,007	31,202,007	26,603,685	26,603,685	29,387,883	29,387,883	19,013,316
Prior Year Adjustments	--	--	--	--	--	--	--	(5,172,225) ⁽³⁾	--
Adjusted Beginning Balance	<u>27,587,584</u>	<u>27,587,584</u>	<u>31,202,007</u>	<u>31,202,007</u>	<u>26,603,685</u>	<u>26,603,685</u>	<u>29,387,883</u>	<u>24,215,658</u>	<u>19,013,316</u>
ENDING FUND BALANCE	<u>\$29,087,914</u>	<u>\$31,202,007</u>	<u>\$31,951,071</u>	<u>\$26,603,685</u>	<u>\$29,851,854</u>	<u>\$29,387,883</u>	<u>\$37,320,140</u>	<u>\$19,013,316</u>	<u>\$19,310,597</u>

⁽¹⁾ For fiscal years 2015-16 through 2019-20, and budgeted figures for fiscal year 2020-21, from the District's CCFS-311 Reports filed with the California Community Colleges Chancellor's Office. [Other figures reflects the District's preliminary ending figures for fiscal year 2020-21.] For audited summaries of expenses, revenues and changes in net assets for the District's primary government funds for fiscal years 2015-16 through 2019-20, see "Comparative Financial Statements" herein.

⁽²⁾ Year-to-year increases in State revenues and expenditures reflect the receipt of and distribution by the District of state grants for adult education, workforce training and other initiatives. The District currently acts as the statewide fiscal agent for these programs and distributes these funds to qualifying entities.

⁽³⁾ Reflects the inclusion of the Economic Development and Contract Education operation into the District's enterprise fund.

Source: Chabot-Las Positas Community College District.

District Debt Structure

Long-Term Debt. General long-term debt as of June 30, 2020 consisted of the following:

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
General Obligation Bonds	\$661,410,000	--	\$34,490,000	\$626,920,000
General Obligation Bonds Premium, net	66,439,172	--	4,063,663	62,375,509
Net pension liability	143,168,000	(466,000)	--	142,702,000
Other postemployment benefits	200,280,667	51,295,894	--	251,576,551
Compensated absences	<u>2,240,892</u>	<u>591,354</u>	<u>--</u>	<u>2,832,246</u>
	<u>\$1,073,538,731</u>	<u>\$39,371,791</u>	<u>\$38,553,663</u>	<u>\$1,086,406,306</u>

Source: Chabot-Las Positas Community College District.

General Obligation Bonds. The District has issued general obligation bonds pursuant to one voter-approved authorization, as well as five series of general obligation refunding bonds to refinance portions thereof. The following table shows the currently outstanding prior bond issuances of the District.

SUMMARY OF OUTSTANDING BONDED DEBT⁽¹⁾ Chabot-Las Positas Community College District

Issuance	Initial Principal Amount	Principal Currently Outstanding	Date of Delivery
2013 General Obligation Refunding Bonds (2016 Crossover Refunding) ⁽²⁾	\$289,105,000.00	\$286,495,000.00	March 6, 2013
2016 General Obligation Refunding Bonds	247,360,000.00	235,270,000.00	July 28, 2016
Election of 2016 General Obligation Bonds, Series A	160,000,000.00	105,155,000.00	October 19, 2017

⁽¹⁾ As of June 30, 2021.

⁽²⁾ Expected to be refunded with proceeds of the Refunding Bonds as described herein.

Source: Chabot-Las Positas Community College District.

The table on the following page shows the total debt service with respect to the District's outstanding general obligation bonded debt, including the Bonds (and assuming no optional redemptions).

COMBINED GENERAL OBLIGATION BONDED DEBT SERVICE
Chabot-Las Positas Community College District

Year Ending (August 1)	2013 Refunding Bonds⁽¹⁾	2016 Refunding Bonds	2016 Series A Bonds	Series B Bonds	Refunding Bonds	Total Annual Debt Service
2021	\$16,627,943.76	\$14,823,125.00	\$4,214,400.00			
2022	27,289,543.76	8,941,625.00	3,132,800.00			
2023	28,423,543.76	8,941,625.00	3,252,800.00			
2024	29,577,043.76	8,941,625.00	3,384,200.00			
2025	30,766,293.76	8,941,625.00	3,516,550.00			
2026	32,006,543.76	8,941,625.00	3,659,700.00			
2027	33,294,043.76	8,941,625.00	3,802,200.00			
2028	34,248,543.76	8,941,625.00	3,956,200.00			
2029	36,044,168.76	8,941,625.00	4,110,700.00			
2030	37,485,793.76	8,941,625.00	4,275,200.00			
2031	39,009,018.76	8,941,625.00	4,448,700.00			
2032	40,509,131.26	8,941,625.00	4,625,200.00			
2033	--	48,501,625.00	4,807,200.00			
2034	--	51,445,925.00	4,999,000.00			
2035	--	53,448,525.00	5,199,800.00			
2036	--	48,347,400.00	5,408,800.00			
2037	--	50,237,200.00	5,626,143.76			
2038	--	--	5,848,800.00			
2039	--	--	6,084,800.00			
2040	--	--	6,325,600.00			
2041	--	--	6,575,400.00			
2042	--	--	6,838,200.00			
2043	--	--	7,112,800.00			
2044	--	--	7,398,000.00			
2045	--	--	7,692,600.00			
2046	--	--	8,000,400.00			
2047	--	--	8,320,000.00			
TOTAL	<u>\$385,281,612.62</u>	<u>\$365,161,675.00</u>	<u>\$142,616,193.76</u>			

⁽¹⁾ Includes debt service on the Refunded Bonds expected to be refinanced with proceeds of the Refunding Bonds.
Source: Chabot-Las Positas Community College District.

TAX MATTERS

Series B Bonds

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation (“Bond Counsel”), under existing statutes, regulations, rulings and judicial decisions, interest on the Series B Bonds is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest on the Series B Bonds is exempt from State of California personal income tax.

The difference between the issue price of a Series B Bond (the first price at which a substantial amount of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to the Bond (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Series B Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the Series B Bond Owner will increase the Series B Bond Owner’s basis in the applicable Series B Bond. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the owner of the Series B Bond is excluded from the gross income of such owner for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the Beneficial Owner of the Series B Bonds is exempt from State of California personal income tax.

Bond Counsel’s opinion as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the Series B Bonds is based upon certain representations of fact and certifications made by the District and others and is subject to the condition that the District complies with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”), that must be satisfied subsequent to the issuance of the Series B Bonds to assure that interest (and original issue discount) on the Series B Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the Series B Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series B Bonds. The District has covenanted to comply with all such requirements.

The amount by which a Series B Bond Owner’s original basis for determining loss on sale or exchange of the applicable Series B Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Series B Bond premium, which must be amortized under Section 171 of the Code; such amortizable Series B Bond premium reduces the Series B Bond Owner’s basis in the applicable Series B Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Series B Bond premium may result in a Series B Bond Owner realizing a taxable gain when a Series B Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Series B Bond to the Owner. Purchasers of the Series B Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

The Internal Revenue Service (the “IRS”) has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Series B Bonds will be selected for audit by the IRS. It is also possible that the market value of the Series B Bonds might be affected as a result of such an audit of the Series B Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Series B Bonds to the

extent that it adversely affects the exclusion from gross income of interest (or original issue discount) on the Series B Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE SERIES B BONDS THERE MIGHT BE FEDERAL, STATE, OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE, OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE, OR LOCAL TAX TREATMENT OF THE SERIES B BONDS INCLUDING THE IMPOSITION OF ADDITIONAL FEDERAL INCOME OR STATE TAXES BEING IMPOSED ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE SERIES B BONDS. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE SERIES B BONDS. NO ASSURANCE CAN BE GIVEN THAT SUBSEQUENT TO THE ISSUANCE OF THE SERIES B BONDS STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR JUDICIAL OR REGULATORY INTERPRETATIONS WILL NOT OCCUR HAVING THE EFFECTS DESCRIBED ABOVE. BEFORE PURCHASING ANY OF THE SERIES B BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE SERIES B BONDS.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Series B Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income for federal income tax purposes of interest (or original issue discount) on any Series B Bond if any such action is taken or omitted based upon the advice of counsel other than Bond Counsel.

Although Bond Counsel will render an opinion that interest (and original issue discount) on the Series B Bonds is excluded from gross income for federal income tax purposes provided that the District continues to comply with certain requirements of the Code, the ownership of the Series B Bonds and the accrual or receipt of interest (and original issue discount) on the Series B Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Series B Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Series B Bonds.

A copy of the proposed form of opinion of Bond Counsel for the Series B Bonds is attached hereto as APPENDIX B.

Refunding Bonds

In the opinion of Bond Counsel, under existing statutes, regulation, rulings and judicial decisions, interest on the Refunding Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code but is exempt from State of California personal income tax.

Except for certain exceptions, the difference between the issue price of a Taxable Bond (the first price at which a substantial amount of the Refunding Bonds of the same maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Taxable Bond (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method. The amount of original issue discount deemed received by the Owner of a Taxable Bond will increase the Owner's basis in the Taxable Bond. Owners of Refunding

Bonds should consult their own tax advisor with respect to taking into account any original issue discount on the Refunding Bonds.

In the event of a legal defeasance of a Bond, such bond might be treated as retired and “reissued” for federal tax purposes as of the date of the defeasance, potentially resulting in recognition of taxable gain or loss to the applicable Bondholder generally equal to the difference between the amount deemed realized from the deemed redemption and reissuance and the Bondholder’s adjusted tax basis in such bond.

The amount by which a Taxable Bond Owner’s original basis for determining loss on sale or exchange in the applicable Taxable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which the Owner of a Taxable Bond may elect to amortize under Section 171 of the Code. Such amortizable bond premium reduces the Taxable Bond Owner’s basis in the applicable Taxable Bond (and the amount of taxable interest received) and is deductible for federal income tax purposes. The basis reduction as a result of the amortization of 2019 Refunding Bond premium may result in the Owner of a Taxable Bond realizing a taxable gain when a Taxable Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Taxable Bond to the Owner. The Owners of the Refunding Bonds that have a basis in the Refunding Bonds that is greater than the principal amount of the Refunding Bonds should consult their own tax advisors with respect to whether or not they should elect to amortize such premium under Section 171 of the Code.

The federal tax and State of California personal income tax discussion set forth above with respect to the Refunding Bonds is included for general information only and may not be applicable depending upon an Owner’s particular situation. The ownership and disposal of the Refunding Bonds and the accrual or receipt of interest with respect to the Refunding Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences.

A copy of the proposed form of opinion of Bond Counsel for the Refunding Bonds is attached hereto as APPENDIX B.

LIMITATION ON REMEDIES; BANKRUPTCY

General

State law contains certain safeguards to protect the financial solvency of community college districts. See “FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA” herein. If the safeguards are not successful in preventing a community college district from becoming insolvent, the State Chancellor and the Board of Governors, operating through a special trustee appointed by the State Chancellor, may be authorized under State law to file a petition under Chapter 9 of the United States Bankruptcy Code (the “Bankruptcy Code”) on behalf of the community college district for the adjustment of its debts. In addition, an insolvent community college district may be able to file a petition under Chapter 9 before a special trustee is appointed. Prior to such petition, if any, the community college district is required to participate in a neutral evaluation process with interested parties as provided in the Government Code or declare a fiscal emergency and adopt a resolution by a majority vote of the governing board that includes findings that the financial state of the community college district jeopardizes the health, safety, or well-being of the residents of its jurisdiction or service area absent the protections of Chapter 9.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the automatic stay provisions of Bankruptcy Code Sections 362 and 922 generally would prohibit creditors from taking any action to collect amounts due from the District or to enforce any obligation of the District related to such

amounts due, without consent of the District or authorization of the bankruptcy court (although such stays would not operate to block creditor application of pledged special revenues to payment of indebtedness secured by such revenues). In addition, as part of its plan of adjustment in a chapter 9 bankruptcy case, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable. There also may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on the Bonds. Moreover, regardless of any specific adverse determinations in any District bankruptcy proceeding, the fact of a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Bonds.

Statutory Lien

Pursuant to Section 53515 of the Government Code, the Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax, and such lien automatically arises, without the need for any action or authorization by the District or its Board, and is valid and binding from the time the Bonds are executed and delivered. See “THE BONDS – Security and Sources of Payment” herein. Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by the District, the automatic stay provisions of the Bankruptcy Code would apply and payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed, unless the Bonds are determined to be secured by a pledge of “special revenues” within the meaning of the Bankruptcy Code and the pledged *ad valorem* taxes are applied to pay the Bonds in a manner consistent with the Bankruptcy Code.

Special Revenues

If the *ad valorem* tax revenues that are pledged to the payment of the Bonds are determined to be “special revenues” within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* revenues should not be subject to the automatic stay. “Special revenues” are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. State law prohibits the use of the tax proceeds for any purpose other than payment of the Bonds and the Bond proceeds can only be used to fund the acquisition or improvement of real property and other capital expenditures included in the proposition, so such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* tax revenues collected for the payments of bonds in California, so no assurance can be given that a bankruptcy court would not hold otherwise.

Possession of Tax Revenues; Remedies

The County on behalf of the District is expected to be in possession of the annual *ad valorem* property taxes and certain funds to repay the Bonds and may invest these funds in the Alameda County Treasury Pool, as described in “THE BONDS – Application and Investment of Bond Proceeds” and “THE BONDS – Application and Investment of Bond Proceeds” herein and “APPENDIX E – ALAMEDA COUNTY TREASURY POOL” attached hereto. If the County goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the County does not voluntarily pay such tax revenues to the owners of the Bonds, it is not entirely clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful. Further, should those investments suffer any losses, there may be delays or reductions in payments on the Bonds.

Opinions of Bond Counsel Qualified by Reference to Bankruptcy, Insolvency and Other Laws Relating to or Affecting Creditor's Rights

The proposed forms of the approving opinions of Bond Counsel attached hereto as APPENDIX B are qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights. Bankruptcy proceedings, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

LEGAL MATTERS

Continuing Disclosure

Current Undertaking. The District has covenanted for the benefit of Owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Report") by not later than nine months following the end of the District's fiscal year (the District's fiscal year ends on June 30), commencing with the report for the 2020-21 fiscal year, and to provide notices of the occurrence of certain listed events. The Annual Report and the notices of listed events will be filed in accordance with the requirements of the Rule. The specific nature of the information to be made available and to be contained in the notices of listed events is described in the form of Continuing Disclosure Certificate attached hereto as APPENDIX C. These covenants have been made in order to assist the Underwriters in complying with the Rule.

Prior Undertakings. [Within the last five years, the District failed to file in a timely manner portions of certain annual reports for fiscal years 2011-12 through 2014-15. In connection with such annual reports, and within the last five years, the District has never filed a notice of a failure to provide annual financial information, on or before the date specified in its prior continuing disclosure undertakings. Within such time period, the District has also failed to file in a timely manner certain notices of listed events.] [To Update]

Legality for Investment in California

Under provisions of the Financial Code, the Bonds are legal investments for commercial banks in the State to the extent that the Bonds, in the informed opinion of the bank, are prudent for the investment of funds of depositors, and under provisions of the Government Code, are eligible for security for deposits of public moneys in the State.

Absence of Material Litigation

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the District's ability to receive *ad valorem* property taxes, to collect other revenues or contesting the District's ability to issue and retire the Bonds.

Information Reporting Requirements

On May 17, 2006, the President signed the Tax Increase Prevention and Reconciliation Act of 2005 ("TIPRA"). Under Section 6049 of the Code, as amended by TIPRA, interest paid on tax-exempt obligations is subject to information reporting in a manner similar to interest paid on taxable obligations.

The purpose of this change was to assist in relevant information gathering for the IRS relating to other applicable tax provisions. TIPRA provides that backup withholding may apply to such interest payments made after March 31, 2007 to any bondholder who fails to file an accurate Form W-9 or who meets certain other criteria. The information reporting and backup withholding requirements of TIPRA do not affect the excludability of such interest from gross income for federal income tax purposes.

Escrow Verification

Upon delivery of the Refunding Bonds, the Verification Agent will deliver a report on the mathematical accuracy of certain computations based upon certain information and assertions provided to them by the Underwriters relating to the adequacy of the maturing principal of and interest on the Federal Securities in the Escrow Fund, together with any moneys held therein as cash, to pay the redemption price of and interest on the Refunded Bonds.

Legal Opinions

The validity of the Bonds and certain other legal matters are subject to the approving opinions of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, as Bond Counsel. Copies of the proposed forms of such legal opinion are attached to this Official Statement as APPENDIX B.

Financial Statements

The financial statements with supplemental information for the year ended June 30, 2020, the independent auditor's report of the District, and the related statements of activities and of cash flows for the year then ended, and the report dated February 9, 2021 of Crowe LLP (the "Auditor"), are included in this Official Statement as APPENDIX A. In connection with the inclusion of the financial statements and the report of the Auditor thereon in APPENDIX A to this Official Statement, the District did not request the Auditor to, and the Auditor has not undertaken to, update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

RATINGS

S&P and Moody's have assigned ratings of "___" and "___", respectively, to the Bonds. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the respective rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price for the Bonds.

Generally, rating agencies base their ratings on information and materials furnished to them (which may include information and material from the District which is not included in this Official Statement) and on investigations, studies and assumptions by the rating agencies

The District has covenanted in a Continuing Disclosure Certificate to file on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA") notices of any ratings changes on the Bonds. See "APPENDIX C - FORM OF CONTINUING DISCLOSURE

CERTIFICATE FOR THE BONDS” attached hereto. Notwithstanding such covenant, information relating to ratings changes on the Bonds may be publicly available from the rating agencies prior to such information being provided to the District and prior to the date the District is obligated to file a notice of rating change on EMMA. Purchasers of the Bonds are directed to the ratings agencies and their respective websites and official media outlets for the most current ratings changes with respect to the Bonds after the initial issuance of the Bonds.

UNDERWRITING

The Bonds are being purchased by _____ (the “Underwriters”).

The Underwriters have agreed to purchase the Series B Bonds at a price of \$_____ (reflecting the initial principal amount of the Series B Bonds, plus [net] original issue premium of \$_____, and less the underwriting discount of \$_____).

The Underwriters have agreed to purchase the Refunding Bonds at a price of \$_____ (reflecting the initial principal amount of the Refunding Bonds, plus [net] original issue premium of \$_____, and less the underwriting discount of \$_____).

The purchase contracts for the Bonds provide that the Underwriters will purchase all of the Bonds, if any are purchased. The initial offering prices stated on the inside cover of this Official Statement may be changed from time to time by the Underwriters. The Underwriters may offer and sell Bonds to certain dealers and others at prices lower than such initial offering prices.

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ADDITIONAL INFORMATION

Quotations from and summaries and explanations of the Bonds, the Resolution providing for issuance of the Bonds, and the constitutional provisions, statutes and other documents referenced herein, do not purport to be complete, and reference is made to said documents, constitutional provisions and statutes for full and complete statements of their provisions.

Some of the data contained herein has been taken or constructed from District records. Appropriate District officials, acting in their official capacities, have reviewed this Official Statement and have determined that, as of the date hereof, the information contained herein is, to the best of their knowledge and belief, true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading. This Official Statement has been approved by the Board.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended only 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, beneficial or otherwise, of any of the Bonds.

This Official Statement and the delivery thereof have been duly approved and authorized by the District.

**CHABOT-LAS POSITAS COMMUNITY
COLLEGE DISTRICT**

By _____
Jonah Nicholas
Vice Chancellor of Business Services

APPENDIX A
2019-20 AUDITED FINANCIAL STATEMENTS
OF THE DISTRICT

APPENDIX B

FORM OF OPINIONS OF BOND COUNSEL

Upon issuance of the Bonds, Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, proposes to render its final approving opinion with respect to the Series B Bonds in substantially the following form:

[Closing Date]

Board of Trustees
Chabot-Las Positas Community College District

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of \$_____ Chabot-Las Positas Community College District (Alameda and Contra Costa Counties, California) Election of 2016 General Obligation Bonds, Series B (Tax-Exempt) (the "Bonds"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination as bond counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, the requisite fifty-five percent vote of the qualified electors of the Chabot-Las Positas Community College District (the "District") voting at an election held on June 7, 2016, and a resolution adopted by the Board of Trustees of the District (the "Resolution").
2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* property taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.
3. Under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals.
4. Interest on the Bonds is exempt from State of California personal income tax.
5. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bonds constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bondowner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bondowner will increase the Bondowner's basis in the applicable Bond. Original issue discount that accrues to the Bondowner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and is exempt from State of California personal income tax.

6. The amount by which a Bondowner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Internal Revenue Code of 1986, as amended (the "Code"); such amortizable Bond premium reduces the Bondowner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bondowner realizing a taxable gain when a Bond is sold by the Bondowner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Bondowner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. No opinion is expressed herein as to the effect on the exclusion from gross income of interest (and original issue discount) for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than ourselves. Other than expressly stated herein, we express no opinion regarding tax consequences with respect to the Bonds.

The opinions expressed herein as to the exclusion from gross income of interest (and original issue discount) on the Bonds are based upon certain representations of fact and certifications made by the District and others and are subject to the condition that the District complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

It is possible that subsequent to the issuance of the Bonds there might be federal, state, or local statutory changes (or judicial or regulatory interpretations of federal, state, or local law) that affect the federal, state, or local tax treatment of the Bonds or the market value of the Bonds. No assurance can be given that subsequent to the issuance of the Bonds such changes or interpretations will not occur.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against public agencies in the State of California.

Respectfully submitted,

Stradling Yocca Carlson & Rauth

Upon issuance of the Bonds, Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, proposes to render its final approving opinion with respect to the Refunding Bonds in substantially the following form:

[Closing Date]

Board of Trustees
Chabot-Las Positas Community College District

Members of the Board of Trustees:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of \$_____ Chabot-Las Positas Community College District (Alameda and Contra Costa Counties, California) 2021 General Obligation Refunding Bonds (Federally Taxable) (the “Bonds”). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination as bond counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, and a resolution (the “Resolution”) of the Board of Trustees of the Chabot-Las Positas Community College District (the “District”).
2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* property taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.
3. Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”).
4. Interest on the Bonds is exempt from State of California personal income tax.
5. Except for certain exceptions, the difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated payment price at maturity with respect to such Bond (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method. The amount of original issue discount deemed received by a Bond owner will increase the Bond owner’s basis in the applicable Bond.
6. The amount by which a Bond owner’s original basis for determining gain or loss on sale or exchange of the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which the owner of Bond may elect to amortize under Section 171 of the Code. Such amortizable bond premium reduces the Bond owner’s basis in the applicable Bond (and the amount of taxable interest received) for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in the owner of a Bond realizing a taxable gain when a Bond is sold by the owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the owner. The owners of the Bonds that have a basis in the Bonds that is greater than the

principal amount of the Bonds should consult their own tax advisors with respect to whether or not they should elect to amortize such premium under Section 171 of the Code

Except as expressly set forth in paragraphs (3), (4), (5) and (6), we express no opinion regarding any tax consequences with respect to the Bonds.

The opinions expressed herein are based upon our analysis and interpretation of existing statutes, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. Our engagement as bond counsel to the District terminates upon the issuance of the Bonds.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against public agencies in the State of California.

Respectfully submitted,

Stradling Yocca Carlson & Rauth

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Chabot-Las Positas Community College District (the “District”) in connection with the issuance of (i) \$_____ of the District’s Election of 2016 General Obligation Bonds, Series B (Tax-Exempt) and (ii) \$_____ of the District’s 2021 General Obligation Refunding Bonds (Federally Taxable) (collectively, the “Bonds”). The Bonds are being issued pursuant to resolutions of the District adopted on June 15, 2021 (the “Resolutions”). The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

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

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” shall mean initially the District, or any successor Dissemination Agent designated in writing by the District (which may be the District) and which has filed with the District a written acceptance of such designation.

“Financial Obligation” shall mean (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

“Holders” shall mean registered owners of the Bonds.

“Listed Events” shall mean any of the events listed in Sections 5(a) or (b) of this Disclosure Certificate.

“Official Statement” shall mean the Official Statement, dated as of _____, 2021, relating to the offer and sale of the Bonds.

“Participating Underwriter” shall mean the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Repository” shall mean the Municipal Securities Rulemaking Board, which can be found at <http://emma.msrb.org/>, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

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

“State” shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District’s fiscal year (presently ending June 30), commencing with the report for the 2020-21 Fiscal Year, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; *provided* that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than 30 days (nor more than 60 days) prior to said date the Dissemination Agent shall give notice to the District that the Annual Report shall be required to be filed in accordance with the terms of this Disclosure Certificate. Not later than 15 Business Days prior to said date, the District shall provide the Annual Report in a format suitable for reporting to the Repository to the Dissemination Agent (if other than the District). If the District is unable to provide to the Repository an Annual Report by the date required in subsection (a), the District shall send a timely notice to the Repository in substantially the form attached as Exhibit A with a copy to the Dissemination Agent. The Dissemination Agent shall not be required to file a Notice to Repository of Failure to File an Annual Report.

(c) The Dissemination Agent shall file a report with the District stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided.

SECTION 4. Content and Form of Annual Reports.

(a) The District’s Annual Report shall contain or include by reference the following:

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

2. Material financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District’s audited financial statements):

(A) State funding received by the District for the last completed fiscal year;

- (B) Full-time equivalent student counts of the District for the last completed fiscal year;
- (C) Outstanding District indebtedness;
- (D) Summary financial information on revenues, expenditures and fund balances for the District's general fund reflecting adopted budget for the current fiscal year;
- (E) Total assessed valuation of taxable property within the District, for the current fiscal year;
- (F) Current year secured *ad valorem* tax charges and delinquencies for levies within the District's boundaries for Alameda County and Contra Costa County, to the extent such counties do not participate in the Teeter Plan.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

(b) The Annual Report shall be filed in an electronic format accompanied by identifying information prescribed by the Municipal Securities Rulemaking Board.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5(a), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not in excess of 10 business days after the occurrence of the event:

1. principal and interest payment delinquencies.
2. tender offers.
3. defeasances.
4. rating changes.
5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or Notices of Proposed Issue (IRS Form 5701-TEB).
6. unscheduled draws on the debt service reserves reflecting financial difficulties.
7. unscheduled draws on credit enhancement reflecting financial difficulties.
8. substitution of the credit or liquidity providers or their failure to perform.
9. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties.

10. bankruptcy, insolvency, receivership or similar event (within the meaning of the Rule) of the District. For the purposes of the event identified in this Section 5(a)(10), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(b) Pursuant to the provisions of this Section 5(b), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. non-payment related defaults.
2. modifications to rights of Bondholders.
3. optional, contingent or unscheduled Bond calls.
4. unless described under Section 5(a)(5) above, material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
5. release, substitution or sale of property securing repayment of the Bonds.
6. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.
7. appointment of a successor or additional paying agent with respect to the Bonds or the change of name of such paying agent.
8. incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect Bondowners.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event under Section 5(b) hereof, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) hereof would be material under applicable federal securities laws, the District shall (i) file a notice of such occurrence with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event or (ii) provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event. The Dissemination Agent shall have no duty to independently prepare or file any report of Listed Events. The Dissemination Agent may conclusively rely on the District's determination of materiality pursuant to Section 5(c).

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a) or Section 5(b), as applicable.

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent (or substitute Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign upon 15 days written notice to the District. Upon such resignation, the District shall act as its own Dissemination Agent until it appoints a successor. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate and shall not be responsible to verify the accuracy, completeness or materiality of any continuing disclosure information provided by the District. The District shall compensate the Dissemination Agent for its fees and expenses hereunder as agreed by the parties. Any entity succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the execution or filing of any paper or further act.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

- (a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;
- (b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;
- (c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds; and
- (d) No duties of the Dissemination Agent hereunder shall be amended without its written consent thereto.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(b), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolutions, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent acts hereunder solely for the benefit of the District; this Disclosure Certificate shall confer no duties on the Dissemination Agent to the Participating Underwriters, the Holders and the Beneficial Owners. The District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no liability for the failure to report any event or any financial information as to which the District has not provided an information report in format suitable for filing with the Repository. The Dissemination Agent shall not be required to monitor or enforce the District's duty to comply with its continuing disclosure requirements hereunder.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: _____, 2021

CHABOT-LAS POSITAS COMMUNITY COLLEGE
DISTRICT

By _____
Vice Chancellor of Business Services

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of District: CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

Name of Bond Issue: Election of 2016 General Obligation Bonds, Series B (Tax-Exempt)
2021 General Obligation Refunding Bonds (Federally Taxable)

Date of Issuance: _____, 2021

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate relating to the Bonds. The District anticipates that the Annual Report will be filed by _____.

Dated: _____

CHABOT-LAS POSITAS COMMUNITY COLLEGE
DISTRICT

By _____ [form only; no signature required]

APPENDIX D

GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF LIVERMORE, THE CITY OF HAYWARD, CONTRA COSTA COUNTY, AND ALAMEDA COUNTY

The following information regarding the City of Livermore, the City of Hayward (collectively, the “Cities”), Contra Costa County and Alameda County (collectively, the “Counties”) is included only for the purpose of supplying general information regarding the local community and economy. The Bonds are not a debt of the Cities or of the County. This material has been prepared by or excerpted from the sources as noted herein and has not been reviewed for accuracy by the District, Bond Counsel, the Underwriter or the Municipal Advisor.

General

The City of Livermore. The City of Livermore (“Livermore”) was incorporated on April 1, 1876 and is located in Alameda County, near the eastern edge of the San Francisco Bay Area. Livermore is a mid-sized town known for wine, arts, the Lawrence Livermore Labs and affluent residential neighborhoods. The City Council governs the City of Livermore and it is made up of five elected officials, including the Mayor, each serving staggered four-year terms. The City Manager is appointed by the City Council and has the chief administrative responsibilities for the city.

The City of Hayward. The City of Hayward (“Hayward”) is located in Alameda County to the south of Castro Valley and east of Pleasanton. Incorporated in 1876, Hayward has a population of approximately 150,000, making it the sixth most populous city in the San Francisco Bay Area. Hayward’s economy was originally driven by the food canning industry, and today centers on manufacturing, retail, education and government. The City of Hayward is governed by the City Council and it is made up of seven elected officials, including the Mayor, each serving staggered four-year terms. The City Manager is appointed by the City Council and has the chief administrative responsibilities for the city.

Contra Costa County. Contra Costa County is located to the northeast of San Francisco and north of Alameda County. Ranges of hills effectively divide Contra Costa County into three distinct regions. The western portion, with its access to water, contains much of Contra Costa County’s heavy industry. The central section is rapidly developing from a suburban area into a major commercial and financial headquarters center. The eastern part is also undergoing substantial change, from a rural, agricultural area, to a suburban region. The County is governed by a five-member Board of Supervisors, each directly elected by voters in their respective districts. The County was incorporated on February 18, 1850 and the County seat is in the City of Martinez.

Alameda County. Alameda County is located on the east side of the San Francisco Bay and extends from the cities of Berkeley and Albany in the north to the city of Fremont in the south. It is the seventh most populous county in the State, with most of its population concentrated in a highly urbanized area between the San Francisco Bay and the East Bay Hills. The County is governed by a five-member Board of Supervisors, each directly elected by voters in their respective districts. The County was incorporated on March 25, 1853 and the County seat is in the City of Oakland.

Population

The following table shows historical population figures for the Cities, the Counties and the State of California for the past ten years.

POPULATION ESTIMATES
City of Livermore, City of Hayward, Contra Costa County,
Alameda County and State of California
2012 through 2021

<u>Year</u> ⁽¹⁾	<u>City of Livermore</u>	<u>City of Hayward</u>	<u>Contra Costa County</u>	<u>Alameda County</u>	<u>State of California</u>
2012	83,102	148,530	1,072,470	1,545,917	37,924,661
2013	84,254	151,183	1,086,069	1,569,989	38,269,864
2014	85,541	153,185	1,098,959	1,590,729	38,556,731
2015	86,885	155,345	1,113,221	1,613,319	38,865,532
2016	88,635	157,121	1,127,634	1,631,230	39,103,587
2017	89,877	158,799	1,137,577	1,644,303	39,352,398
2018	90,392	158,896	1,143,188	1,651,760	39,519,535
2019	90,769	159,272	1,147,623	1,659,608	39,605,361
2020	91,082	159,266	1,149,853	1,663,114	39,648,938
2021	91,216	158,089	1,153,854	1,656,591	39,466,855

⁽¹⁾ As of January 1.

Source: California Department of Finance for January 1 (2011-2021 with 2010 Benchmark).

Income

The following table shows per capita personal income for the Counties, the State of California and the United States for the past ten years.

PER CAPITA PERSONAL INCOME
Contra Costa County, Alameda County, State of California, and the United States
2011 through 2020

<u>Year</u>	<u>Alameda County</u>	<u>Contra Costa County</u>	<u>State of California</u>	<u>United States</u>
2011	\$51,281	\$57,706	\$46,177	\$42,735
2012	53,402	61,931	48,819	44,598
2013	55,509	61,568	49,312	44,851
2014	59,117	64,152	52,376	47,058
2015	63,912	69,234	55,853	49,003
2016	67,798	72,698	58,074	49,995
2017	71,947	77,211	60,581	52,096
2018	77,233	81,442	63,759	54,581
2019	81,171	85,324	66,745	56,474
2020	*	*	71,480	59,729

*Year 2020 numbers not available.

Note: Per capita personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. Estimates for 2010 through 2019 reflect county population estimates available as of March 2020. All dollar estimates are in current dollars (not adjusted for inflation).

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

Principal Employers

The following tables show the principal employers in the Cities and Counties by number of employees.

PRINCIPAL EMPLOYERS City of Livermore 2020

<u>Company</u>	<u>Description</u>	<u>Employees</u>
Lawrence Livermore National Laboratory	Public Administration Laboratory	8,364
Livermore Valley Joint Unified School District	Educational Services	1,422
Sandia National Laboratories	Commercial Laboratory	1,375
Lam Research	Semiconductor Processing	1,003
Gillig	Manufacturer – Heavy Transit Buses	921
Tesla	Electric Vehicle Manufacturer	705
Form Factor	Semiconductor Test and Management	618
City of Livermore	Local Government	511
Las Positas College	Educational Services	493
DHL Supply Chain	Logistics Service	467

Source: *City of Livermore 'Comprehensive Annual Financial Report' for Fiscal Year Ended June 30, 2020.*

PRINCIPAL EMPLOYERS* City of Hayward 2020

<u>Company</u>
Alameda County Sheriff's Department
Baxter Bio Pharma
Berkeley Farms LLC
California State University, East Bay
Chabot Community College ⁽¹⁾
Costco Warehouse
Fremont Bank Operations Center
Hayward Unified School District
Illumina
Inland Marine Industries, Inc.
New Century Beverage (Pepsi)
Maleko Personnel, Inc.
Plastikon Industries, Inc.
Gillig Corp.
St. Rose Hospital
City of Hayward
Kobe Precision

*Presented in alphabetical order based on economic development assessment. General company description and employee count information is not available.

⁽¹⁾ For employment information regarding the District as a whole, please see "CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT – Labor Relations" in the front part of this Official Statement.

Source: *City of Hayward 'Comprehensive Annual Financial Report' for Fiscal Year Ended June 30, 2020.*

PRINCIPAL EMPLOYERS
Contra Costa County
2020

<u>Company</u>	<u>Description</u>	<u>Employees</u>
Chevron Corporation	Petroleum Refining	10,000+
St. Mary's College	Education	1,000-4,999
Bio-Rad Laboratories	Laboratory	1,000-4,999
Jobs Connection	Employment Services	1,000-4,999
John Muir Medical Center	Health Care	1,000-4,999
Kaiser Permanente	Health Care	1,000-4,999
La Raza Market	Grocery Store	1,000-4,999
Martinez Medical Offices	Health Care	1,000-4,999
USS-POSCO Industries	Steel Fabricator	1,000-4,999

Source: Contra Costa County 'Comprehensive Annual Financial Report' for Fiscal Year Ended June 30, 2020.

PRINCIPAL EMPLOYERS
Alameda County
2020

<u>Company</u>	<u>Description</u>	<u>Employees</u>
Kaiser Permanente Medical Group Inc.	Health Care	34,819
Tesla	Electric Vehicle Manufacturer	10,000
Safeway Inc.	Grocery Store	9,796
County of Alameda	Local Government	9,588
Sutter Health	Health Care	9,377
John Muir Health	Health Care	6,012
Chevron Corporation	Energy Production	5,186
PG&E Corporation	Energy Production	5,100
Wells Fargo Bank	Financial Services	5,326
WorkDay	Enterprise Cloud Applications	4,565

Source: Alameda County 'Comprehensive Annual Financial Report' for Fiscal Year Ended June 30, 2020.

Employment

The following table summarizes the labor force, employment and unemployment figures for the years 2016 through 2020 for the Cities, the Counties, the State and the United States.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT ANNUAL AVERAGES City of Livermore, City of Hayward, Contra Costa County, Hayward County, State of California and United States 2016 through 2020⁽¹⁾

Year	Area	Labor Force	Employment ⁽²⁾	Unemployment ⁽³⁾	Unemployment Rate (%)
2016	City of Livermore	47,600	45,900	1,700	3.6
	City of Hayward	77,500	73,800	3,600	4.7
	Contra Costa County	553,200	28,400	24,800	4.5
	Alameda County	831,800	796,000	35,800	4.3
	State of California	19,012,000	17,965,400	1,046,600	5.5
	United States	159,187,000	151,436,000	7,751,000	4.9
2017	City of Livermore	48,200	46,700	1,500	3.6
	City of Hayward	78,100	74,900	3,100	4.0
	Contra Costa County	558,200	536,700	21,600	3.9
	Alameda County	838,700	807,700	31,000	3.7
	State of California	19,173,800	18,246,800	927,000	4.8
	United States	160,320,000	153,337,000	6,983,000	4.4
2018	City of Livermore	48,300	47,100	1,300	2.6
	City of Hayward	77,700	75,100	2,600	3.3
	Contra Costa County	560,300	542,200	18,100	3.2
	Alameda County	841,500	815,700	25,800	3.1
	State of California	19,263,900	18,442,400	821,500	4.3
	United States	162,075,000	155,761,000	6,314,000	3.9
2019	City of Livermore	48,100	46,900	1,200	2.5
	City of Hayward	77,300	74,700	2,500	3.3
	Contra Costa County	539,700	542,100	17,600	3.1
	Alameda County	841,100	815,900	25,200	3.0
	State of California	19,353,700	18,550,500	803,200	4.2
	United States	163,539,000	157,538,000	6,001,000	3.7
2020	City of Livermore	46,000	42,700	3,300	7.2
	City of Hayward	75,900	68,000	7,900	10.4
	Contra Costa County	541,300	493,200	48,000	8.9
	Alameda County	813,800	742,400	71,400	8.8
	State of California	18,821,200	16,913,100	1,908,100	10.1
	United States	160,742,000	147,795,000	12,947,000	8.1

Note: Data is not seasonally adjusted.

(1) Annual averages, unless otherwise specified.

(2) Includes persons involved in labor-management trade disputes.

(3) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.

Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department. March 2020 Benchmark

Industry

The Counties are included in the Oakland-Hayward-Berkeley Metropolitan Division (the “MD”). The distribution of employment in the MD is presented in the following table for the calendar years 2016 through 2020. These figures are multi county-wide statistics and may not necessarily accurately reflect employment trends in the County.

LABOR FORCE AND INDUSTRY EMPLOYMENT ANNUAL AVERAGES Oakland-Hayward-Berkeley MD 2016 through 2020

<u>Category</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total Farm	1,300	1,400	1,300	1,400	1,500
Total Nonfarm	1,134,100	1,160,400	1,180,000	1,189,000	1,092,200
Total Private	960,700	985,800	1,005,300	1,014,000	926,300
Goods Producing	159,400	167,200	175,800	176,700	168,900
Mining and Logging	300	200	200	200	200
Construction	67,900	71,200	74,900	75,500	70,400
Manufacturing	91,300	95,700	100,600	101,000	98,200
Durable Goods	58,800	62,300	67,300	67,800	68,000
Nondurable Goods	32,500	33,500	33,400	33,200	30,200
Service Providing	974,700	993,300	1,004,200	1,012,300	923,400
Private Service Producing	801,200	818,600	829,600	837,400	757,500
Trade, Transportation and Utilities	201,200	204,400	204,300	200,800	187,500
Wholesale Trade	48,100	48,700	47,500	45,400	42,000
Retail Trade	113,400	114,400	114,400	111,700	100,500
Transportation, Warehousing and Utilities	39,700	41,300	42,300	43,700	45,100
Information	26,500	26,900	27,600	27,600	25,800
Financial Activities	55,800	56,300	55,300	55,400	52,700
Professional and Business Services	181,100	184,500	189,500	193,200	184,600
Educational and Health Services	185,900	191,500	194,300	198,400	189,800
Leisure and Hospitality	111,700	114,900	117,700	121,000	84,100
Other Services	39,100	40,200	41,000	41,200	32,900
Government	<u>173,400</u>	<u>174,600</u>	<u>174,700</u>	<u>174,800</u>	<u>165,900</u>
Total, All Industries	<u>1,135,400</u>	<u>1,161,800</u>	<u>1,181,300</u>	<u>1,190,400</u>	<u>1,093,700</u>

Note: The “Total, All Industries” data is not directly comparable to the employment data found herein.

Source: State of California, Employment Development Department, Labor Market Information Division, Industry Employment & Labor Force – by Annual Average. March 2020 Benchmark.

Commercial Activity

Summaries of annual taxable sales for the City and the County from 2015 through 2019 are shown in the following tables.

ANNUAL TAXABLE SALES City of Livermore 2015 through 2019 (Dollars in Thousands)

<u>Year</u>	<u>Retail Permits</u>	<u>Retail Stores Taxable Transactions</u>	<u>Total Permits</u>	<u>Total Outlets Taxable Transactions</u>
2015	1,469	\$1,731,805	2,603	\$2,400,735
2016	1,499	1,846,702	2,662	2,549,687
2017	1,513	1,934,135	2,722	2,833,471
2018	1,501	1,980,658	2,806	2,917,004
2019	1,530	2,005,968	2,901	2,959,726

Source: *Taxable Sales in California, California Department of Tax and Fee Administration ("CDTFA")*.

ANNUAL TAXABLE SALES City of Hayward 2015 through 2019 (Dollars in Thousands)

<u>Year</u>	<u>Retail Permits</u>	<u>Retail Stores Taxable Transactions</u>	<u>Total Permits</u>	<u>Total Outlets Taxable Transactions</u>
2015	2,152	\$1,574,860	4,039	\$2,766,681
2016	2,183	1,626,906	4,096	3,007,592
2017	2,132	1,711,709	4,026	2,864,222
2018	2,165	1,791,785	4,182	3,011,758
2019	2,241	1,874,427	4,378	3,281,774

Source: *Taxable Sales in California, California Department of Tax and Fee Administration ("CDTFA")*.

ANNUAL TAXABLE SALES Contra Costa County 2015 through 2019 (Dollars in Thousands)

<u>Year</u>	<u>Retail Permits</u>	<u>Retail Stores Taxable Transactions</u>	<u>Total Permits</u>	<u>Total Outlets Taxable Transactions</u>
2015	14,766	\$11,537,063	23,686	\$15,786,868
2016	14,963	11,926,501	24,153	16,104,285
2017	14,945	12,501,433	24,114	16,757,632
2018	15,095	13,163,891	25,317	17,607,890
2019	15,337	13,301,946	26,201	18,048,985

Source: *Taxable Sales in California, California Department of Tax and Fee Administration ("CDTFA")*.

ANNUAL TAXABLE SALES
Alameda County
2015 through 2019
(Dollars in Thousands)

<u>Year</u>	<u>Retail Permits</u>	<u>Retail Stores Taxable Transactions</u>	<u>Total Permits</u>	<u>Total Outlets Taxable Transactions</u>
2015	27,339	\$18,904,961	44,548	\$29,972,313
2016	27,517	19,591,529	45,165	31,163,320
2017	27,431	20,786,502	45,232	32,702,083
2018	27,816	22,857,349	47,402	35,073,302
2019	28,375	21,882,886	49,197	35,040,749

Source: *Taxable Sales in California, California Department of Tax and Fee Administration ("CDTFA").*

Construction Activity

The annual building permit valuations and number of permits for new dwelling units issued from 2015 through 2019 for the City and the County are shown in the following tables.

BUILDING PERMITS AND VALUATIONS
City of Livermore
2015 through 2019
(Dollars in Thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Valuation					
Residential	\$118,113	\$119,243	\$111,005	\$84,519	\$82,062
Non-residential	<u>153,994</u>	<u>47,836</u>	<u>89,895</u>	<u>81,690</u>	<u>77,021</u>
Total	\$272,107	\$167,079	\$196,900	\$166,209	\$159,083
Units					
Single family	299	270	192	116	74
Multiple family	<u>102</u>	<u>176</u>	<u>188</u>	<u>202</u>	<u>249</u>
Total	401	446	380	318	323

Note: Totals may not add to sums because of rounding.

Source: *Construction Industry Research Board.*

BUILDING PERMITS AND VALUATIONS
City of Hayward
2015 through 2019
(Dollars in Thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Valuation					
Residential	\$112,501	\$176,932	\$136,939	\$156,058	\$299,337
Non-residential	<u>64,064</u>	<u>100,093</u>	<u>60,286</u>	<u>133,147</u>	<u>81,571</u>
Total	\$176,565	\$277,025	\$197,225	\$289,205	\$380,908
Units					
Single family	280	487	381	410	562
Multiple family	<u>24</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>440</u>
Total	304	487	381	413	1,002

Note: Totals may not add to sums because of rounding.

Source: *Construction Industry Research Board.*

BUILDING PERMITS AND VALUATIONS
Contra Costa County
2015 through 2019
(Dollars in Thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Valuation					
Residential	\$1,053,949	\$1,073,171	\$951,436	\$1,082,667	\$1,016,332
Non-Residential	<u>526,816</u>	<u>668,425</u>	<u>607,769</u>	<u>729,898</u>	<u>472,956</u>
Total	\$1,580,765	\$1,741,596	\$1,559,205	\$1,812,565	\$1,489,288
Units					
Single Family	1,909	1,853	1,732	1,647	1,573
Multiple Family	<u>629</u>	<u>1,043</u>	<u>272</u>	<u>1,161</u>	<u>1,229</u>
Total	2,538	2,896	2,004	2,808	2,802

Note: Totals may not add to sums because of rounding.

Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS
Alameda County
2015 through 2019
(Dollars in Thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Valuation					
Residential	\$1,378,286	\$1,378,286	\$2,572,048	\$2,590,674	\$1,970,076
Non-Residential	<u>1,146,437</u>	<u>1,332,035</u>	<u>1,587,834</u>	<u>1,762,395</u>	<u>1,794,925</u>
Total	\$2,524,723	\$3,087,507	\$4,159,882	\$4,353,069	\$3,765,001
Units					
Single Family	1,671	2,348	2,175	1,867	1,871
Multiple Family	<u>3,370</u>	<u>3,171</u>	<u>6,889</u>	<u>6,540</u>	<u>4,145</u>
Total	5,041	5,519	9,064	8,407	6,016

Note: Totals may not add to sums because of rounding.

Source: Construction Industry Research Board.

APPENDIX E

ALAMEDA COUNTY TREASURY POOL

The following information concerning the Alameda County Treasury Pool (the “Treasury Pool”) has been provided by the Treasurer, and has not been confirmed or verified by the District Advisor or the Underwriters. The District and the Underwriters have not made an independent investigation of the investments in the Treasury Pool and have made no assessment of the current County investment policy. The value of the various investments in the Treasury Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Treasurer, with the consent of the County Board of Supervisors, may change the County investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Treasury Pool will not vary significantly from the values described herein. Finally, neither the District nor the Underwriters make any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date. Additional information regarding the Treasury Pool may be obtained from the Treasurer at www.ttc.lacounty.gov; however, the information presented on such website is not incorporated herein by any reference.