

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2018**NEW ISSUE—BOOK-ENTRY****RATING: S&P: “_____”
See “RATING”**

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described in this Official Statement, under existing law, the interest on the 2018A Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax, although, in the case of tax years beginning prior to January 1, 2018, for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest earned by a corporation prior to the end of its tax year in 2018 is taken into account in determining certain income and earnings. Interest on the 2018B Bonds is not intended to be exempt from federal income taxation. In the further opinion of Bond Counsel, interest on the 2018 Bonds is exempt from California personal income taxes. See “TAX MATTERS.”

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY OF SAN LEANDRO**

<p>\$ _____ *</p> <p>ALAMEDA COUNTY - CITY OF SAN LEANDRO REDEVELOPMENT PROJECT TAX ALLOCATION REFUNDING BONDS, SERIES 2018A</p>	<p>\$ _____ *</p> <p>ALAMEDA COUNTY - CITY OF SAN LEANDRO REDEVELOPMENT PROJECT TAX ALLOCATION REFUNDING BONDS, SERIES 2018B (FEDERALLY TAXABLE)</p>
---	---

Dated: Delivery Date**Due: September 1, as shown on the inside front cover**

Purpose. The \$ _____ aggregate principal amount of Successor Agency to the Redevelopment Agency of the City of San Leandro Alameda County - City of San Leandro Redevelopment Project Tax Allocation Refunding Bonds, Series 2018A (the “2018A Bonds”) and the \$ _____ aggregate principal amount of Successor Agency to the Redevelopment Agency of the City of San Leandro Alameda County - City of San Leandro Redevelopment Project Tax Allocation Refunding Bonds, Series 2018B (Federally Taxable) (the “2018B Bonds”) and together with the 2018A Bonds, the “2018 Bonds”) are being issued by the Successor Agency to the Redevelopment Agency of the City of San Leandro (the “Successor Agency”) to prepay an outstanding series of bonds payable from tax increment revenue generated in the Alameda County - City of San Leandro Redevelopment Project Area (the “Project Area”).

Payments; Book-Entry. The 2018 Bonds will be delivered as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), and will be available to ultimate purchasers (“Beneficial Owners”) in the denomination of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. Beneficial Owners will not be entitled to receive delivery of bonds representing their ownership interest in the 2018 Bonds. Semiannual interest on the 2018 Bonds due March 1 and September 1 of each year, commencing [September 1, 2018], and annual principal and premium, if any, on the 2018 Bonds due on September 1 of each year, commencing September 1, 2018, will be payable by U.S. Bank National Association, as trustee (the “Trustee”), to DTC for subsequent disbursement to DTC participants, so long as DTC or its nominee remains the registered owner of the 2018 Bonds (see “THE 2018 BONDS – Book-Entry System”). See “THE 2018 BONDS.”

Security. The 2018 Bonds are payable from and secured by a pledge of Tax Revenues (as defined in this Official Statement) to be derived from the Project Area and moneys in certain funds and accounts established under the Indenture of Trust, dated as of _____ 1, 2018 (the “Indenture”), by and between the Successor Agency and the Trustee, as further described in this Official Statement. See “SECURITY FOR THE 2018 BONDS.”

Reserve Fund Surety Policy. The Successor Agency will fund a reserve fund for the 2018 Bonds by depositing with the Trustee a debt service reserve surety policy issued by _____. See “SECURITY FOR THE 2018 BONDS – Reserve Account.”

Redemption. The 2018 Bonds are subject to optional redemption and mandatory sinking account redemption prior to maturity. See “THE 2018 BONDS – Redemption.”

Limited Obligations. The 2018 Bonds are special obligations of the Successor Agency and are secured by an irrevocable pledge of, and are payable as to principal, interest and premium, if any, from Tax Revenues and other funds described in this Official Statement. The 2018 Bonds, interest and premium, if any, thereon are not a debt of the City of San Leandro (the “City”), the County of Alameda (the “County”), the State of California (the “State”) or any of their political subdivisions except the Successor Agency, and none of the City, the County, the State or any of their political subdivisions except the Successor Agency is liable thereon. The 2018 Bonds, interest thereon and premium, if any, are not payable out of any funds or properties other than those set forth in the Indenture. Neither the members of the Successor Agency, the Oversight Board of the Successor Agency, the County Board of Supervisors nor any persons executing the 2018 Bonds are liable personally on the 2018 Bonds.

The 2018 Bonds are offered, when, as and if issued, subject to the approval of Jones Hall, A Professional Law Corporation, San Francisco, Bond Counsel to the Successor Agency. Jones Hall, A Professional Law Corporation, is also acting as Disclosure Counsel to the Successor Agency. Certain legal matters will be passed on for the Successor Agency by Meyers, Nave, Riback, Silver & Wilson, PLC and for the Underwriter by Quint & Thimmig LLP, Larkspur, California, Underwriter’s Counsel. It is anticipated that the 2018 Bonds will be available for delivery through the facilities of DTC on or about _____, 2018.

RAYMOND JAMES®

The date of this Official Statement is _____, 2018.

* Preliminary; subject to change.

MATURITY SCHEDULE

\$ _____ *

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY OF SAN LEANDRO
ALAMEDA COUNTY - CITY OF SAN LEANDRO REDEVELOPMENT PROJECT
TAX ALLOCATION REFUNDING BONDS, SERIES 2018A**

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP†</u> <u>(Base _____)</u>
--	------------------------------------	--------------------------------	--------------	--------------	--------------------------------------

\$ _____ *

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY OF SAN LEANDRO
ALAMEDA COUNTY - CITY OF SAN LEANDRO REDEVELOPMENT PROJECT
TAX ALLOCATION REFUNDING BONDS, SERIES 2018B (FEDERALLY TAXABLE)**

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP†</u> <u>(Base _____)</u>
--	------------------------------------	--------------------------------	--------------	--------------	--------------------------------------

*Preliminary; subject to change.

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

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SAN LEANDRO
(SAN LEANDRO, CALIFORNIA)**

CITY COUNCIL

Pauline Russo Cutter, *Mayor*
Deborah Cox, *Vice Mayor*
Pete Ballew, *Council Member*
Ed Hernandez, *Council Member*
Benny Lee, *Council Member*
Corina N. Lopez, *Council Member*
Lee Thomas, *Council Member*

SUCCESSOR AGENCY STAFF

Chris Zapata, *City Manager/Executive Director**
David Baum, *Finance Director/Treasurer*
Tamika Greenwood, *City Clerk/Secretary*
Richard Pio Roda of Meyers, Nave, Riback, Silver & Wilson, PLC, *City Attorney*

SPECIAL SERVICES

Bond and Disclosure Counsel

Jones Hall, A Professional Law Corporation
San Francisco, California

Municipal Advisor

Kitahata & Company
San Francisco, California

Fiscal Consultant

Urban Analytics, LLC
San Francisco, California

Trustee

U.S. Bank National Association
San Francisco, California

Verification Agent

_____, _____

* Chris Zapata, City Manager/Executive Director is currently on paid administrative leave; Jeff Kay, Assistant City Manager, is currently serving as Interim City Manager/Executive Director.

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
INTRODUCTION.....	2	Appeals of Assessed Values	34
Authority and Purpose.....	2	Proposition 8.....	35
The City and the Successor Agency	3	Propositions 218 and 26.....	35
Security for the 2018 Bonds.....	3	Future Initiatives	36
Reserve Account; 2018 Reserve Policy.....	5	THE SUCCESSOR AGENCY.....	37
The Redevelopment Plan and the Project		Successor Agency Powers.....	37
Area	5	Status of Compliance with Dissolution Act	37
Limited Obligation	5	Last and Final ROPS.....	37
Additional Bonds	6	Audited Financial Statements.....	37
Professionals Involved in the Offering.....	6	THE PROJECT AREA.....	37
Further Information.....	6	General.....	37
REFUNDING PLAN.....	8	Land Use Types	38
Refunding of the Prior Bonds.....	8	Assessed Valuation	40
Estimated Sources and Uses of Funds.....	9	Major Property Owners.....	40
Debt Service Schedule.....	10	Assessment Appeals	41
THE 2018 BONDS	11	Projected Tax Revenues and Debt Service	
Authority for Issuance	11	Coverage.....	44
Description of the 2018 Bonds	11	RISK FACTORS	47
Redemption.....	12	Recognized Obligation Payment Schedule	47
Additional Bonds	14	Challenges to Dissolution Act.....	47
THE DISSOLUTION ACT	15	Reduction in Taxable Value.....	48
SECURITY FOR THE 2018 BONDS	18	Risks to Real Estate Market	49
Pledge Under the Indenture	18	Concentration of Property Ownership	49
Tax Revenues.....	18	Reduction in Inflationary Rate	50
Flow of Funds Under the Indenture.....	19	Development Risks.....	50
Reserve Account; 2018 Reserve Policy.....	21	Levy and Collection of Taxes	50
Limited Obligation	22	Bankruptcy and Foreclosure.....	50
Recognized Obligation Payment Schedules.....	22	Projected Tax Revenues	51
Project Area Agreement with County.....	27	Hazardous Substances	51
No Statutory Pass-Through (AB 1290)		Natural Disasters	51
Payments.....	27	Changes in the Law	52
Section 33676 (2%) Payments.....	27	Loss of Tax-Exemption.....	52
Pass-Through Agreements	28	Secondary Market.....	52
Other Agreements.....	29	TAX MATTERS.....	53
PROPERTY TAXATION IN CALIFORNIA	30	RATING	54
Property Tax Collection Procedures	30	CONTINUING DISCLOSURE.....	54
Delinquencies; Teeter Plan	31	CONCLUDING INFORMATION	55
Unitary Property	32	Underwriting.....	55
Article XIII A of the State Constitution.....	32	Legal Opinion	55
Appropriations Limitation - Article XIII B.....	33	No Litigation.....	56
Proposition 87	34	Miscellaneous.....	56

APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

APPENDIX B – FISCAL CONSULTANT'S REPORT

APPENDIX C – SUPPLEMENTAL INFORMATION-CITY OF SAN LEANDRO

APPENDIX D – FORM OF SUCCESSOR AGENCY CONTINUING DISCLOSURE CERTIFICATE

APPENDIX E – SUCCESSOR AGENCY FINANCIAL STATEMENTS FOR FISCAL YEAR 2016-17

APPENDIX F – FORM OF BOND COUNSEL OPINION

APPENDIX G – BOOK-ENTRY ONLY SYSTEM

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No Offering May Be Made Except by this Official Statement. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations with respect to the 2018 Bonds other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized.

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

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the 2018 Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the Successor Agency or the Project Area since the date of this Official Statement.

Use of this Official Statement. This Official Statement is submitted in connection with the sale of the 2018 Bonds referred to in this Official Statement and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract with the purchasers of the 2018 Bonds.

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

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

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

Stabilization of and Changes to Offering Prices. The Underwriter may overallocate or take other steps that stabilize or maintain the market price of the 2018 Bonds at a level above that which might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the 2018 Bonds to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

Bonds are Exempt from Securities Laws Registration. The issuance and sale of the 2018 Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934.

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

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

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

OFFICIAL STATEMENT

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN LEANDRO

\$ _____ *	\$ _____ *
ALAMEDA COUNTY - CITY OF SAN LEANDRO REDEVELOPMENT PROJECT	ALAMEDA COUNTY - CITY OF SAN LEANDRO REDEVELOPMENT PROJECT
TAX ALLOCATION REFUNDING BONDS, SERIES 2018A	TAX ALLOCATION REFUNDING BONDS, SERIES 2018B (FEDERALLY TAXABLE)

INTRODUCTION

This Official Statement, including the cover page, is provided to furnish information in connection with the sale by the Successor Agency to the Redevelopment Agency of the City of San Leandro (the “**Successor Agency**”) of the Successor Agency to the Redevelopment Agency of the City of San Leandro Alameda County - City of San Leandro Redevelopment Project Tax Allocation Refunding Bonds, Series 2018A (the “**2018A Bonds**”) and the Successor Agency to the Redevelopment Agency of the City of San Leandro Alameda County - City of San Leandro Redevelopment Project Tax Allocation Refunding Bonds, Series 2018B (Federally Taxable) (the “**2018B Bonds**” and together with the 2018A Bonds, the “**2018 Bonds**”).

Authority and Purpose

The Successor Agency is issuing the 2018 Bonds pursuant to authority granted by Part 1 (commencing with Section 33000) and Part 1.85 of Division 24 (commencing with Section 34170) of the California Health and Safety Code (the “**Law**”), Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the “**Refunding Law**”) and an Indenture of Trust dated as of _____ 1, 2018 (the “**Indenture**”) by and between the Successor Agency and U.S. Bank National Association, as trustee (the “**Trustee**”). See “THE 2018 BONDS – Authority for Issuance.”

The Successor Agency is issuing the 2018 Bonds in order to defease and optionally redeemed the Redevelopment Agency of the City of San Leandro Alameda County - City of San Leandro Redevelopment Project Tax Allocation Bonds, Series 2008 (the “**Prior Bonds**”), which were initially issued by the Redevelopment Agency of the City of San Leandro (the “**Former Agency**”) in the principal amount of \$27,530,000, and are currently outstanding in the principal amount of \$_____.

The proceeds of the Prior Bonds were used to fund certain redevelopment activities of benefit to property within the Alameda County - City of San Leandro Project Area (the “**Project Area**”) of the Former Agency.

The remaining proceeds of the 2018 Bonds will be used to pay the costs of issuing the 2018 Bonds, including the premium on a debt service reserve fund surety bond (the “**2018 Reserve Policy**”) issued by _____ (the “**2018 Reserve Insurer**”).

* Preliminary; subject to change.

The City and the Successor Agency

City and County. The City of San Leandro (the "**City**"), which comprises approximately 15.5 square miles, is located in central Alameda County (the "**County**"), approximately 20 miles southeast of San Francisco and 35 miles north of San Jose. The City is a diversified community with residential, commercial and industrial development within the City. The City is served by Interstate 880 and Interstate 580, connecting freeways to Highway 101 and Interstate 5 which run north/south through California. See "APPENDIX C – Supplemental Information – City of San Leandro" for additional information on the City and the County.

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

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

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

Successor Agency. Pursuant to Section 34173 of the Dissolution Act, the City acts as the Successor Agency to the Former Agency. Subdivision (g) of Section 34173 of the Dissolution Act, added by AB 1484, expressly affirms that the Successor Agency is a separate public entity and legal entity from the City, that the two entities shall not merge, and that the liabilities of the Former Agency will not be transferred to the City nor will the assets of the Former Agency become assets of the City.

Security for the 2018 Bonds

The Dissolution Act authorizes the Successor Agency to issue refunding bonds secured by a pledge of, and lien on, and repaid from property tax revenues (as further defined herein, "**Tax Revenues**") deposited with respect to the Project Area from time to time in the Redevelopment Property Tax Trust Fund (the "**Redevelopment Property Tax Trust Fund**") established and held by the Alameda County Auditor-Controller (the "**County Auditor-**

Controller"). See "SECURITY FOR THE 2018 BONDS - Tax Revenues" for the complete definition of "**Tax Revenues**."

The Dissolution Act requires the County Auditor-Controller to determine the amount of property taxes that would have been allocated to the Former Agency from the Project Area had the Former Agency not been dissolved, using current assessed values on the last equalized roll on August 20, and to deposit that amount in the Redevelopment Property Tax Trust Fund. The Dissolution Act provides that any bonds authorized thereunder to be issued by the Successor Agency will be considered indebtedness incurred by the dissolved Former Agency, with the same lien priority and legal effect as if the bonds had been issued prior to the effective date of AB 1X 26, in full conformity with the applicable provisions of the Redevelopment Law that existed prior to that date, and will be included in the Successor Agency's Recognized Obligation Payment Schedules (see "SECURITY FOR THE 2018 BONDS – Recognized Obligation Payment Schedules").

The Dissolution Act further provides that property tax revenues pledged to any bonds authorized under the Dissolution Act, such as the 2018 Bonds, are taxes allocated to the Successor Agency pursuant to the provisions of the Redevelopment Law and the State Constitution.

Property tax revenues will be allocated to the Successor Agency on a semi-annual basis based on a Recognized Obligation Payment Schedule submitted by the Successor Agency to an oversight board established for the Successor Agency (the "**Oversight Board**") and the State Department of Finance (the "**DOF**"). The County Auditor-Controller will distribute funds from the Redevelopment Property Tax Trust Fund for each six-month period in the order specified in the Dissolution Act. See "SECURITY FOR THE 2018 BONDS – Recognized Obligation Payment Schedules."

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

Pass-Through Agreements; Project Area Agreement

The Project Area is subject to several fiscal agreements that were negotiated with taxing entities during the plan adoption process for the Project Area. These agreements (collectively, the "**Pass-Through Agreements**") are briefly summarized in this Official Statement. *Amounts payable under the Pass-Through Agreements have not been subordinated to the payment of debt service on the 2018 Bonds and are, therefore, payable senior to the 2018 Bonds.*

In addition, certain amounts of tax increment generated in the Project Area are payable to the County, or required to be spent within that portion of the Project Area outside of the City limits, pursuant to the Agreement Regarding Alameda County – City of San Leandro Redevelopment Project dated as of July 1, 1993, between the Agency and the County (the "**Project Area Agreement**").

For additional information on the Pass-Through Agreements and the Project Area Agreement, see "SECURITY FOR THE 2018 BONDS – Pass-Through Agreements" and "– Project Area Agreement."

Reserve Account; 2018 Reserve Policy

The Successor Agency will meet the “**Reserve Requirement**” (as defined herein) for the 2018 Bonds by depositing the 2018 Reserve Policy issued by the 2018 Reserve Insurer with the Trustee. See “SECURITY FOR THE 2018 BONDS – Reserve Account.”

The Redevelopment Plan and the Project Area

Redevelopment Plan. On July 8, 1993, the City Council of the City (the “**City Council**”) adopted the Redevelopment Plan for the Alameda County – City of San Leandro Redevelopment Project Area (as amended, the “**Redevelopment Plan**”) by Ordinance No. 93-012. The plan has been amended seven times, as described herein.

See “THE PROJECT AREA – The Redevelopment Plan” for a description of amendments to the Redevelopment Plan and related limitations.

Project Area. The Project Area encompasses approximately 1,700 acres and is largely comprised of single-family residential parcels, along with commercial and industrial parcels. Based on the County property tax roll for fiscal year 2017-18, there are 5,496 properties in the Project Area, of which 3,461 are residential. The assessed value of the Project Area for fiscal year 2017-18 is approximately \$2.8 billion and the base year valuation is approximately \$0.9 billion.

The Project Area is a “joint” area due to the inclusion of land in both the City and County. Accordingly, the Redevelopment Plan provides that tax increment revenues generated from the Project Area are split between the City and the County by a formula. The percentage payable to each varies over time.

See “THE PROJECT AREA” for additional information on land use, assessed valuation and property ownership within the Project Area.

Other Project Areas of the Successor Agency. The Project Areas is one of three redevelopment project areas created by the Former Agency. The other two redevelopment project areas are known as the Plaza Project Area and the West San Leandro/MacArthur Boulevard Redevelopment Area (the “**Other Project Areas**”). Property tax revenues from the Other Project Areas are deposited by the County Auditor-Controller into a separate redevelopment property tax trust fund held by the County Auditor-Controller for such Other Project Areas and available to the Successor Agency for enforceable obligations payable therefrom. ***The 2018 Bonds are not secured by a pledge, or lien on, property tax revenues allocated to the Successor Agency from the Other Project Areas or their associated redevelopment property tax trust fund.*** See “SECURITY FOR THE 2018 BONDS – Tax Revenues.” The Successor Agency’s \$11,235,000 2014 Tax Allocation Refunding Bonds (Redevelopment Projects) are secured by and payable from the redevelopment property tax trust fund for the Other Project Areas, not the Redevelopment Property Tax Trust Fund that serves as security for the 2018 Bonds. The 2018 Bonds are the only bonds secured by Tax Revenues as defined herein.

Limited Obligation

The 2018 Bonds are special obligations of the Successor Agency and are secured by an irrevocable pledge of and lien on, and are payable as to principal, interest and premium, if any,

from Tax Revenues and other funds. The 2018 Bonds, interest and premium, if any, are not a debt of the City, the County, the State or any of their political subdivisions except the Successor Agency, and none of the City, the County, the State nor any of their political subdivisions (except the Successor Agency) are liable thereon. The 2018 Bonds, interest thereon and premium, if any, are not payable out of any funds or properties other than those set forth in the Indenture. No member, officer, agent, or employee of the Successor Agency, the Oversight Board, the County Board of Supervisors or any person executing the 2018 Bonds is liable personally on the 2018 Bonds by reason of their issuance.

Additional Bonds

The Indenture defines “**Parity Debt**” as any loan, bonds, notes, advances or indebtedness payable from Tax Revenues on a parity with the 2018 Bonds as authorized by the Indenture. Upon the issuance of the 2018 Bonds, the Successor Agency will have no Parity Debt outstanding. However, the Indenture authorizes the issuance of Parity Debt by the Successor Agency in the future, subject to the conditions set forth in the Indenture, which include the limitation that Parity Debt can only be issued for refunding purposes and the condition that annual debt service on such Parity Debt is lower than annual debt service on the obligations being refunded during every Bond Year the refunded obligations would otherwise be outstanding. See “APPENDIX A – Summary of Certain Provisions of the Indenture.”

Professionals Involved in the Offering

Kitahata & Company, San Francisco, California, has served as municipal advisor to the Successor Agency and has advised the Successor Agency with respect to the financial structure of the refinancing and as to other financial aspects of the transaction. *Payment of the fees and expenses of the municipal advisor is contingent upon the sale and delivery of the 2018 Bonds.*

Urban Analytics, LLC, San Francisco, California, has acted as fiscal consultant to the Successor Agency (the “**Fiscal Consultant**”) and advised the Successor Agency as to the taxable values and Tax Revenues projected to be available to pay debt service on the 2018 Bonds as referenced in this Official Statement. The report prepared by the Fiscal Consultant is referred to as the “**Fiscal Consultant’s Report**” and is attached as APPENDIX B.

U.S. Bank National Association, San Francisco, California, will act as Trustee with respect to the 2018 Bonds.

All proceedings in connection with the issuance of the 2018 Bonds are subject to the approval of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel to the Successor Agency. Jones Hall is also acting as Disclosure Counsel. Meyers, Nave, Riback, Silver & Wilson, as City Attorney and Successor Agency counsel, will render certain opinions on behalf of the Successor Agency. Certain legal matters will be passed on for the Underwriter by Quint & Thimmig LLP, Larkspur, California. *Payment of the fees and expenses of Bond Counsel, Disclosure Counsel and Underwriter’s Counsel is contingent upon the sale and delivery of the 2018 Bonds.*

Further Information

Brief descriptions of the Redevelopment Law, the Dissolution Act, the Refunding Law, the 2018 Bonds, the Indenture, the Successor Agency, the Former Agency and the City are

included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references in this Official Statement to the Redevelopment Law, the Dissolution Act, the Refunding Law, the 2018 Bonds, the Indenture, the Constitution and the laws of the State as well as the proceedings of the Former Agency, the Successor Agency, and the City are qualified in their entirety by reference to such documents and laws. References in this Official Statement to the 2018 Bonds are qualified in their entirety by the form included in the Indenture and by the provisions of the Indenture. Capitalized terms used in this Official Statement and not otherwise defined shall have the meanings given to such terms as set forth in the Indenture.

During the period of the offering of the 2018 Bonds, copies of the forms of all documents are available from the City Clerk, City of San Leandro, 835 East 14th Street, San Leandro, California 94577.

REFUNDING PLAN

Refunding of the Prior Bonds

Pursuant to Irrevocable Refunding Instructions (the “**Prior Bonds Refunding Instructions**”), by and between the Successor Agency and U.S. Bank National Association, as trustee of the Prior Bonds (in such capacity, the “**Prior Bonds Escrow Bank**”), the Successor Agency will deliver a portion of the proceeds of the 2018 Bonds, along with other available amounts, to the Prior Bonds Escrow Bank for deposit in an escrow account established under the Prior Bonds Refunding Instructions (in such capacity, the “**Prior Bonds Escrow Account**”).

The Prior Bonds Escrow Bank will invest such amount in certain federal securities through September 1, 2018 (the “**Redemption Date**”). From the amounts on deposit in the Prior Bonds Escrow Account, the Prior Bonds Escrow Bank will pay, on the Redemption Date, the outstanding principal amount of the Prior Bonds and the accrued interest on the Prior Bonds to the Redemption Date.

The Prior Bonds to be redeemed by the 2018 Bonds are set forth in the following table.

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN LEANDRO Identification of Refunded 2008 Bonds*

Maturity Date (September 1)	CUSIP†	Principal Amount
2018	798456 CT4	\$ 645,000
2019	798456 CU1	675,000
2020	798456 CV9	705,000
2021	798456 CW7	735,000
2022	798456 CX5	770,000
2023	798456 CY3	805,000
2024	798456 CZ0	845,000
2025	798456 DA4	885,000
2026	798456 DB2	930,000
2027	798456 DC0	975,000
2028	798456 DD8	1,025,000
2029	798456 DE6	1,080,000
2030	798456 DF3	1,140,000
2031	798456 DG1	1,200,000
2032	798456 DH9	1,270,000
2038	798456 DJ5	9,175,000

*Preliminary; subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP® data herein is provided by Standard & Poor's CUSIP Service Bureau. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service Bureau. CUSIP® numbers are provided for convenience of reference only. Neither the Successor Agency nor the Trustee take any responsibility for the accuracy of such numbers.

The amounts held by the Prior Bonds Escrow Bank in the Prior Bonds Escrow Account are pledged solely to the amounts due and payable by the Successor Agency for the Prior Bonds. Neither the funds deposited in the Prior Bonds Escrow Account nor any interest on the invested funds will be available for the payment of debt service with respect to the 2018 Bonds.

Verification of Mathematical Accuracy

_____ (the “**Verification Agent**”), upon delivery of the 2018 Bonds, will deliver a report of the mathematical accuracy of certain computations, contained in schedules provided to them on behalf of the Successor Agency, relating to (a) the sufficiency of the anticipated amount of proceeds of the 2018 Bonds and other funds available to pay, when due, the principal, whether at maturity or upon prior redemption, interest and redemption premium requirements of the Prior Bonds and (b) the “yields” on the amount of proceeds held and invested prior to redemption of the Prior Bonds and on the 2018 Bonds considered by Bond Counsel in connection with the opinion rendered by Bond Counsel that the 2018 Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

The report of the Verification Agent will include the statement that the scope of their engagement is limited to verifying mathematical accuracy, of the computations contained in such schedules provided to them, and that they have no obligation to update their report because of events occurring, or data or information coming to their attention, subsequent to the date of their report.

Estimated Sources and Uses of Funds

The estimated sources and uses of funds related to the 2018 Bonds are summarized below.

	<u>2018A Bonds</u>	<u>2018B Bonds</u>	<u>Total</u>
<u>Sources:</u>			
Principal Amount	\$	\$	\$
Plus: Prior Bonds - Available Funds			
Plus/Less: Net Original Issue Premium/Discount			
Total Sources	\$	\$	\$
<u>Uses:</u>			
Prior Bonds Escrow Account	\$	\$	\$
Costs of Issuance ⁽¹⁾			
Total Uses	\$	\$	\$

(1) Costs of Issuance include fees and expenses for Bond Counsel, Disclosure Counsel, Municipal Advisor, Fiscal Consultant, and the Trustee, Underwriter's discount, premium for reserve fund surety policy, printing expenses, rating fee, and other costs related to the issuance of the 2018 Bonds.

The following table shows the annual debt service schedule for the 2018A Bonds and the 2018B Bonds, in each case, assuming no optional redemption.

10

THE 2018 BONDS

Authority for Issuance

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

The issuance of the 2018 Bonds and the execution and delivery of the Indenture were authorized by the Successor Agency pursuant to Resolution No. 2017-___ adopted on December 18, 2017 (the “**Resolution**”), and approved by the Oversight Board pursuant to Resolution No. 2017-___ adopted on December 20, 2018 (the “**Oversight Board Resolution**”). Pursuant to the Dissolution Act, written notice of the Oversight Board Resolution was provided to the DOF. On January 31, 2018, the DOF provided a letter to the Successor Agency stating that based on the DOF’s review and application of the law, the Oversight Board Resolution approving the 2018 Bonds is approved by the DOF.

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

Description of the 2018 Bonds

The 2018 Bonds will be issued and delivered in fully-registered form without coupons in the denomination of \$5,000 or any integral multiple thereof for each maturity, initially in the name of Cede & Co., as nominee for The Depository Trust Company (“**DTC**”), as registered owner of all 2018 Bonds. The initially executed and delivered Bonds will be dated the date of delivery (the “**Closing Date**”) and mature on September 1 in the years and in the amounts shown on the inside cover page of this Official Statement.

Interest on the 2018 Bonds will be calculated on the basis of a 360-day year of twelve 30-day months at the rates shown on the inside cover page of this Official Statement, payable semiannually on March 1 and September 1 in each year, commencing on September 1, 2018, by check mailed to the registered owners thereof or upon the request of the Owners of \$1,000,000 or more in principal amount of 2018 Bonds, by wire transfer to an account in the United States which shall be designated in written instructions by such Owner to the Trustee on or before the Record Date preceding the Interest Payment Date. “**Record Date**” as defined in the Indenture means, with respect to any Interest Payment Date, the close of business on the 15th calendar day of the month preceding such Interest Payment Date, whether or not such 15th calendar day is a Business Day.

One fully-registered bond will be issued for each maturity of the 2018 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See “APPENDIX G – Book-Entry Only System.”

Redemption*

Optional Redemption. The 2018A Bonds maturing on or before September 1, 20__, are not subject to optional redemption prior to maturity. The 2018A Bonds maturing on or after September 1, 20__, are subject to redemption, at the option of the Successor Agency, on any date on or after September 1, 20__, as a whole or in part, by such maturities as will be determined by the Successor Agency and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium.

The 2018B Bonds maturing on or before September 1, 20__ are not subject to optional redemption prior to maturity. The 2018B Bonds maturing on and after September 1, 20__, are subject to redemption, at the option of the Successor Agency on any date on or after September 1, 20__, as a whole or in part, by such maturities as shall be determined by the Successor Agency, and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount of the 2018B Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

Sinking Account Redemption. The 2018A Bonds maturing on September 1, 20__ are subject to redemption in part by lot, on September 1 in each of the years as set forth in the following table, from Sinking Account payments made by the Successor Agency pursuant to the Indenture, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, or in lieu thereof shall be purchased pursuant to the Indenture, in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; *provided, however*, that if some but not all of such 2018A Bonds have been optionally redeemed, the total amount of all future Sinking Account payments will be reduced by the aggregate principal amount of such 2018A Bonds so redeemed, to be allocated among such Sinking Account payments on a pro rata basis in integral multiples of \$5,000 as determined by the Successor Agency (written notice of which determination shall be given by the Successor Agency to the Trustee).

2018A Bonds Maturing September 1, 20__

Sinking Account Redemption Date <u>(September 1)</u>	Principal Amount <u>To Be Redeemed</u>
--	---

In lieu of such redemption, amounts on deposit in the Sinking Account or the Redevelopment Obligation Retirement Fund (to the extent not required to be transferred to the Trustee pursuant to the Indenture) may also be used and withdrawn by the Successor Agency at any time for the purchase of such 2018A Bonds at public or private sale as and when and at

* Preliminary; subject to change.

such prices (including brokerage and other charges and including accrued interest) as the Successor Agency may in its discretion determine. The par amount of any of such 2018A Bonds so purchased by the Successor Agency in any 12-month period ending on July 1 in any year will be credited towards and will reduce the par amount of such Bonds required to be redeemed on the next succeeding September 1.

Notice of Redemption. The Trustee on behalf of and at the expense of the Successor Agency will mail (by first class mail, postage prepaid) notice of any redemption at least 30 but not more than 60 days prior to the redemption date, to (i) the Owners of any 2018 Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) to the Securities Depositories and to the Information Services; but such mailing will not be a condition precedent to a redemption and neither failure to receive a redemption notice nor any defect in the redemption notice will affect the validity of the proceedings for the redemption of such 2018 Bonds or the cessation of the accrual of interest on the 2018 Bonds to be redeemed.

The redemption notice will state the redemption date and the redemption price, will state that such redemption is conditioned upon the timely delivery of the redemption price by the Successor Agency to the Trustee for deposit in the Redemption Account, will designate the CUSIP number of the 2018 Bonds to be redeemed, state the individual number of each Bond to be redeemed or state that all Bonds between two stated numbers (both inclusive) or all of the 2018 Bonds Outstanding are to be redeemed, and will require that such Bonds be then surrendered at the Principal Corporate Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on the 2018 Bonds to be redeemed will not accrue from and after the redemption date.

Upon the payment of the redemption price of 2018 Bonds being redeemed, each check or other transfer of funds issued for such purpose will, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the 2018 Bonds being redeemed with the proceeds of such check or other transfer.

Right to Rescind Notice. The Successor Agency has the right to rescind any notice of the optional redemption of Bonds by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of optional redemption will be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the 2018 Bonds then called for redemption, and such cancellation will not constitute an Event of Default. The Successor Agency and the Trustee have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee will mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

Partial Redemption of Bonds. In the event only a portion of any 2018 Bond is called for redemption, then upon surrender of such 2018 Bond the Successor Agency will execute and the Trustee will authenticate and deliver to the Owner thereof, at the expense of the Successor Agency, a new 2018 Bond or 2018 Bonds of the same interest rate and maturity, of authorized denominations, in aggregate principal amount equal to the unredeemed portion of the 2018 Bond to be redeemed.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the redemption price of and interest on the 2018 Bonds so called for redemption have been duly deposited with the Trustee, the 2018 Bonds so called will cease to

be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest will accrue thereon from and after the redemption date specified in such notice.

Manner of Redemption. Whenever any 2018 Bonds or portions thereof are to be selected for redemption by lot, the Trustee will make the selection, in such manner as the Trustee deems appropriate. In the event of redemption by lot of 2018 Bonds, the Trustee shall assign to each 2018 Bond then Outstanding a distinctive number for each \$5,000 of the principal amount of each such 2018 Bond. The 2018 Bonds to be redeemed shall be the 2018 Bonds to which were assigned numbers so selected, but only so much of the principal amount of each such 2018 Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. All 2018 Bonds redeemed or purchased pursuant to this Section 2.03 shall be cancelled and destroyed.

Additional Bonds

Parity Debt. The Indenture defines “**Parity Debt**” as any loan, bonds, notes, advances or indebtedness payable from Tax Revenues on a parity with the 2018 Bonds as authorized by the Indenture. Upon the issuance of the 2018 Bonds, the Successor Agency will have no Parity Debt outstanding. However, the Indenture authorizes the issuance of Parity Debt by the Successor Agency in the future, subject to the conditions set forth in the Indenture, which include the limitation that Parity Debt can only be issued for refunding purposes and the condition that annual debt service on such Parity Debt is lower than annual debt service on the obligations being refunded during every Bond Year the refunded obligations would otherwise be outstanding. See “APPENDIX A – Summary of Certain Provisions of the Indenture” for additional details.

Subordinate Debt. The Indenture permits the Successor Agency to issue and sell Subordinate Debt (as defined in the Indenture). Such Subordinate Debt would be payable from, or secured by a pledge or lien upon, the Tax Revenues on a subordinate basis to the payment of debt service on the 2018 Bonds. See “APPENDIX A – Summary of Certain Provisions of the Indenture” for additional details.

THE DISSOLUTION ACT

General. The Dissolution Act requires the County Auditor-Controller to determine the amount of property taxes that would have been allocated to the Former Agency (pursuant to subdivision (b) of Section 16 of Article XVI of the State Constitution) had the Former Agency not been dissolved pursuant to the operation of AB 1X 26, using current assessed values on the last equalized roll on August 20, and to deposit that amount in the Redevelopment Property Tax Trust Fund for the Successor Agency established and held by the County Auditor-Controller pursuant to the Dissolution Act.

The Dissolution Act provides that any bonds authorized thereunder to be issued by the Successor Agency will be considered indebtedness incurred by the Former Agency, with the same lien priority and legal effect as if the bonds had been issued prior to the effective date of AB 1X 26, in full conformity with the applicable provisions of the Redevelopment Law that existed prior to that date, and will be included in the Successor Agency's Recognized Obligation Payment Schedule (see "SECURITY FOR THE 2018 BONDS – Recognized Obligation Payment Schedules").

Redevelopment Property Tax Trust Fund. The Dissolution Act further provides that bonds authorized by the Dissolution Act to be issued by the Successor Agency will be secured by a pledge of, and lien on, and will be repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund, and that property tax revenues pledged to any bonds authorized to be issued by the Successor Agency under the Dissolution Act, including the 2018 Bonds, are taxes allocated to the Successor Agency pursuant to subdivision (b) of Section 33670 of the Redevelopment Law and Section 16 of Article XVI of the State Constitution.

The County Auditor-Controller has established a redevelopment property tax trust fund for the Other Project Areas (separate from the Redevelopment Property Tax Trust Fund established for the Project Area). ***The 2018 Bonds are not secured by a pledge, or lien on, property tax revenues allocated to the Successor Agency from the Other Project Areas or their associated redevelopment property tax trust fund.***

Pursuant to subdivision (b) of Section 33670 of the Redevelopment Law and Section 16 of Article XVI of the State Constitution and as provided in the Redevelopment Plan for each Project Area, taxes levied upon taxable property in the Project Area each year by or for the benefit of the State, any city, county, city and county, district, or other public corporation (herein sometimes collectively called "**taxing agencies**") after the effective date of the ordinance approving the applicable Redevelopment Plan, or the respective effective dates of ordinances approving amendments to the applicable Redevelopment Plan that added territory to the Project Area, as applicable, are to be divided as follows:

(a) To Taxing Agencies: That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the taxing agencies upon the total sum of the assessed value of the taxable property in the Project Area as shown upon the assessment roll used in connection with the taxation of such property by such taxing agency last equalized prior to the effective date of the ordinance adopting the applicable Redevelopment Plan, or the respective effective dates of ordinances approving amendments to the applicable Redevelopment Plan that added territory to the Project Area, as applicable (each, a "**base year valuation**"), will be allocated to, and when

collected will be paid into, the funds of the respective taxing agencies as taxes by or for the taxing agencies on all other property are paid; and

(b) To the Former Agency/Successor Agency: Except for that portion of the taxes in excess of the amount identified in (a) above which are attributable to a tax rate levied by a taxing agency for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness approved by the voters of the taxing agency on or after January 1, 1989 for the acquisition or improvement of real property, which portion shall be allocated to, and when collected shall be paid into, the fund of that taxing agency, that portion of the levied taxes each year in excess of such amount, annually allocated within limitations established by the applicable Redevelopment Plan (which are no longer applicable, as described below), following the date of issuance of the 2018 Bonds, when collected will be paid into a special fund of the Successor Agency. Section 34172 of the Dissolution Act provides that, for purposes of Section 16 of Article XVI of the State Constitution, the Redevelopment Property Tax Trust Fund shall be deemed to be a special fund of the Successor Agency to pay the debt service on indebtedness incurred by the Former Agency or the Successor Agency to finance or refinance the redevelopment projects of the Former Agency.

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

No Applicable Redevelopment Plan Limits. In accordance with the Redevelopment Law, redevelopment plans project areas were required to include certain limits on the financing of the redevelopment projects. These limits could include a time limit on the life of the redevelopment plan, a time limit on the incurrence of indebtedness, a time limit on the receipt of property tax increment and the repayment of indebtedness and a limit on the amount of bonded indebtedness outstanding at any time. The Dissolution Act, as amended by SB 107 as of September 22, 2015, clarifies that former tax increment limits set forth in redevelopment plans no longer apply for purposes of paying approved enforceable obligations.

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

Last and Final Recognized Obligation Payment Schedule. Commencing on September 22, 2015, successor agencies that have received a Finding of Completion and the concurrence of the DOF as to the items that qualify for payment, among other conditions, at their option, may file a “Last and Final” Recognized Obligation Payment Schedule. If approved by the DOF, the Last and Final Recognized Obligation Payment Schedule will be binding on all parties and the successor agency will no longer submit future Recognized Obligation Payment

Schedules to the DOF or the oversight board. The county auditor-controller would thereafter remit the authorized funds to the Successor Agency in accordance with the approved Last and Final Recognized Obligation Payment Schedule until each remaining enforceable obligation has been fully paid. A Last and Final Recognized Obligation Payment Schedule may only be amended twice, and only with approval of the DOF and the county auditor-controller.

The Successor Agency has not submitted a "Last and Final" Recognized Obligation Payment Schedule and currently has no plans to do so.

SECURITY FOR THE 2018 BONDS

The County Auditor-Controller will deposit Tax Revenues into the Redevelopment Property Tax Trust Fund pursuant to the requirements of the Dissolution Act, including Health and Safety Code sections 34183 and 34170.5(b). The 2018 Bonds are payable from and secured primarily by the Tax Revenues.

Pledge Under the Indenture

Except as required to compensate or indemnify the Trustee, the 2018 Bonds and any Parity Debt are equally secured by a pledge of, security interest in and lien on all of the Tax Revenues, including all of the Tax Revenues in the Redevelopment Obligation Retirement Fund and by a first and exclusive pledge and lien upon all of the moneys in the Debt Service Fund (including the Interest Account, the Principal Account, the Sinking Account, and the Redemption Account) without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. The 2018 Bonds are additionally secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the 2018 Reserve Subaccount established for the 2018 Bonds. The Bonds are also equally secured by the pledge and lien created with respect to the Bonds by Section 34177.5(g) of the Dissolution Act on moneys deposited from time to time in the Redevelopment Property Tax Trust Fund (but not moneys on deposit in the Joint Project RPTTF). Except for the Tax Revenues and such moneys, no funds or properties of the Successor Agency are pledged to, or otherwise liable for, the payment of principal of or interest on the Bonds.

In consideration of the acceptance of the 2018 Bonds by purchasers of the 2018 Bonds, the Indenture will be deemed to be and will constitute a contract between the Successor Agency and the Trustee for the benefit of the Owners from time to time of the 2018 Bonds, and the covenants and agreements set forth in the Indenture to be performed on behalf of the Successor Agency are for the equal and proportionate benefit, security and protection of all Owners of the 2018 Bonds without preference, priority or distinction as to security or otherwise of any of the 2018 Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or in the Indenture.

Tax Revenues

“**Tax Revenues**” is defined in the Indenture to mean all taxes that were eligible for allocation to the Former Agency with respect to the Project Area and are allocated, or are available to be allocated, to the Successor Agency pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Law and Section 16 of Article XVI of the Constitution of the State, or pursuant to other applicable State laws and that are deposited in the Redevelopment Property Tax Trust Fund and transferred to the Successor Agency for deposit into the Redevelopment Obligation Retirement Fund, excluding (i) amounts payable pursuant to the Pass-Through Agreements (as such term is defined below), except and to the extent that any amounts so payable are payable on a basis subordinate to the payment of debt service on the Bonds, (ii) amounts required to be paid to taxing entities pursuant to Sections 33607.5, 33607.7, and 33676 of the Redevelopment Law unless such payments are subordinated to payments on the 2018 Bonds or any additional Bonds or to the payments owed under any Parity Debt Instrument pursuant to Section 33607.5(e) of the Law and 34177.5(c) of the Dissolution Act, and (iii) amounts, if any, payable to the County, or required to be spent within that portion of the Project Area outside of the City limits, pursuant to the Agreement Regarding Alameda

County – City of San Leandro Redevelopment Project dated as of July 1, 1993, between the Agency and the County (the “**Project Area Agreement**”).

For additional information on the Pass-Through Agreements and the Project Area Agreement, see “SECURITY FOR THE 2018 BONDS – Pass-Through Agreements” and “– Project Area Agreement.” *Amounts payable under the Pass-Through Agreements have not been subordinated to the payment of debt service on the 2018 Bonds and are, therefore, payable senior to the 2018 Bonds.*

Flow of Funds Under the Indenture

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

Deposit in Redevelopment Obligation Retirement Fund; Transfer to Debt Service Fund. The Indenture provides that the Successor Agency shall deposit all of the Tax Revenues received with respect to any Bond Year into the Redevelopment Obligation Retirement Fund promptly upon receipt thereof by the Successor Agency. All Tax Revenues received by the Successor Agency in excess of the amount required to pay debt service on the 2018 Bonds and any Parity Debt in any Bond Year, and except as may be provided to the contrary in the Indenture or Parity Debt Instrument, shall be released from the pledge and lien under the Indenture and shall be applied in accordance with the Law, including but not limited to the payment of debt service on any Subordinate Debt. Prior to the payment in full of the principal of and interest and redemption premium (if any) on the 2018 Bonds and the payment in full of all other amounts payable under the Indenture and under any Supplemental Indentures, the Successor Agency shall not have any beneficial right or interest in the moneys on deposit in the Redevelopment Obligation Retirement Fund, except as may be provided in the Indenture and in any Supplemental Indenture.

Deposit of Amounts by Trustee. There is established a trust fund to be known as the Debt Service Fund, which will be held by the Trustee under the Indenture in trust. Concurrently with transfers with respect to Parity Debt pursuant to Parity Debt Instruments, moneys in the Redevelopment Obligation Retirement Fund shall be transferred by the Successor Agency to the Trustee in the following amounts, at the following times, and deposited by the Trustee in the following respective special accounts, which are established in the Debt Service Fund, and in the following order of priority:

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

Principal Account. On or before the 4th Business Day preceding the date on which principal on the Bonds and any Parity Debt becomes due and payable at maturity, the Successor Agency will withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee for deposit in the Principal Account an amount which, when added to the amount then contained in the Principal Account, will be equal to the principal becoming due and payable on the Outstanding Bonds and any Parity Debt on such date. All moneys in the Principal Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal of the 2018 Bonds and any Parity Debt as it becomes due and payable.

Sinking Account. No later than the 4th Business Day preceding each March 1 or September 1, as applicable, on which any Outstanding Term Bonds are subject to mandatory redemption, or otherwise for purchase pursuant to the provisions of a Supplement Indenture, the Successor Agency will withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee for deposit in the Sinking Account an amount which, when added to the amount then contained in the Sinking Account, will be equal to the aggregate principal amount of the Term Bonds required to be redeemed on such March 1 or September 1, as applicable. All moneys on deposit in the Sinking Account will be used and withdrawn by the Trustee for the sole purpose of paying the principal of the Term Bonds as it becomes due and payable upon redemption or purchase in lieu of redemption.

Reserve Account. In the event that the amount on deposit in the Reserve Account or any subaccount therein at any time becomes less than the Reserve Requirement, the Trustee shall promptly notify the Successor Agency of such fact. Upon receipt of any such notice and as promptly as is permitted by the Law, the Successor Agency shall transfer to the Trustee an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account or any subaccount therein, as applicable.

The amount on deposit in the Reserve Account or any subaccount therein shall be maintained at the Reserve Requirement at all times prior to the payment of the 2018 Bonds and any Parity Debt in full. If there shall then not be sufficient Tax Revenues to transfer an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account or any subaccount therein, the Successor Agency shall be obligated to continue making transfers as Tax Revenues become available until there is an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account or any subaccount therein. No such transfer and deposit need be made to the Reserve Account or any subaccount therein so long as there shall be on deposit therein a sum at least equal to the Reserve Requirement and, to the extent necessary, the Successor Agency shall place any amounts required to replenish the Reserve Account or any subaccount therein on the immediately following Recognized Obligation Payment Schedule (and any additional Recognized Obligation Payment Schedule in the future if necessary) and shall be required to be submitted by the Successor Agency pursuant to and in accordance with the Indenture. In the event a Qualified Reserve Account Credit Instrument is delivered at any time to meet the entirety of the Reserve Requirement with respect to one or more series of Bonds (that is, no cash is being deposited or will remain deposited in the Reserve Account or any subaccount therein, including the 2018 Reserve Subaccount, with respect to those series of Bonds), then, notwithstanding the foregoing, the Reserve Requirement will, with respect to those series of Bonds, be determined only at the time of the delivery of the Qualified Reserve Account Credit

Instrument and will not be subject to increase or decrease at a later date. See “– Debt Service Reserve Account” below.

The Reserve Account may be maintained in the form of one or more separate subaccounts which are established for the purpose of holding the proceeds of separate issues of the 2018 Bonds and any Parity Debt in conformity with applicable provisions of the Code to the extent directed by the Successor Agency in writing to the Trustee. Additionally, the Successor Agency may, in its discretion, combine amounts on deposit in the Reserve Account and on deposit in any reserve account relating to any (but not necessarily all) Parity Debt in order to maintain a combined reserve account for the 2018 Bonds and any (but not necessarily all) Parity Debt.

Redemption Account. On or before the Business Day preceding any date on which Bonds are to be redeemed pursuant to the optional redemption provisions of the Indenture, other than mandatory Sinking Account redemption of Term Bonds, the Trustee will withdraw from the Debt Service Fund any amount transferred by the Successor Agency for deposit in the Redemption Account, such amount being the amount required to pay the principal of and premium, if any, on the Bonds to be redeemed on such date. All moneys in the Redemption Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal of and premium, if any, on the Bonds to be redeemed pursuant to an optional redemption on the date set for such redemption, other than mandatory Sinking Account redemption of Term Bonds. Interest due on Bonds to be redeemed on the date set for redemption will, if applicable, be paid from funds available therefor in the Interest Account.

Reserve Account; 2018 Reserve Policy

Deposit of 2018 Reserve Policy. On the date of issuance of the 2018 Bonds, the Successor Agency will cause the 2018 Reserve Policy, in an amount equal to the Reserve Requirement for the 2018 Bonds, to be deposited into the 2018 Reserve Subaccount of the Reserve Fund.

The Trustee will draw on the 2018 Reserve Policy and transfer such amounts to the Interest Account and the Principal Account, in such order, to the extent required to make the deposits then required to be made pursuant to the Indenture to pay debt service on the 2018 Bonds. The Successor Agency will have no obligation to replace the 2018 Reserve Policy or to fund the 2018 Reserve Subaccount with cash if, at any time that the 2018 Bonds are Outstanding, (i) any rating assigned to 2018 Reserve Insurer is downgraded, suspended or withdrawn, or (ii) amounts are not available for any reason under the 2018 Reserve Policy, other than in connection with the replenishment of a draw on the 2018 Reserve Policy.

Definition of Reserve Requirement. The Indenture defines “**Reserve Requirement**” to mean, with respect to the 2018 Bonds and any Parity Debt issued as Bonds pursuant to a Supplemental Indenture, the lesser of (i) 125% of the average Annual Debt Service with respect to the 2018 Bonds and Parity Debt, as applicable; (ii) Maximum Annual Debt Service with respect to the 2018 Bonds and any Parity Debt, as applicable; or (iii) with respect to an individual series of Bonds, 10% of the original principal amount of such series of Bonds (or, if such series of Bonds has more than a de minimis amount of original issue discount or premium (as determined in accordance with the Code), 10% of the issue price of such series of Bonds); provided that, the Reserve Requirement may be determined on an individual basis with respect to a series or issue of Bonds or on a combined basis for two or more series of Bonds or Parity

Debt, as determined by the Successor Agency; provided, further, that in no event may the Successor Agency, in connection with the issuance of Parity Debt in the form of Bonds pursuant to a Supplemental Indenture be obligated to deposit an amount in the Reserve Account which is in excess of the amount permitted by the applicable provisions of the Code to be so deposited from the proceeds of tax-exempt bonds without having to restrict the yield of any investment purchased with any portion of such deposit and, in the event the amount of any such deposit into the Reserve Account is so limited, the Reserve Requirement is required to, in connection with the issuance of such Parity Debt issued in the form of Bonds, be increased only by the amount of such deposit as permitted by the Code; and, provided further that the Successor Agency may meet all or a portion of the Reserve Requirement by depositing a Qualified Reserve Account Credit Instrument meeting the requirements of the Indenture. In the event the Reserve Requirement is determined on a combined basis for two or more series of Bonds or Parity Debt, such series of Bonds or Parity Debt will be secured on a parity basis by the same reserve account established under the Indenture or a Parity Debt Instrument.

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

Limited Obligation

The 2018 Bonds are not a debt of the City, the County, the State or any of their political subdivisions except the Successor Agency, and none of the City, the County, the State or any of their political subdivisions except the Successor Agency are liable therefor. The 2018 Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. No member of the Successor Agency, the Oversight Board or the Board of Supervisors of the County shall be individually or personally liable for the payment of the principal of or interest or redemption premium (if any) on the 2018 Bonds; but nothing contained in the Indenture relieves any such member, officer, agent or employee from the performance of any official duty provided by law.

Recognized Obligation Payment Schedules

Submission of Recognized Obligation Payment Schedule. Not less than 90 days prior to each January 2 and June 1, the Dissolution Act requires successor agencies to prepare, and submit to the successor agency's oversight board and the DOF for approval, a Recognized Obligation Payment Schedule (the "**Recognized Obligation Payment Schedule**") pursuant to which enforceable obligations (as defined in the Dissolution Act) of the successor agency are listed, together with the source of funds to be used to pay for each enforceable obligation.

Payment of Amounts Listed on the Recognized Obligation Payment Schedule. As defined in the Dissolution Act, "**enforceable obligation**" includes bonds, including the required debt service, reserve set-asides, and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds of the former redevelopment agency or the successor agency, as well as other obligations such as loans, judgments or settlements against the former redevelopment agency or the successor agency, any legally binding and enforceable agreement that is not otherwise void as violating the debt

limit or public policy, contracts necessary for the administration or operation of the successor agency, and, under certain circumstances, amounts borrowed from the successor agency's low and moderate income housing fund.

A reserve may be included on the Recognized Obligation Payment Schedule and held by the successor agency when required by a bond indenture or when the next property tax allocation will be insufficient to pay all obligations due under the provisions of the bonds for the next payment due in the following half of the calendar year.

Sources of Payments for Enforceable Obligations. Under the Dissolution Act, the categories of sources of payments for enforceable obligations listed on a Recognized Obligation Payment Schedule are the following: (i) the low and moderate income housing fund, (ii) bond proceeds, (iii) reserve balances, (iv) administrative cost allowance (successor agencies are entitled to receive not less than \$250,000, unless that amount is reduced by the oversight board), (v) the Redevelopment Property Tax Trust Fund (but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or otherwise required under the Dissolution Act), or (vi) other revenue sources (including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the redevelopment agency, as approved by the oversight board).

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

As noted above, the County Auditor-Controller has established a redevelopment property tax trust fund for the Other Project Areas (separate from the Redevelopment Property Tax Trust Fund established for the Project Area). ***The 2018 Bonds are not secured by a pledge, or lien on, property tax revenues allocated to the Successor Agency from the Other Project Areas or their associated redevelopment property tax trust fund.***

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

(i) first, subject to certain adjustments for subordinations to the extent permitted under the Dissolution Act (if any, as described above under "SECURITY FOR THE 2018 BONDS - Statutory Pass-Through Payments" and "- Pass-Through Agreements") and no later than each January 2 and June 1, to each local successor agency and school entity, to the extent applicable, amounts required for pass-through payments such entity would have received under provisions of the Redevelopment Law, as those provisions read on January 1, 2011, including negotiated pass-through agreements and statutory pass-through obligations;

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

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

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

Failure to Submit a Recognized Obligation Payment Schedule. The Recognized Obligation Payment Schedule must be approved by the oversight board and must be submitted by a successor agency to the county administrative office, the county auditor-controller, the DOF, and the State Controller by 90 days before the date of the next January 2 or June 1 property tax distribution. If the successor agency does not submit a Recognized Obligation Payment Schedule by the applicable deadline, the city or county that established the former redevelopment agency will be subject to a civil penalty equal to \$10,000 per day for every day the schedule is not submitted to the DOF. Additionally, the successor agency's administrative cost allowance is reduced by 25% if the successor agency did not submit a Recognized Obligation Payment Schedule by the 80th day before the date of the next January 2 or June 1 property tax distribution, as applicable, with respect to the Recognized Obligation Payment Schedule for the subsequent six-month period. For additional information regarding procedures under the Dissolution Act relating to late Recognized Obligation Payment Schedules and implications thereof on the 2018 Bonds, see "RISK FACTORS – Recognized Obligation Payment Schedule."

Recognized Obligation Payment Schedule Covenant. In this regard, the Successor Agency covenants in the Indenture that it will comply with all of the requirements of the Redevelopment Law and the Dissolution Act. Pursuant to Section 34177 of the Dissolution Act, not less than 90 days prior to each January 2 and June 1, the Successor Agency will submit to the Oversight Board and the DOF, a Recognized Obligation Payment Schedule. Further, the Successor Agency will take all actions required under the Dissolution Act to include:

(i) scheduled debt service on the 2018 Bonds, any Parity Debt and any amount required under the Indenture or any Parity Debt Instrument to replenish the Reserve Account established under the Indenture or the reserve account established under any Parity Debt Instrument, and

(iii) amounts due to the 2018 Insurer or any other issuer of a Qualified Reserve Account Credit Instrument under the Indenture or under an insurance or surety bond agreement,

in each annual Recognized Obligation Payment Schedule so as to enable the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund to the Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required for the Successor Agency to pay principal of, and interest on, the Bonds coming due in the respective subsequent six-month period and to pay amounts owed to the 2018 Reserve Insurer or any other issuer of a Qualified Reserve Account Credit Instrument, as well as the other amounts set forth above.

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

In addition, of the amounts received by the Successor Agency on the January 2, 2018 distribution date, \$_____ will be transferred to U.S. Bank National Association, as trustee of the Prior Bonds, for deposit and application under and pursuant to the Prior Bonds Refunding Instructions. The remaining portion of the amounts received by the Successor Agency on the January 2, 2018 distribution date that otherwise would have been applied to the payment of debt service on the Prior Bonds or reserved for such purpose, being \$_____, will be applied as provided in the Indenture to pay debt service on the 2018 Bonds on the Interest Payment Date of September 1, 2018. Any of such amounts so deposited in the Debt Service Fund not required to be deposited in the Interest Account or the Principal Account in connection with the payment of debt service on the 2018 Bonds on the Interest Payment Date of September 1, 2018 pursuant to the terms of the Indenture shall be retained in the Debt Service Fund and deposited in the Interest Account in connection with the Interest Payment Date of March 1, 2019 for payment of debt service on the 2018 Bonds pursuant to the terms of the Indenture.

Amendment to ROPS Commencing with 2018A-19B ROPS. The Successor Agency will, not later than October 1, 2018, submit to the DOF and to the County Auditor-Controller an Oversight Board-approved amendment to the Recognized Obligation Payment Schedule previously submitted by the Successor Agency relating to the June 1, 2018 and January 2, 2019 disbursement dates, amending the amounts to be distributed on January 2, 2019 to include all amounts that, together with other amounts on deposit in the Redevelopment Property Tax Trust Fund reserved for payment of debt service on the 2018 Bonds and any Parity Debt or on deposit in the Debt Service Fund or in the special fund relating to such other debt, are sufficient for the payment of debt service on the 2018 Bonds and any Parity Debt on March 1, 2019 and on September 1, 2019.

Requirements Regarding ROPS Commencing with 2019A-20B ROPS. Not later than February 1, 2019 and each February 1 thereafter (or at such other time as may be required by the Dissolution Act) for so long as any of the Bonds or any Parity Debt remain outstanding, the Successor Agency shall submit to the DOF and to the County Auditor-Controller an Oversight Board-approved Recognized Obligation Payment Schedule that provides for the distribution of the following amounts:

(A) for distribution on each January 2 (commencing January 2, 2020):

(i) all interest coming due and payable on the Bonds and any Parity Debt, on the next succeeding March 1 and September 1, and

(ii) all principal coming due and payable on the Bonds and any Parity Debt on the next succeeding September 1 (or such lesser or greater amount as is necessary to ensure that the principal of the Bonds and any Parity Debt is paid on a timely basis on each September 1); and

(B) if Tax Revenues received on January 2 are insufficient, for distribution on each June 1 (commencing June 1, 2020), if the Successor Agency determines it is

necessary to do so to ensure receiving sufficient tax increment revenues from the Project Area to pay debt service on the Bonds and any Parity Debt, amounts required to pay debt service on the Bonds and any Parity Debt on the next succeeding September 1; and

(C) if the Successor Agency determines it is necessary to ensure timely payment of debt service on the Bonds and any Parity Debt, the Successor Agency may also collect on each January 2 or June 1, as necessary, a reserve, to be held in the Debt Service Fund, for the payment of debt service on the Bonds and any Parity Debt on March 1 and September 1 of the next succeeding calendar year; and

(D) any amounts required to replenish the Reserve Account and any other reserve account established under any Parity Debt Instrument and any amounts due and owing to the 2018 Reserve Insurer or any other issuer of a Qualified Reserve Credit Instrument under the Indenture; and

(E) if any amounts then due and payable to the 2018 Reserve Insurer under the Indenture are not included on any current Recognized Obligation Payment Schedule and the Successor Agency is then legally permitted to amend such Recognized Obligation Payment Schedule, the Successor Agency will submit to the Oversight Board and the DOF a request to amend such Recognized Obligation Payment Schedule to include such amounts then due and payable to the 2018 Reserve Insurer; and

(F) the Successor Agency will not submit to the Oversight Board and the State Department of Finance a request for the final amendment permitted for its Last and Final Recognized Obligation Payment Schedule pursuant to Section 34191.6 of the Dissolution Act without the prior written consent of the 2018 Reserve Insurer, unless all amounts that could become due and payable to the 2018 Reserve Insurer under the Indenture would be included as a line item on the Last and Final Recognized Obligation Payment Schedule following approval of the requested amendment.

The Successor Agency has no power to levy and collect taxes, and various factors beyond its control could affect the amount of Tax Revenues available in any six-month period to pay the principal of and interest on the 2018 Bonds (see “RISK FACTORS”).

History of Submission of the Recognized Obligation Payment Schedules. The Successor Agency has procedures in place to ensure full and timely compliance with the above-described covenant. The Successor Agency has submitted all of its Recognized Obligation Payment Schedules on a timely basis.

In addition, there are strong incentives for the Successor Agency to submit Recognized Obligation Payment Schedules on time. If the Successor Agency does not submit a Recognized Obligation Payment Schedule to the Oversight Board and the DOF at least 90 days prior to each January 2 and June 1, then the City of San Leandro will be subject to a \$10,000 per day civil penalty for every day the schedule is late. Additionally, if the Successor Agency does not submit a Recognized Obligation Payment Schedule to the Oversight Board and the DOF at least 80 days prior to each January 2 and June 1, then the Successor Agency’s administrative cost allowance may be reduced by up to 25%. For additional information regarding procedures under the Dissolution Act relating to late Recognized Obligation Payment Schedules and implications for the 2018 Bonds, see “RISK FACTORS – Recognized Obligation Payment Schedule.”

Project Area Agreement with County

The Project Area tax increment is subject to a revenue-sharing agreement (herein and in the Indenture, as amended to date, the **“Project Area Agreement”**) dated as of July 1, 1993 between the Agency and the County. The Project Area Agreement sets out a formula used to determine the proportional expenditure of funds between the unincorporated County portion of the Project Area and the Successor Agency portion of the Project Area. Under the formula, expenditures in the County portion of the Project Area equaled 38% of net increment (after deducting the former 20% housing set-aside, the 33676 2% payments, the County’s property tax administration fee, Educational Revenue Augmentation Fund (**“ERAF”**) payments and payments made under the Pass-Through Agreements, which are described below) through fiscal year 1998-99; 45% of net increment from fiscal year 1999-00 through fiscal year 2003-04; 60% of net increment from fiscal year 2004-05 through fiscal year 2008-09; and 50% of net increment from fiscal year 2009-10 through the remaining life of the Project Area. The Project Area Agreement is distinct from the fiscal agreement between the Successor Agency and the County, described below under **“–Pass Through Agreements-County Fiscal Agreement”**, which governs pass-through payments to the County and its related entities from all Project Area tax increment.

The Project Area Agreement was amended on July 1, 2001, designating the Alameda County Redevelopment Agency as the redevelopment authority with jurisdiction over the County portion of the Project Area and the Former Agency as the redevelopment authority with jurisdiction over the incorporated portion of the Project Area. The amended Project Area Agreement retained the formula used in the original agreement but directed the Successor Agency to pay to the County the portion of tax increment revenue designated for expenditure in the County portion of the Project Area; the Successor Agency retains the portion designated for expenditure in the incorporated portion of the Project Area. As noted above, beginning in fiscal year 2009-10, the Successor Agency receives 50% of net increment and will continue to receive 50% of net increment through the term of the 2018 Bonds.

The Project Area Agreement was further amended, effective as of July 1, 2001, to specify that, because the Hayward Area Recreation and Parks District (**“HARD”**) is entirely within the unincorporated portion of the Project Area, payments owed to HARD pursuant to the fiscal agreement between the Successor Agency and HARD would be made out of the County’s share of Project Area tax increment. See **“–Pass-Through Agreements – Hayward Area Recreation and Parks District (‘HARD’) Fiscal Agreement”** for additional details on this fiscal agreement and Table 6 for the impact of the allocation of tax increment in this manner.

No Statutory Pass-Through (AB 1290) Payments

As a project area formed prior to January 1, 1994, the Project Area is not subject to the statutory pass-through payments required for project areas formed after that date, which are commonly referred to as **“AB 1290”** payments.

Section 33676 (2%) Payments

Taxing entities are able to separately receive their share of the growth in valuation due to inflation, known as Section 33676 payments or the 2% payments, pursuant to Section 33676 of the Redevelopment Law. Section 33676 payments are distributed by the County Auditor-Controller to 8 taxing entities: the County, the Chabot-Las Positas Community College District,

the Hayward Unified School District, the County Library District, the County Fire District, County Flood Control District, the Mosquito Abatement District, and the City. For Fiscal Year 2017-18, the total Section 33676 payments amounted to approximately \$1.6 million. See “APPENDIX B - FISCAL CONSULTANT’S REPORT” for further information.

Pass-Through Agreements

The Project Area is subject to several fiscal agreements that were negotiated with taxing entities during the plan adoption process. These agreements (collectively, the “**Pass-Through Agreements**”) are briefly summarized below. *Amounts payable under the Pass-Through Agreements have not been subordinated to the payment of debt service on the 2018 Bonds and are, therefore, payable senior to the 2018 Bonds.*

County Fiscal Agreement. Under a fiscal agreement between the County and the Successor Agency, the County taxing entities (which include the County, the County Library District, the County Flood Control District and the Eden Fire Protection District) receive their proportionate share of a percentage of net tax increment. The percentage of net tax increment increases every ten years; currently 65%, it will increase 75% in 2019-20 and to 85% from 2029-30 through the remaining life of the Project Area. The percentage is applied to gross tax increment net of Section 33676 payments, the former 20% housing set-aside and the County’s property tax administration fee. The fiscal agreement is distinct from the Project Area Agreement described under “–Project Area Agreement with County” above, which serves to determine the proportional expenditure of funds between the unincorporated County portion of the Project Area and the Successor Agency portion of the Project Area.

AC Transit Fiscal Agreement. The fiscal agreement with the AC Transit District requires the Successor Agency to pay to the district the district’s proportionate share of tax increment from a base adjusted by 2% annually plus a base adjusted annually by 1.125% less the former 20% housing set-aside, the County’s property tax administration fee and ERAF payments.

East Bay Regional Parks District Fiscal Agreement. Under its fiscal agreement with the Successor Agency, the district receives payments that are equivalent to its share of the 33676 (2%) inflation-adjusted payments, plus revenue from a debt service levy deriving from a district-issued bond.

Hayward Area Recreation and Parks District (“HARD”) Fiscal Agreement. The fiscal agreement between HARD and the Successor Agency calls for HARD to receive its proportionate share of tax increment under a formula similar to that used in the County fiscal agreement. As the district is entirely within the unincorporated portion of the Project Area, the Successor Agency and the County agreed in a second amendment to the Project Area Agreement, that the payments to HARD are to be made out of the County’s share of Project Area tax increment. See “–Project Area Agreement” above and Table 6 herein.

School District Fiscal Agreements. The San Leandro Unified School District, San Lorenzo Unified School District and the Alameda County Superintendent of Schools have fiscal agreements with the Successor Agency containing identical terms. Each district receives its share of a percentage of tax increment net of the former 20% housing set-aside and the County’s property tax administration fee. The percentage is 35% from 2012-13 through the remaining life of the Project Area.

Other Agreements

The Successor Agency has several Owner Participation Agreements (each, a “**OPA**”) and a Disposition and a Development Agreement (each, a “**DDA**”) with property owners in the Project Area, as well as an Improvement and Reimbursement Agreement with the owners of the Bay Fair Mall.

The three OPAs are with (i) Argonaut Holdings for an expansion of an auto mall, (ii) F.H. Dailey for development of a Chevrolet dealership and (iii) with Ford Leasing for development of a Ford dealership. The DDA is with the Batarse Family Trust for development of the Auto Mall. The Ford, Argonaut and Batarse agreements require the Successor Agency to pay an amount tied to sales tax generation while the Successor Agency’s obligation under the F.H. Dailey agreement is related to the purchase of land. The Successor Agency has determined that its obligation under these agreements are not pledges of tax increment and so are excluded from the Fiscal Consultant’s Report and the projections of Tax Revenues therein.

PROPERTY TAXATION IN CALIFORNIA

Property Tax Collection Procedures

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

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

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

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

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

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

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

The County Auditor-Controller reports that that Successor Agency received approximately \$492,000 in supplemental revenues in Fiscal Year 2016-17. Revenues resulting from Supplemental Assessments have not been included in the Fiscal Consultant's projections of tax increment available to pay debt service on the 2018 Bonds.

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

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

The combined property tax and AB x1 26 administration fees are estimated to amount to approximately \$168,000 in fiscal year 2017-18, or approximately 0.98% of the tax increment revenue from the Project Area.

Delinquencies; Teeter Plan

The County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "**Teeter Plan**"). Consequently, secured property tax revenues in the Project Area do not reflect actual collections because the County allocates secured property tax revenues to the Successor Agency as if 100% of the calculated property taxes were collected without adjustment for delinquencies, redemption payments or roll adjustments. The County could elect to terminate this policy and, in such event, the amount of the levy of property tax revenue that could be allocated to the Successor Agency would depend upon the actual collections of the secured taxes within the Project Area. The overall delinquency rate for all secured properties in the Project Area for the most recently completed year of tax payments (fiscal year 2016-17) was 1.4% as of November 22, 2017.

Unitary Property

Assembly Bill (“AB”) 2890 (Statutes of 1986, Chapter 1457) provides that, commencing with fiscal year 1988-89, tax revenues derived from unitary property and assessed by the State Board of Equalization are accumulated in a single Tax Rate Area for the County. The tax revenues are then to be allocated to each taxing entity county-wide as follows: (i) each taxing entity will receive the same amount as in the previous year plus an increase for inflation of up to 2%; (ii) if utility tax revenues are insufficient to provide the same amount as in the previous year, each taxing entity's share would be reduced pro rata county wide; and (iii) any increase in revenue above 2% would be allocated in the same proportion as the taxing entity's local secured taxable values are to the local secured taxable values of the County.

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

The County includes the taxable value of utilities as part of the reported taxable values of a project area. Consequently, the base year values of redevelopment projects are increased by the amount of utility value that existed originally in the base year. The Successor Agency's unitary revenue is expected to be approximately \$16,000 for fiscal year 2017-18 based on prior years experience.

Article XIII A of the State Constitution

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

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

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

The validity of Article XIII A has been upheld by both the California Supreme Court and the United States Supreme Court.

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

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

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

Each year the SBE announces the applicable adjustment factor. Since the adoption of Proposition 13, inflation has, in most years, exceeded 2% and the announced factor has reflected the 2% cap. The changes in the California Consumer Price Index from October of one year and October of the next year are used to determine the adjustment factor for the January assessment date. During the ten previous fiscal years, the inflation factor has been less than 2% on five occasions. The table below reflects the inflation adjustment factors for the current fiscal year and the 11 prior fiscal years.

Historical Inflation Adjustment Factors

<u>Fiscal Year</u>	<u>Inflation Adj. Factor</u>
2006-07	2.000%
2007-08	2.000
2008-09	2.000
2009-10	2.000
2010-11	-0.237
2011-12	0.753
2012-13	2.000
2013-14	2.000
2014-15	0.454
2015-16	1.998
2016-17	1.525
2017-18	2.000

Appropriations Limitation - Article XIII B

Article XIII B limits the annual appropriations of the State and its political subdivisions to the level of appropriations for the prior fiscal year, as adjusted for changes in the cost of living,

population and services rendered by the government entity. The “base year” for establishing such appropriations limit is the 1978/79 fiscal year, and the limit is to be adjusted annually to reflect changes in population, consumer prices and certain increases in the cost of services provided by these public agencies.

Section 33678 of the Redevelopment Law provides that the allocation of taxes to a redevelopment agency for the purpose of paying principal of, or interest on, loans, advances, or indebtedness shall not be deemed the receipt by a redevelopment agency of proceeds of taxes levied by or on behalf of a redevelopment agency within the meaning of Article XIII B, nor shall such portion of taxes be deemed receipt of proceeds of taxes by, or an appropriation subject to the limitation of, any other public body within the meaning or for the purpose of the Constitution and laws of the State, including Section 33678 of the Redevelopment Law. The constitutionality of Section 33678 has been upheld in two California appellate court decisions. On the basis of these decisions, the Successor Agency has not adopted an appropriations limit.

Proposition 87

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

Appeals of Assessed Values

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

In the County, a property owner desiring to reduce the assessed value of such owner’s property in any one year must submit an application to the County Assessment Appeals Board (the “**Appeals Board**”). Applications for any tax year must be submitted by September 15 of such tax year. Following a review of each application by the staff of the County Assessor’s Office, the staff makes a recommendation to the Appeals Board on each application which has not been rejected for incompleteness or untimeliness or withdrawn. The Appeals Board holds a hearing and either reduces the assessment or confirms the assessment. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal’s filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level for fiscal years following the year for which the reduction application is filed. However, if the taxpayer establishes through proof of comparable values that the property continues to be overvalued (known as “ongoing hardship”), the Assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year as well. Appeals for reduction in the “base year” value of an assessment, which generally must be made within three years of the date of change in ownership or completion of new construction that determined the base year, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. Moreover, in the case of any reduction in any one year of assessed value granted for “ongoing

hardship” in the then current year, and also in any cases involving stipulated appeals for prior years relating to base year and personal property assessments, the property tax revenues from which Tax Revenues are derived attributable to such properties will be reduced in the then current year. In practice, such a reduced assessment may remain in effect beyond the year in which it is granted.

See “THE PROJECT AREA” for information regarding historical and pending appeals of assessed valuations by property owners in the Project Area.

Proposition 8

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

After such reductions in value are implemented, the County Assessor is required to review the property’s market value as of each subsequent lien date and adjust the value of real property to the lesser of its base year value as adjusted by the inflation factor pursuant to Article XIII A of the California Constitution or its full cash value taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. Reductions made under Proposition 8 to residential properties are normally initiated by the County Assessor but may also be requested by the property owner. Reductions of value for commercial, industrial and other land use types under Proposition 8 are normally initiated by the property owner as an assessment appeal.

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

For a summary of the recent history of Proposition 8 reductions in the Project Area, see “THE PROJECT AREA – Assessment Appeals.”

Propositions 218 and 26

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

Tax Revenues securing the 2018 Bonds are derived from property taxes that are outside the scope of taxes, assessments and property-related fees and charges which are limited by Proposition 218 and Proposition 26.

Future Initiatives

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

THE SUCCESSOR AGENCY

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

Successor Agency Powers

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

Status of Compliance with Dissolution Act

The Successor Agency completed the due diligence process required by the Dissolution Act, and received its Finding of Completion from the DOF on October 28, 2015.

Last and Final ROPS

The Successor Agency currently has no plans to file a “Last and Final” ROPS.

Audited Financial Statements

The City of San Leandro’s Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2017 (the “**City CAFR**”) is attached as APPENDIX E. The City CAFR includes the Successor Agency’s audited financial statements for the fiscal year ended June 30, 2017. The Successor Agency’s audited financial statements were audited by [[_____]] (the “**Auditor**”). The Auditor has not been asked to consent to the inclusion of the Successor Agency’s audited financial statements in this Official Statement and has not reviewed this Official Statement.

As described in “SECURITY FOR THE 2018 BONDS - Limited Obligation,” the 2018 Bonds are payable from and secured by a pledge of Tax Revenues and the 2018 Bonds are not a debt of the City. The City CAFR is attached as APPENDIX E to this Official Statement only because it includes the Successor Agency’s audited financial statements.

THE PROJECT AREA

General

The Project Area consists of approximately 1,700 acres, and is a “joint” area due to the inclusion of land in both unincorporated Alameda County and the City. The Redevelopment

Plan for the Project Area was originally adopted by the City Council of the City on July 8, 1993 by Ordinance No. 93-012, and amended seven times. The Redevelopment Plan provides that tax increment revenues generated from the Project Area are split between the City and the County of Alameda by a formula. The percentage payable to each entity previously varied pursuant to the Project Area Agreement between the City and the County, but is now equal to 50% of net increment through the remaining life of the Project Area. See "SECURITY FOR THE 2018 BONDS – Project Area Agreement with County."

Land Use Types

The Redevelopment Plan for the Project Area sets forth the principal land uses permitted, in accordance with the City's General Plan, and the building restrictions in project development. It also assigns the Successor Agency and the City their respective responsibilities in carrying out the Redevelopment Plan. Provision is made for rehabilitation as well as new construction and sets forth conditions and procedures required under both approaches. Construction is required to comply with all applicable State and local laws in effect, including without limitation, building, electrical, heating and ventilating, housing and plumbing codes of the City. Property within the Project Area is currently zoned and utilized for a variety of uses.

The approximately 1,700-acre Project Area's land area is roughly half within the City (850 acres) and half within the County (850 acres). The Project Area includes a mix of commercial, residential and industrial uses, including shopping centers, a regional auto mall, a new housing subdivision, and manufacturing plants.

The table on the following page shows the value of existing land uses for fiscal year 2017-18 in the Project Area.

TABLE 1
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SAN LEANDRO
Land Use Within Project Area

Land Use	Secured Assessed Valuation ⁽¹⁾	% of Total Valuation	Number of Parcels	% of Total Parcels
Commercial				
One-story store	\$150,736,110	5.4%	168	3.1%
Shopping center	128,087,577	4.6	21	0.4
Automobile dealerships	80,583,931	2.9	25	0.5
Commercial garages (repair)	37,654,118	1.4	69	1.3
1 to 5-story offices	32,641,309	1.2	53	1.0
Miscellaneous commercial (improved)	30,752,747	1.1	60	1.1
Nursing or boarding homes	29,009,094	1.0	6	0.1
Medical-Dental	27,958,071	1.0	17	0.3
Discount house	26,701,081	1.0	2	0.0
Restaurant	25,899,663	0.9	31	0.6
Hotels	24,177,711	0.9	1	0.0
Mixed-use: Store on first floor	23,855,188	0.9	34	0.6
Mobile home parks	21,593,151	0.8	9	0.2
Service stations	14,986,485	0.5	16	0.3
Banks	11,846,415	0.4	6	0.1
Hospital (convalescent or general)	11,569,191	0.4	3	0.1
Parking lots	9,286,042	0.3	46	0.8
Commercial or industrial condominium	900,217	0.0	5	0.1
Motel	644,257	0.0	1	0.0
Theaters (walk-in)	499,293	0.0	1	0.0
Car washes	199,487	0.0	1	0.0
Other recreational activity	116,072	0.0	1	0.0
Total Commercial	\$689,697,210	24.8%	576	10.5%
Industrial				
Warehouse	\$226,656,628	8.1%	110	2.0%
Heavy Industrial	166,828,410	6.0	4	0.1
Light Industrial	130,483,396	4.7	48	0.9
Miscellaneous Industrial	24,296,603	0.9	10	0.2
Terminals, trucking and distribution	18,263,661	0.7	2	0.0
Nurseries	1,203,654	0.0	2	0.0
Total Industrial	\$567,732,352	20.4%	176	3.2%
Single-Family Residential	\$788,071,324	28.3%	2,308	42.0%
Condominiums and Other Residential	\$527,556,892	19.0%	1,153	21.0%
Vacant	\$77,579,452	2.8%	85	1.5%
Other Secured and Utility	\$13,842,487	0.5%	312	5.7%
Unsecured	\$119,205,908	4.3%	886	16.1%
Total, All Uses	\$2,783,685,625	100.0%	5,496	100.0%

(1) Valuation figures are after deduction of homeowner's exemption. Valuations used elsewhere in this Report, as well as those used by the Controller, are shown before deduction of homeowner's exemptions.

Source: County of Alameda; Urban Analytics

Assessed Valuation

The following table summarizes the assessed valuation of property in the Project Area and corresponding tax increment during fiscal years 2013-14 through 2017-18. The secured roll accounted for 96 percent of the total valuation in the Project Area in fiscal year 2017-18, with the unsecured roll comprising 4 percent. Non-unitary utility roll valuation accounted for a minimal amount of the Project Area's valuation (the unitary utility roll is based on Countywide assessments and is not reported by project area).

TABLE 2
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SAN LEANDRO
Historic Assessed Valuations

Roll	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18
Secured					
- Land	\$755,132,822	\$778,998,681	\$819,237,679	\$861,072,358	\$916,054,249
- Improvements	1,481,035,416	1,538,947,107	1,708,775,253	1,775,063,081	1,843,589,624
- Personal Property	54,394,443	61,888,544	69,364,696	53,367,831	36,367,599
- Exemptions	(109,737,416)	(117,797,779)	(116,342,251)	(121,378,134)	(143,822,589)
Secured Total	\$2,180,825,265	\$2,262,036,553	\$2,481,035,377	\$2,568,125,136	\$2,652,188,883
Unsecured					
- Land	\$8,825,495	\$8,912,428	\$4,794,943	\$9,191,733	\$9,352,583
- Improvements	46,885,529	44,773,548	44,435,548	44,531,503	37,332,218
- Personal Property	76,039,506	71,711,516	81,689,771	88,701,744	79,342,904
- Exemptions	(6,479,769)	(6,507,707)	(6,607,421)	(6,725,092)	(6,821,797)
Unsecured Total	\$125,270,761	\$118,889,785	\$124,312,841	\$135,699,888	\$119,205,908
Utility					
- Land	\$370,366	\$362,553	\$362,553	\$362,553	\$392,040
- Improvements	0	0	0	0	0
- Personal Property	0	0	0	0	0
- Exemptions	0	0	0	0	0
SBE Total	\$370,366	\$362,553	\$362,553	\$362,553	\$392,040
Total AV:	2,306,466,392	2,381,288,891	2,605,710,771	2,704,187,577	2,771,786,831
Plus: Homeowner Exemptions	12,128,989	12,022,469	11,923,069	11,859,878	11,898,794
Less Base Year AV:	(902,835,101)	(902,835,101)	(902,835,101)	(902,835,101)	(902,835,101)
Incremental AV:	1,415,760,280	1,490,476,259	1,714,798,739	1,813,212,354	1,880,850,524
Gross Revenue:	\$14,157,603	\$14,904,763	\$17,147,987	\$18,132,124	\$18,808,505

Source: Urban Analytics, County of Alameda.

For projections of growth in incremental assessed valuation and Tax Revenue, see "—Projected Tax Revenues and Debt Service Coverage" below.

Major Property Owners

The ten largest assesseees in the Project Area are shown in Table 3 for fiscal year 2017-18. The table includes the total valuations for the top ten property owners and the total valuations for the area as a whole (valuations include deductions for homeowner's exemptions). The percentage of total valuation accounted for by each owner is calculated by dividing the owner's valuation into the total valuation for the Project Area.

TABLE 3
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SAN LEANDRO
Largest Property Owners in the Project Area
Fiscal Year 2017-18

Property Owner	Secured and Utility	Unsecured	Total	% of Total⁽¹⁾	% of Incremental Assessed Valuation⁽²⁾	Principal Land Use
Ghirardelli Chocolate Company	\$118,399,339	\$5,044	\$118,404,383	4.3%	6.3%	Industrial
AMB Property Corporation	54,507,409	--	54,507,409	2.0	2.9	Warehouse
Chill Build San Leandro LLC	52,087,442	--	52,087,442	1.9	2.8	Industrial
Georgia Pacific Corrugated LLC	36,047,526	--	36,047,526	1.3	1.9	Industrial
PK I Fashion Faire Place LP	29,012,183	--	29,012,183	1.0	1.5	Shopping Center
General Foods Corp	28,695,171	--	28,695,171	1.0	1.5	Industrial
Acco Engineered Systems Inc	18,960,101	7,276,088	26,236,189	0.9	1.4	Industrial
Khachaturian Henry Tr	25,500,000	--	25,500,000	0.9	1.4	Auto Dealership
Seal San Leandro LLC	24,177,711	--	24,177,711	0.9	1.3	Hotel
Peterson Tractor Co	19,840,725	981,948	20,822,673	0.7	1.1	Industrial
Total, Top Ten:	\$407,227,607	\$8,263,080	\$415,490,687	14.9%	22.1%	

(1) Area total valuation is \$22,783,685,625.

(2) Area incremental valuation is \$1,880,850,524.

Source: County of Alameda, Urban Analytics.

As a percentage of incremental valuation, the top ten owners accounts for 26% of valuation. Approximately 14% of the assessed valuation of the largest assesseees is on the unsecured roll, which the Fiscal Consultant's Report attributes to leased equipment used by the Peterson Tractor Company and Acco Engineered Systems.

The Ghirardelli Chocolate Company, the largest property owner in the Project Area, operates a chocolate factory on 136th Avenue. The second largest property owner in the Project Area, AMB Property Corp, has a warehouse facility on Alvarado Street. Chill Builders LLC owns a refrigerated warehouse on Polar Way, while Georgia Pacific Corporation operates a box manufacturing plant on Alvarado Street. PK I Fashion Faire Place, the fifth largest owner, owns a shopping center on Hesperian Boulevard adjacent to the Bay Fair Mall. General Foods Corporation had been the owner of a coffee in a plant on Halcyon Drive; the building was purchased by the Principal Group early in 2017 for a reported \$32.5 million and an industrial building is currently under construction on the site, replacing the coffee plant, which has been demolished. Acco Engineered Systems operates a heating and air-conditioning firm on Aladdin Avenue; the Khachaturian property is an automobile dealership on Marina Boulevard; Seal San Leandro owns a Hilton Garden Inn on Lewelling Boulevard; and Peterson Tractor is a construction equipment firm on Marina Boulevard.

Assessment Appeals

Appeals of assessments by property owners in the project area can result in reductions in assessed valuations that could potentially affect the Successor Agency. Reductions in prior-year assessed valuations do not currently affect the Successor Agency's allocation of regular tax increment revenue due to the County Auditor-Controller's practice of deducting taxpayer refunds from supplemental revenue payments to the Successor Agency and not from the

regular tax increment apportionment. However, as described below, the Assessor can reduce annual assessed valuations on specific properties, which can affect the Successor Agency.

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

Property owners may also appeal the Proposition 13 base assessment of a property. Although less frequently filed, such appeals, if successful, can permanently reduce the enrolled valuation of a property and consequently affect the Successor Agency's annual revenue.

As noted, the County Auditor-Controller's office applies tax refunds due to successful property tax appeals to the Successor Agency's total tax increment, including supplemental assessments.

Based on information provided by the County Assessor's office on February 16, 2018 for appeals filed through fiscal year 2017-18, there are 96 appeals pending in the Project Area, as shown in Table 4 below.

TABLE 4
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SAN LEANDRO
Assessment Appeals in the Project Area

Roll Year	Status	Number of Appeals	County Valuation	Applicant Opinion of Value	Valuation After Appeal	Retention Rate*
2017-18	Resolved	3	\$19,565,159	\$12,796,250	\$19,565,159	-
2017-18	Pending	44	240,591,634	132,569,738	TBD	TBD
2016-17	Resolved	12	4,782,834	3,079,437	4,440,939	92.9%
2016-17	Pending	39	157,903,500	87,803,654	TBD	TBD
2015-16	Resolved	31	100,822,844	65,559,841	100,327,695	99.5%
2015-16	Pending	7	42,073,744	20,734,210	TBD	TBD
2014-15	Resolved	67	198,645,708	119,467,527	188,581,562	94.9%
2014-15	Pending	3	15,637,514	9,383,000	TBD	TBD
2013-14	Resolved	74	280,397,520	194,944,269	263,318,973	93.9%
2013-14	Pending	-	-	-	-	-
2012-13	Resolved	95	352,713,477	226,275,375	340,221,515	96.5%
2012-13	Pending	2	6,849,025	3,493,608	357,374	TBD
2011-12	Resolved	114	440,580,757	250,464,152	401,901,125	91.2%
2011-12	Pending	1	12,000,000	7,500,000	TBD	TBD
2010-11	Resolved	105	397,437,265	244,443,593	365,476,889	92.0%
2010-11	Pending	-	-	-	-	-
All Years	Resolved	501	1,794,945,564	1,117,030,444	1,683,833,857	93.8%
All Years	Pending	96	475,055,417	261,484,210	TBD	TBD
Totals		597	\$2,270,000,981	\$1,378,514,654	\$1,683,833,857	

* Retention Rate is the proportion of value retained after resolution of an appeal. The rate is calculated by dividing the 'Valuation After Appeal' into the 'County Valuation'. For withdrawn and denied appeals, the 'Valuation After Appeal' is the original County valuation. Data is current as of February 16, 2018.

Sources: San Mateo County Assessor; Urban Analytics.

As shown in Table 4, the amount of assessed valuation in dispute (the original County valuation less the applicant's opinion of value) for the pending appeals is \$213.6 million. The disputed amounts will be resolved in the appeals process and some portion of this amount may be adjusted. To provide some indication of the proportion of valuation upheld on appeal, Table 4 below provides information on resolved appeals filed in previous years in the Project Area. The overall retention rate for appeals resolved during the fiscal years 2010-11 to 2017-18 is 93.8%, with approximately \$1.7 billion in valuation retained out of \$1.8 billion in roll valuation.

An indicator of the potential exposure of Successor Agency tax increment revenue to appeals – were the County Auditor-Controller either to change its policy of deducting appeal-related tax refunds solely from supplemental revenue and not from regular tax increment or were the Assessor to continue Proposition 8 reductions on future rolls for properties granted prior-year reductions – may be seen by applying the retention rate to the amount of valuation in dispute in the pending appeal.

Applying the 93.8% retention rate for resolved appeals to the approximately \$475 million in total valuation for the 96 parcels with an appeal pending indicates a potential valuation reduction of \$29.4 million. If the full amount of disputed valuation were granted, the reduction in valuation would be approximately \$2.1 million in revenue to the RPTTF, including parcels appealed in multiple years. As noted below under "–Projected Tax Revenues and Debt Service Coverage" and in "APPENDIX B – FISCAL CONSULTANT'S REPORT" under the captions "Tax Increment Revenue Estimates" and "Tax Increment Projection," no assumptions are made regarding any potential future appeal-related adjustments to valuation of the Project Area in the projections prepared for this Official Statement and the Fiscal Consultant's Report.

No assumptions are made regarding any potential future appeal-related adjustments to Project Area valuation in the projections prepared and included in the Fiscal Consultant's Report attached as APPENDIX B.

Of the total 96 pending appeals in the Project Area, there are 2 pending appeals filed by a large property owner in the Project Area, Peterson Tractor Co. Peterson Tractor Co has two pending appeals; appeals filed by this owner in prior years did not result in a change in valuation. An appeal filed in fiscal year 2017-18 by Chill Build San Leandro is also pending.

The table on the following page shows appeals filed by large property owners in the Project Area since 2013-14.

Table 5
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SAN LEANDRO
Assessment Appeals by Large Owners in the Project Area⁽¹⁾

Roll Year	Owner Name	Status	County Valuation	Applicant Opinion of Value	Valuation After Appeal
2017-18	Chill Build San Leandro LLC	1 Pending	\$51,434,909	\$34,747,300	TBD
2017-18	Peterson Tractor Co	1 Resolved	13,567,609	9,000,000	0
2016-17	Peterson Tractor Co	2 Pending	26,603,280	18,000,000	TBD
2015-16	Peterson Tractor Co	1 Resolved	13,101,859	9,000,000	0
2014-15	Peterson Tractor Co	1 Resolved	12,845,217	10,000,000	0
2014-15	Seal San Leandro LLC	1 Resolved	14,000,000	12,031,000	(1,300,000)
2013-14	ACCO Engineered Systems Inc	2 Resolved	17,738,456	8,300,000	0
2013-14	AMB-SGP CIF-I LLC	1 Resolved	51,030,600	40,000,000	0
2013-14	Khachaturian Henry TR	1 Resolved	11,000,000	8,000,000	0
2013-14	Peterson Tractor Co	2 Resolved	16,322,897	12,562,522	0

(1) Data obtained from the San Mateo County Assessor as of February 16, 2018.

Sources: San Mateo County Assessor; Urban Analytics.

Projected Tax Revenues and Debt Service Coverage

The Successor Agency has retained Urban Analytics, LLC, San Francisco, California to provide projections of taxable valuations on land in the Project Area and projected Tax Revenues available for debt service on the 2018 Bonds. Tax Revenues are projected over the duration of the 2018 Bonds, as shown in Table 6 below.

The projection incorporates the Proposition 13 adjustment of 2% for real property from Fiscal Year 2017-18 forward. The projection does not take into consideration any changes in assessed valuation due to new construction, property sales, Proposition 8 reductions or other factors. The actual growth rate of assessed valuation may be less than the projected rate in the Project Area. Secured personal property and unsecured valuations are assumed to remain constant throughout.

The Successor Agency believes that the assumptions used in Table 10 to the Fiscal Consultant's Report and its footnotes, upon which the projections in Table 6 below are based, are reasonable; however, some assumptions may not materialize and unanticipated events and circumstances may occur. Therefore, the actual Tax Revenues received during the forecast period may vary from the projections and the variations may be material.

Table 7 sets forth projected debt service coverage on the 2018 Bonds based on the projection of Tax Revenues set forth in Table 6.

Table 6
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SAN LEANDRO
Projection of Pledged Tax Revenues
(2% Growth)^{(1) (2)}

Fiscal Year	Gross Tax Increment	33676 (2%) Payments	County Admin. Fee	Pass-Through Payments⁽²⁾	Net Tax Increment	Portion of Tax Increment to County RDA⁽³⁾	Pledged Tax Revenues
2017-18	\$18,824,503	\$(1,648,777)	\$(167,851)	\$(5,742,246)	\$11,265,629	\$(3,915,242)	\$7,350,387
2018-19	19,350,125	(1,744,717)	(172,538)	(5,890,020)	11,542,851	(4,010,885)	7,531,966
2019-20	19,886,260	(1,842,578)	(177,318)	(6,811,515)	11,054,850	(3,723,057)	7,331,793
2020-21	20,433,118	(1,942,396)	(182,194)	(6,984,116)	11,324,412	(3,813,134)	7,511,278
2021-22	20,990,913	(2,044,209)	(187,168)	(7,160,169)	11,599,367	(3,905,013)	7,694,354
2022-23	21,559,863	(2,148,059)	(192,241)	(7,339,743)	11,879,820	(3,998,729)	7,881,090
2023-24	22,140,193	(2,253,988)	(197,416)	(7,522,908)	12,165,881	(4,094,320)	8,071,561
2024-25	22,732,129	(2,362,033)	(202,694)	(7,709,738)	12,457,665	(4,191,823)	8,265,842
2025-26	23,335,904	(2,472,240)	(208,077)	(7,900,303)	12,755,283	(4,291,275)	8,464,008
2026-27	23,951,754	(2,584,650)	(213,569)	(8,094,681)	13,058,855	(4,392,717)	8,666,138
2027-28	24,579,922	(2,699,309)	(219,170)	(8,292,945)	13,368,498	(4,496,188)	8,872,310
2028-29	25,220,653	(2,816,261)	(224,883)	(8,495,175)	13,684,334	(4,601,728)	9,082,606
2029-30	25,874,198	(2,935,552)	(230,710)	(9,681,297)	13,026,639	(4,219,455)	8,807,184
2030-31	26,540,814	(3,057,229)	(236,654)	(9,914,949)	13,331,982	(4,317,632)	9,014,350
2031-32	27,220,763	(3,181,339)	(242,717)	(10,153,275)	13,643,432	(4,417,774)	9,225,658
2032-33	27,914,311	(3,307,934)	(248,901)	(10,396,366)	13,961,110	(4,519,917)	9,441,192
2033-34	28,621,729	(3,437,057)	(255,209)	(10,644,320)	14,285,143	(4,624,104)	9,661,039
2034-35	29,343,296	(3,568,765)	(261,643)	(10,897,233)	14,615,655	(4,730,375)	9,885,281
2035-36	30,079,294	(3,703,107)	(268,205)	(11,155,204)	14,952,778	(4,838,770)	10,114,008
2036-37	30,830,013	(3,840,133)	(274,899)	(11,418,335)	15,296,645	(4,949,335)	10,347,310
2037-38	31,595,745	(3,979,903)	(281,727)	(11,686,728)	15,647,387	(5,062,109)	10,585,278
2038-39	32,376,793	(4,122,467)	(288,691)	(10,646,272)	17,319,363	(5,834,249)	11,485,114
2039-40	0	0	0	0	0	0	0
Total	\$553,402,294	\$(61,692,703)	\$(4,934,475)	\$(194,537,538)	\$292,237,578	\$(96,947,830)	\$195,289,748

(1) Gross tax increment exclusive of supplemental revenue.

(2) Pass-through payments exclude payment to Hayward Area Recreation and Park District, which is paid from the County's portion of tax increment in the Project Area.

(3) Under the Project Area Agreement, the portion of tax increment paid to the County RDA is calculated as 50% of Net Tax Increment after deducting the housing set-aside, which is equal to 20% of Gross Tax Increment less the 33676 payments.

Source: Urban Analytics.

Table 7
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SAN LEANDRO
Projected Debt Service Coverage

Bond Year Ending Sept. 1	Tax Revenues (2% Growth)	2018 Bonds Debt Service*	Debt Service Coverage*
2018	\$7,350,387		
2019	7,531,966		
2020	7,331,793		
2021	7,511,278		
2022	7,694,354		
2023	7,881,090		
2024	8,071,561		
2025	8,265,842		
2026	8,464,008		
2027	8,666,138		
2028	8,872,310		
2029	9,082,606		
2030	8,807,184		
2031	9,014,350		
2032	9,225,658		
2033	9,441,192		
2034	9,661,039		
2035	9,885,281		
2036	10,114,008		
2037	10,347,310		
2038	10,585,278		

** Preliminary; subject to change.*

Sources: Underwriter and Urban Analytics.

RISK FACTORS

The following information should be considered by prospective investors in evaluating the 2018 Bonds. However, the following does not purport to be an exhaustive listing of risks and other considerations which may be relevant to investing in the 2018 Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.

The various legal opinions to be delivered concurrently with the issuance of the 2018 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by State and federal laws, rulings and decisions affecting remedies, and by bankruptcy, reorganization or other laws of general application affecting the enforcement of creditors' rights, including equitable principles.

Recognized Obligation Payment Schedule

Tax Revenues will not be withdrawn from the Redevelopment Property Tax Trust Fund by the County Auditor-Controller and remitted to the Successor Agency without a duly approved and effective Recognized Obligation Payment Schedule to pay debt service on the 2018 Bonds and to pay other enforceable obligations for each applicable annual period. In the event the Successor Agency failed to file a Recognized Obligation Payment Schedule as required, the availability of Tax Revenues to the Successor Agency could be adversely affected for such period. See "SECURITY FOR THE 2018 BONDS – Recognized Obligation Payment Schedules."

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

Challenges to Dissolution Act

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

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

After hearing by the Sacramento County Superior Court on May 3, 2013, the Superior Court ruled that Syncora’s constitutional claims based on contractual impairment were premature. The Superior Court also held that Syncora’s takings claims, to the extent based on the same arguments, were also premature. Pursuant to a Judgment stipulated to by the parties, the Superior Court on October 3, 2013, entered its order dismissing the action. The Judgment, however, provides that Syncora preserves its rights to reassert its challenges to the Dissolution Act in the future. The Successor Agency does not guarantee that any reassertion of challenges by Syncora or that the final results of any of the judicial actions brought by others challenging the Dissolution Act will not result in an outcome that may have a material adverse effect on the Successor Agency’s ability to timely pay debt service on the 2018 Bonds.

Reduction in Taxable Value

Tax increment revenue available to pay principal of and interest on the 2018 Bonds are determined by the amount of incremental taxable value in the Project Area and the current rate or rates at which property in the Project Area is taxed. The reduction of taxable values of property in the Project Area caused by economic factors beyond the Successor Agency’s control, such as relocation out of the Project Area by one or more major property owners, sale of property to a non-profit corporation exempt from property taxation, or the complete or partial destruction of such property caused by, among other eventualities, earthquake or other natural disaster, could cause a reduction in the tax increment available to pay debt service on the 2018 Bonds. Such reduction of tax increment available to pay debt service on the 2018 Bonds could have an adverse effect on the Successor Agency’s ability to make timely payments of principal of and interest on the 2018 Bonds; this risk could be increased by the significant concentration of property ownership in the Project Area (see “THE PROJECT AREA – Major Property Owners”).

As described in greater detail under the heading “PROPERTY TAXATION IN CALIFORNIA – Article XIII A of the State Constitution,” Article XIII A provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflation rate, not to exceed a two percent increase for any given year, or may be reduced to reflect a reduction in the consumer price index, comparable local data or any reduction in the event of declining property value caused by damage, destruction or other factors (as described above). Such measure is computed on a calendar year basis. Any resulting reduction in the full cash value base over the term of the 2018 Bonds could reduce tax increment available to pay debt service on the 2018 Bonds.

In addition to the other limitations on, and required application under the Dissolution Act of Tax Revenues on deposit in the Redevelopment Property Tax Trust Fund, the State electorate or Legislature could adopt a constitutional or legislative property tax reduction with

the effect of reducing Tax Revenues allocated to the Redevelopment Property Tax Trust Fund and available to the Successor Agency. Although the federal and State Constitutions include clauses generally prohibiting the Legislature's impairment of contracts, there are also recognized exceptions to these prohibitions. There is no assurance that the State electorate or Legislature will not at some future time approve additional limitations that could reduce the tax increment available to pay debt service on the 2018 Bonds and adversely affect the source of repayment and security of the 2018 Bonds.

Risks to Real Estate Market

The Successor Agency's ability to make payments on the 2018 Bonds will be dependent upon the economic strength of the Project Area. The general economy of the Project Area will be subject to all of the risks generally associated with urban real estate markets. Real estate prices and development may be adversely affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, unexpected increases in development costs and by other similar factors. Further, real estate development within the Project Area could be adversely affected by limitations of infrastructure or future governmental policies, including governmental policies to restrict or control development. In addition, if there is a significant decline in the general economy of the Project Area, the owners of property within the Project Area may be less able or less willing to make timely payments of property taxes or may petition for reduced assessed valuation causing a delay or interruption in the receipt of Tax Revenues by the Successor Agency from the Project Area. See "THE PROJECT AREA - Projected Tax Revenues and Debt Service Coverage" for a description of the debt service coverage on the 2018 Bonds.

Concentration of Property Ownership

Based on fiscal year 2017-18 locally assessed taxable valuations, the following property owners represent the largest concentrations of ownership within the Project Area:

<u>Property Owner</u>	<u>% of Total Value</u>	<u>% of Incr. Value</u>
Ghirardelli Chocolate Company	4.3%	6.3%
AMB Property Corporation	2.0	2.9
Chill Build San Leandro LLC	1.9	2.8
Georgia Pacific Corrugated LLC	1.3	1.9
PK I Fashion Faire Place LP	1.0	1.5
General Foods Corp	1.0	1.5
Acco Engineered Systems Inc	0.9	1.4
Khachaturian Henry Tr	0.9	1.4
Seal San Leandro LLC	0.9	1.3
Peterson Tractor Co	0.7	1.1

One of the property owners shown above (Peterson Tractor Co) has two pending assessed value appeals with respect to its property in the Project Area. The bankruptcy, termination of operations or departure from one of the Project Area by one of the largest property owners from the Project Area could adversely impact the availability of Tax Revenues to pay debt service on the 2018 Bonds.

Reduction in Inflationary Rate

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

Since Article XIII A was approved, the annual adjustment for inflation has fallen below the 2% limitation several times; in fiscal year 2010-11, the inflationary value adjustment was negative for the first time at -0.237%. Although the fiscal year 2017-18 inflationary value adjustment was 2.00%, the Successor Agency is unable to predict if any adjustments to the full cash value of real property within the Project Area, whether an increase or a reduction, will be realized in the future.

Development Risks

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

Levy and Collection of Taxes

The Successor Agency has no independent power to levy or collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the tax increment available to pay debt service on the 2018 Bonds.

Delinquencies in the payment of property taxes by the owners of land in the Project Area, and the impact of bankruptcy proceedings on the ability of taxing agencies to collect property taxes, could have an adverse effect on the Successor Agency's ability to make timely payments on the 2018 Bonds.

Bankruptcy and Foreclosure

The payment of the property taxes from which Tax Revenues are derived and the ability of the County to foreclose the lien of a delinquent unpaid tax may be limited by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. The various legal opinions to be delivered concurrently with the delivery of the 2018 Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization,

moratorium, or other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

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

Projected Tax Revenues

In estimating that projected Tax Revenues will be sufficient to pay debt service on the 2018 Bonds, the Successor Agency has made certain assumptions with regard to present and future assessed valuation in the Project Area, future tax rates and percentage of taxes collected. The Successor Agency believes these assumptions to be reasonable, but there is no assurance these assumptions will be realized and to the extent that the assessed valuation and the tax rates are less than expected, the net tax increment available to pay debt service on the 2018 Bonds will be less than those projected and such reduced net tax increment may be insufficient to provide for the payment of principal of, premium (if any) and interest on the 2018 Bonds. See "THE PROJECT AREA – Projected Tax Revenues and Debt Service Coverage."

Hazardous Substances

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

Natural Disasters

The value of the property in the Project Area in the future can be adversely affected by a variety of additional factors, particularly those which may affect infrastructure and other public improvements and private improvements on property and the continued habitability and enjoyment of such private improvements. Such additional factors include, without limitation, geologic conditions such as earthquakes, topographic conditions such as earth movements, landslides and floods and climatic conditions such as droughts. In the event that one or more of such conditions occur, such occurrence could cause damages of varying seriousness to the land and improvements and the value of property in the Project Area could be diminished in the aftermath of such events. A substantial reduction of the value of such properties and could affect the ability or willingness of the property owners to pay the property taxes.

Seismic. Land in the City and the County, like much of the State, is subject to seismic activity. Earthquake faults exist in many parts of Northern California, including in areas near to the Project Area, particularly the Hayward Fault, which is within the vicinity of the Project Area. Most new construction is required to be built in accordance with the Uniform Building Code which contains standards designed to minimize structural damage caused by seismic events however, the occurrence of severe seismic activity affecting the Project Area could result in

substantial damage to property located in the Project Area, and could lead to successful appeals for reduction of assessed values of such property.

Changes in the Law

There can be no assurance that the California electorate will not at some future time adopt initiatives or that the Legislature will not enact legislation that will amend the Dissolution Act, the Redevelopment Law or other laws or the Constitution of the State resulting in a reduction of tax increment available to pay debt service on the 2018 Bonds.

Loss of Tax-Exemption

As discussed under the caption "TAX MATTERS," interest on the 2018 Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the 2018 Bonds were issued, as a result of future acts or omissions of the Successor Agency in violation of its covenants in the Indenture.

In addition, current and future legislative proposals, if enacted into law, may cause interest on the 2018 Bonds to be subject, directly or indirectly, to federal income taxation by, for example, changing the current exclusion or deduction rules to limit the aggregate amount of interest on state and local government bonds that may be treated as tax exempt by individuals.

Should such an event of taxability occur, the 2018 Bonds are not subject to special redemption and will remain outstanding until maturity or until redeemed under other provisions set forth in the Indenture.

Secondary Market

There can be no guarantee that there will be a secondary market for the 2018 Bonds, or, if a secondary market exists, that the 2018 Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon the then prevailing circumstances.

TAX MATTERS

Federal Tax Status. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the 2018A Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax, although, in the case of tax years beginning prior to January 1, 2018, for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest earned by a corporation prior to the end of its tax year in 2018 is taken into account in determining certain income and earnings.

The opinions set forth in the preceding paragraph are subject to the condition that the Successor Agency comply with all requirements of the Internal Revenue Code of 1986, as amended (the “**Tax Code**”) that must be satisfied subsequent to the issuance of the 2018A Bonds. The Successor Agency has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of issuance of the 2018A Bonds.

Interest on the 2018B Bonds is not intended to be exempt from federal income taxation.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public (excluding bond houses and brokers) at which a 2018A Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes “original issue discount” for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which a 2018A Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes “original issue premium” for purposes of federal income taxes and State of California personal income taxes. De minimis original issue discount and original issue premium is disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the 2018A Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such 2018A Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such 2018A Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the 2018A Bonds who purchase the 2018A Bonds after the initial offering of a substantial amount of such maturity. Owners of such 2018A Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2018A Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such 2018A Bonds under federal alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the 2018A Bond (said term being the shorter of the 2018A Bond’s maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the 2018A Bond for purposes of determining taxable gain or loss upon

disposition. The amount of original issue premium on a 2018A Bond is amortized each year over the term to maturity of the 2018A Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized 2018A Bond premium is not deductible for federal income tax purposes. Owners of premium 2018A Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such 2018A Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the 2018 Bonds is exempt from California personal income taxes.

Other Tax Considerations. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the 2018 Bonds, or as to the consequences of owning or receiving interest on the 2018 Bonds, as of any future date. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the 2018 Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the 2018 Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the Bonds, the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("**S&P**"), has assigned its municipal bond rating of "___" to the 2018 Bonds. This rating reflects only the view of S&P, and an explanation of the significance of the rating, and any outlook assigned to or associated with the rating, should be obtained from the S&P. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The Successor Agency has provided certain additional information and materials to S&P (some of which does not appear in this Official Statement).

There is no assurance that this rating will continue for any given period of time or that this rating will not be revised downward or withdrawn entirely by S&P, if in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of any rating on the 2018 Bonds may have an adverse effect on the market price or marketability of the 2018 Bonds.

CONTINUING DISCLOSURE

The Successor Agency will covenant for the benefit of owners of the 2018 Bonds to provide certain financial information and operating data relating to the Successor Agency by not later than March 31 after the end of each fiscal year of the Successor Agency (currently June 30th), commencing not later than March 31, 2019 with the report for the 2017-2018 fiscal year (the "**Annual Report**"), and to provide notices of the occurrence of certain listed events. The specific nature of the information to be contained in the Annual Report or the notices of listed

events is summarized in "APPENDIX D - FORM OF SUCCESSOR AGENCY CONTINUING DISCLOSURE CERTIFICATE," attached to this Official Statement. These covenants have been made in order to assist the Underwriter (as defined below) in complying with Securities Exchange Commission Rule 15c2 12(b)(5) (the "**Rule**").

The City and its related governmental entities, including the Successor Agency, have previously entered into numerous disclosure undertakings under the Rule in connection with the issuance of long-term obligations. See "APPENDIX E - SUCCESSOR AGENCY FINANCIAL STATEMENTS FOR FISCAL YEAR 2016-17." [[During the past five years, the City and the City's affiliated governmental entities have failed to comply in certain material respects with their undertakings. In particular, the City determined that certain filings relating to three issuances of tax allocation bonds of the Former Agency failed to include budget information and financial reports required by the related undertakings. The City's has further determined that previous filings relating to three issuances of certificates of participation of the City also omitted certain fund balance amounts and statements of tax increment received as required by the related undertakings. Specifically, with respect to one fiscal year, the City failed to file the audited financial statements and the annual reports for several series of the City's bonds on a timely basis and did not provide proper notice of delay. In addition, in 2007, the audited financial statements filed by the City were not properly attributed to three outstanding bond issuances of the City and reported therewith. Further, the City and the City's affiliated governmental entities failed to file material event notices regarding changes to the ratings of certain of the City's obligations as a result of changed underlying bond ratings and downgrades of the ratings of bond insurance companies that insured their bonds. As of the date hereof, the City has completed remedial filings to correct such failures. The City will adopt policies and procedures to ensure compliance with their continuing disclosure undertakings in the future.]] **[[SUBJECT TO FURTHER REVIEW/UPDATE]]**

CONCLUDING INFORMATION

Underwriting

The 2018 Bonds are being purchased by Raymond James & Associates, Inc. (the "**Underwriter**"). The Underwriter has agreed to purchase the 2018A Bonds at a price of \$_____ (being the principal amount of the 2018A Bonds less a net original issue discount of \$_____ and less an Underwriter's discount of \$_____); and the Underwriter has agreed to purchase the 2018B Bonds at a price of \$_____ (being the principal amount of the 2018B Bonds less a net original issue discount of \$_____ and less an Underwriter's discount of \$_____). The Underwriter will purchase all of the 2018 Bonds if any are purchased.

The Underwriter may offer and sell 2018 Bonds to certain dealers and others at a price lower than the offering price stated on the inside cover page of this Official Statement. The offering price may be changed from time to time by the Underwriter.

Legal Opinion

The final approving opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, will be furnished to the purchaser at the time of delivery of the 2018 Bonds.

A copy of the proposed form of Bond Counsel's final approving opinion with respect to the 2018 Bonds is attached hereto as APPENDIX F.

In addition, certain legal matters will be passed on by Jones Hall, A Professional Law Corporation, as Disclosure Counsel and Quint & Thimmig LLP, as Underwriter's Counsel.

Certain legal matters will be passed on for the Successor Agency by the Meyers, Nave, Riback, Silver & Wilson, as City Attorney and Successor Agency counsel.

Compensation paid to Bond Counsel, Disclosure Counsel and Underwriter's Counsel is contingent upon the sale and delivery of the 2018 Bonds.

No Litigation

There is no action, suit or proceeding known to the Successor Agency to be pending and notice of which has been served upon and received by the Successor Agency, or threatened, restraining or enjoining the execution or delivery of the 2018 Bonds or the Indenture or in any way contesting or affecting the validity of the foregoing or any proceedings of the Successor Agency taken with respect to any of the foregoing.

Miscellaneous

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

This Official Statement does not constitute a contract with the purchasers of the 2018 Bonds. Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

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

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY OF SAN LEANDRO**

By: _____
Executive Director

APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

APPENDIX B
FISCAL CONSULTANT'S REPORT

APPENDIX C

SUPPLEMENTAL INFORMATION - CITY OF SAN LEANDRO

*The following information concerning the City of San Leandro (the “**City**”) and surrounding areas is included only for the purpose of supplying general information regarding the community. The 2018 Bonds are not a debt of the City, Alameda County (the “**County**”), the State of California (the “**State**”) or any of its political subdivisions, and neither the City, the County, the State nor any of its political subdivisions is liable therefor.*

General

The City encompasses 15.5 square miles located in central Alameda County, about 20 miles southeast of San Francisco and 390 miles north of Los Angeles. The City is a diversified community with residential, commercial, and industrial development within the City. The industrial makeup of the City has been changing, moving away from its traditional manufacturing base toward more of an emphasis on services and warehousing industries. The median temperatures for January and July are 48.6 degrees Fahrenheit and 63.1 degrees Fahrenheit respectively. Rainfall averages 18.69 inches per year

Municipal Government

Incorporated in 1872, the City is a charter city organized under a Mayor, Council, City Manager form of government. The City Council consists of six Members from six districts and a Mayor. The Mayor and Councilmembers are nominated by district and elected at large. Each may serve a maximum of two consecutive four-year terms.

The City Council appoints the City Manager, who is the City's Chief Administrative Officer. The City Manager directs and supervises all City departments, prepares and administers the annual City budget, and plans and implements key projects.

Population

The following table shows population estimates for the City, the County and the State for the last five years.

CITY OF SAN LEANDRO, ALAMEDA COUNTY AND STATE OF CALIFORNIA
Population Estimates
Calendar Years 2013 through 2017 as of January 1

Year (January 1)	City of San Leandro	Alameda County	State of California
2013	86,395	1,567,091	38,238,492
2014	87,058	1,588,348	38,572,211
2015	87,866	1,611,318	38,915,880
2016	87,882	1,629,233	39,189,035
2017	88,274	1,645,359	39,523,613

Source: State Department of Finance.

Employment and Industry

The District is included in the Oakland-Hayward-Berkeley Metropolitan Division ("MD"). The unemployment rate in the Oakland-Hayward-Berkeley MD was 3.0 percent in December 2017, unchanged from a revised 3.0 percent in November 2017, and below the year-ago estimate of 3.8 percent. This compares with an unadjusted unemployment rate of 4.2 percent for California and 3.9 percent for the nation during the same period. The unemployment rate was 3.0 percent in Alameda County, and 3.1 percent in Contra Costa County.

The table below lists employment by industry group for Alameda and Contra Costa Counties for the years 2012 to 2016.

**OAKLAND- HAYWARD-BERKELEY MD
(Alameda and Contra Costa Counties)
Annual Averages Civilian Labor Force, Employment and Unemployment,
Employment by Industry
(March 2016 Benchmark)**

	2012	2013	2014	2015	2016
Civilian Labor Force ⁽¹⁾	1,336,300	1,344,100	1,355,600	1,374,800	1,394,400
Employment	1,218,700	1,245,500	1,275,000	1,308,100	1,334,200
Unemployment	117,500	98,600	80,600	66,700	60,200
Unemployment Rate	8.8%	7.3%	5.9%	4.8%	4.3%
<u>Wage and Salary Employment: ⁽²⁾</u>					
Agriculture	1,500	1,400	1,300	1,200	1,300
Mining and Logging	900	900	800	900	900
Construction	52,000	56,400	58,600	62,400	67,500
Manufacturing	79,900	80,100	82,800	86,600	89,900
Wholesale Trade	43,700	45,200	46,200	47,600	49,000
Retail Trade	104,100	107,700	109,900	113,000	115,000
Transportation, Warehousing, Utilities	32,900	33,500	35,600	38,300	38,700
Information	22,100	21,500	21,300	22,400	26,400
Finance and Insurance	33,400	33,500	32,600	32,800	40,300
Real Estate and Rental and Leasing	15,400	16,200	16,800	16,800	17,000
Professional and Business Services	166,500	173,400	178,800	183,000	180,800
Educational and Health Services	164,700	170,500	173,100	178,400	184,900
Leisure and Hospitality	91,800	97,200	102,100	106,300	111,400
Other Services	36,400	37,000	37,500	38,000	39,200
Federal Government	14,200	13,800	13,800	13,800	13,900
State Government	38,500	38,900	39,300	39,800	39,800
Local Government	110,100	110,600	113,400	115,200	120,200
Total, All Industries ⁽³⁾	1,008,000	1,037,500	1,063,600	1,096,300	1,136,200

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

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

(3) Totals may not add due to rounding.

Source: State of California Employment Development Department.

Largest Employers

The following table shows the ten largest major employers in the City and the County.

CITY OF SAN LEANDRO Major Employers

<u>Employer</u>	<u>Number of Employees</u>
Kaiser Permanente	3,400
San Leandro Unified School District	1,246
City of San Leandro	549
Ghiradelli Chocolate Co.	515
San Leandro Hospital	500
Walmart	478
Peterson Cat	475
Paramedics Plus LLC	475
Safeway	426
Costco	390

Source: City of San Leandro Comprehensive Annual Financial Report for fiscal year ended June 30, 2016

ALAMEDA COUNTY
Major Employers (Listed alphabetically)
March 2018

Employer Name	Location	Industry
Alameda County Law Enforcement	Oakland	Government Offices-County
Alameda County Sheriff's Ofc	Oakland	Government Offices-County
Alta Bates Summit Medical Ctr	Berkeley	Hospitals
Alta Bates Summit Medical Ctr	Oakland	Hospitals
Bayer Health Care	Berkeley	Laboratories-Pharmaceutical (Mfrs)
Children's Hosp & Research Ctr	Oakland	Hospitals
Coopervision Inc Advanced	Pleasanton	Optical Goods-Wholesale
Dell Emc	Pleasanton	Computer Software
East Bay Water	Oakland	Transit Lines
Grifols Diagnostic Solutions	Emeryville	Pharmaceutical Research Laboratories
Highland Hospital	Oakland	Hospitals
Kaiser Permanente Oakland Med	Oakland	Hospitals
Lawrence Berkeley National Lab	Berkeley	Laboratories-Research & Development
Lawrence Livermore Natl Lab	Livermore	Laboratories
Lbnl	Berkeley	Research Service
Life Scan Inc	Fremont	Physicians & Surgeons Equip & Supls-Mfrs
LInl St & T Staff	Livermore	Research Service
Merritt Pavilion Lab	Oakland	Laboratories-Medical
Safeway Inc	Pleasanton	Grocers-Retail
Tesla	Fremont	Automobile Dealers-Electric Cars
Transportation Dept-California	Oakland	Government Offices-State
University of Ca-Berkeley	Berkeley	Schools-Universities & Colleges Academic
University of Ca-Berkeley	Berkeley	Schools-Universities & Colleges Academic
Valley Care Health System	Livermore	Health Services
Western Digital Corp	Fremont	Electronic Equipment & Supplies-Mfrs

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2018 1st Edition.

Effective Buying Income

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

The following table summarizes the total effective buying income for the County of Alameda, the State and the United States for the period 2012 through 2016. Effective Buying Income data is not yet available for year 2017.

CITY OF SAN LEANDRO; ALAMEDA COUNTY Effective Buying Income As of January 1, 2012 through 2016

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2012	City of San Leandro	\$1,886,158	\$48,664
	Alameda County	43,677,855	55,396
	California	864,088,828	47,307
	United States	6,737,867,730	41,358
2013	City of San Leandro	\$1,946,680	\$49,747
	Alameda County	43,770,518	57,467
	California	858,676,636	48,340
	United States	6,982,757,379	43,715
2014	City of San Leandro	\$2,072,030	\$52,266
	Alameda County	47,744,408	60,575
	California	901,189,699	50,072
	United States	7,357,153,421	45,448
2015	City of San Leandro	\$2,274,225	\$55,822
	Alameda County	52,448,661	64,030
	California	981,231,666	53,589
	United States	7,757,960,399	46,738
2016	City of San Leandro	\$2,480,266	\$60,205
	Alameda County	56,091,066	67,641
	California	1,036,142,723	55,681
	United States	8,132,748,136	48,043

Source: The Nielsen Company (US), Inc.

Commercial Activity

A summary of historic taxable sales within the City and the County during the past five years for which data is available is shown in the following tables.

Total taxable sales during calendar year 2015 in the City were reported to be \$2,438,670,000 a 8.25% increase over the total taxable sales of \$2,245,508,000 reported during calendar year 2014. Annual figures are not yet available for calendar year 2016.

CITY OF SAN LEANDRO Taxable Transactions Number of Permits and Valuation of Taxable Transactions (Dollars in Thousands)

	<u>Retail Stores</u>		<u>Total All Outlets</u>	
	<u>Number of Permits</u>	<u>Taxable Transactions</u>	<u>Number of Permits</u>	<u>Taxable Transactions</u>
2011	1,312	\$1,203,146	2,309	\$1,775,210
2012	1,341	1,273,883	2,322	1,867,865
2013	1,304	1,348,729	2,273	2,026,119
2014	1,290	1,378,120	2,258	2,246,508
2015 ⁽¹⁾	1,359	1,433,968	2,464	2,438,670

(1) Permit figures for calendar year 2015 are not comparable to that of prior years due to outlet counts in these reports including the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers.

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Total taxable sales during calendar year 2015 in the City were reported to be \$29,770,157,000 a 4.798% increase over the total taxable sales of \$28,377,714,000 reported during calendar year 2014. Annual figures are not yet available for calendar year 2016.

ALAMEDA COUNTY Taxable Retail Sales Number of Permits and Valuation of Taxable Transactions (Dollars in Thousands)

	<u>Retail Stores</u>		<u>Total All Outlets</u>	
	<u>Number of Permits</u>	<u>Taxable Transactions</u>	<u>Number of Permits</u>	<u>Taxable Transactions</u>
2011	24,809	\$14,519,756	38,577	\$23,430,799
2012	26,027	15,781,349	39,706	25,181,571
2013	27,017	16,893,102	40,662	26,624,571
2014	27,152	17,820,857	40,746	28,377,714
2015 ⁽¹⁾	17,260	18,702,805	45,197	29,770,157

(1) Permit figures for calendar year 2015 are not comparable to that of prior years due to outlet counts in these reports including the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers.

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Construction

Provided below are the building permits and valuations for the City and the County, for calendar years 2012 through 2016. Annual figures for 2017 are not yet available.

CITY OF SAN LEANDRO Total Building Permit Valuations (Valuations in Thousands)

	2012	2013	2014	2015	2016
<u>Permit Valuation</u>					
New Single-family	\$1,665.7	\$897.1	\$365.9	\$ 0.0	\$1,063.1
New Multi-family	0.0	0.0	18,075.1	0.0	0.0
Res. Alterations/Additions	<u>13,600.4</u>	<u>12,935.8</u>	<u>8,843.6</u>	<u>2,365.9</u>	<u>3,559.6</u>
Total Residential	15,266.1	13,832.9	27,284.60	2,365.9	4,622.7
New Commercial	2,020.0	3,266.4	6,021.3	14.0	10.1
New Industrial	375.0	74.5	33,182.0	0.0	0.0
New Other	0.0	732.0	5,826.8	207.2	53.9
Com. Alterations/Additions	<u>17,108.2</u>	<u>28,855.9</u>	<u>23,028.6</u>	<u>2,066.6</u>	<u>1,128.0</u>
Total Nonresidential	19,503.2	32,928.8	68,058.7	2,287.8	1,192.0
New Dwelling Units					
Single Family	4	2	1	0	2
Multiple Family	<u>0</u>	<u>0</u>	<u>115</u>	<u>0</u>	<u>0</u>
TOTAL	4	2	116	0	2

(1) Totals may not add due to rounding.

Source: Construction Industry Research Board, Building Permit Summary.

ALAMEDA COUNTY Total Building Permit Valuations (Valuations in Thousands)

	2012	2013	2014	2015	2016
<u>Permit Valuation</u>					
New Single-family	\$372,939.4	\$451,279.5	\$400,498.1	\$576,948.5	\$791,891.2
New Multi-family	343,669.8	300,514.9	392,331.4	456,361.3	497,341.3
Res. Alterations/Additions	<u>235,264.8</u>	<u>227,675.7</u>	<u>325,493.9</u>	<u>344,975.9</u>	<u>466,239.3</u>
Total Residential	951,874.0	979,470.2	1,118,323.4	1,378,285.7	1,755,471.8
New Commercial	94,705.8	122,360.6	175,958.9	187,303.4	444,307.9
New Industrial	29,808.2	140,059.5	102,926.6	92,470.2	53,242.1
New Other	6,764.1	49,801.8	147,944.7	193,029.9	87,213.3
Com. Alterations/Additions	<u>352,261.1</u>	<u>364,237.6</u>	<u>599,941.3</u>	<u>673,633.6</u>	<u>775,031.8</u>
Total Nonresidential	483,539.2	676,459.5	1,026,771.5	1,146,437.1	1,359,795.1
New Dwelling Units					
Single Family	1,119	1,339	1,076	1,671	2,348
Multiple Family	<u>1,508</u>	<u>2,023</u>	<u>2,048</u>	<u>3,370</u>	<u>3,171</u>
TOTAL	2,627	3,362	3,124	5,041	5,519

(1) Totals may not add due to rounding.

Source: Construction Industry Research Board, Building Permit Summary.

Education

The City is served by two school districts. The San Leandro Unified School District is composed of 12 public schools consisting of eight elementary schools, two middle schools, one continuation high school, and one comprehensive high school. The San Lorenzo Unified School District also serves a portion of San Leandro students at two elementary schools, one middle school, and one high school. San Leandro also has a number of parochial schools located within the city and in adjacent communities. Higher education opportunities are available nearby at some of the nation's best educational institutions. These include the University of California at Berkeley, Stanford University in Palo Alto, California State University East Bay in Hayward, and Chabot Community College in Hayward.

Recreation and Leisure

The Shoreline Recreation Area offers opportunities for outdoor enthusiasts. This destination spot includes 27 holes of nationally acclaimed Bayside golf with a full-service clubhouse and an all-weather practice facility, a 131-room hotel, two restaurants overlooking the Bay, a 455-slip yacht harbor, a sheltered sailing lagoon, and a marina. There is also a 20-acre park with a sand volleyball court, picnic tables with barbecues, two playgrounds, an exercise par course, and the San Francisco Bay trail for hiking and bicycling.

The Main Library is located in the downtown area and includes a senior meeting facility, lecture hall, and meeting rooms. The Main Library is the hub for many community recreational activities, including leisure classes for all ages, special events, and programs such as the Trivia Bee and Project Literacy. The community is also served by three neighborhood branch libraries. The community enjoys a variety of celebrations such as a Holiday Tree Lighting event, the Miracle on East 14th Street festival, and a variety of multicultural celebrations. The Marina Community Center, located in the western part of the City, is available to the community for celebrations, meetings, and leisure classes.

Transportation

Interstate Highway 580 (east-west), Interstate Highway 680 (north-south) and Highway 61 provide access to the nearby cities of Oakland, San Francisco, Sacramento, San Jose, and the Central Valley.

San Leandro is located 7 miles from the Oakland International Airport, 35 miles from San Jose Municipal Airport and 25 miles from San Francisco International Airport. Deep-water shipping facilities are available at the Port of Oakland and the Port of San Francisco, 10 miles and 20 miles from the City, respectively.

A.C. Transit provides regional bus service and connects with the Greyhound Terminal and two San Leandro Bay Area Rapid Transit (BART) stations. Two Bay Area Rapid Transit (BART) stations in the city connect San Leandro with San Francisco and cities in four county areas. San Leandro LINKS is a shuttle bus program for transporting employees in west San Leandro to and from the Downtown BART station. Three nearby international airports link San Leandro residents and businesses with every destination in the world. Oakland International Airport is just minutes away. The Port of Oakland, one of the West Coast's largest containerized cargo shipping facilities, is just 10 miles north of San Leandro. The Port's deep-water container terminal is the fourth largest and busiest in the nation, one of the top 40 container ports globally,

and is served by over 35 shipping lines. San Leandro's prime location in the Bay Area benefits both the residents and the business community.

APPENDIX D

FORM OF SUCCESSOR AGENCY CONTINUING DISCLOSURE CERTIFICATE

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN LEANDRO

\$ _____ *
ALAMEDA COUNTY - CITY OF SAN LEANDRO
REDEVELOPMENT PROJECT
TAX ALLOCATION REFUNDING BONDS, SERIES 2018A

\$ _____ *
ALAMEDA COUNTY - CITY OF SAN LEANDRO
REDEVELOPMENT PROJECT
TAX ALLOCATION REFUNDING BONDS, SERIES
2018B (FEDERALLY TAXABLE)

This CONTINUING DISCLOSURE CERTIFICATE (this “**Disclosure Certificate**”) is executed and delivered by the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN LEANDRO (the “**Successor Agency**”) in connection with the execution and delivery of the bonds captioned above (the “**Bonds**”). The Bonds are being issued pursuant to an Indenture of Trust, dated as of _____ 1, 2018 (the “**Indenture**”), by and between the Successor Agency and U.S. Bank National Association, as trustee.

The Successor Agency covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Successor Agency for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

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

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

“*Annual Report Date*” means the date that is nine months after the end of the Successor Agency’s fiscal year (currently March 31 based on the Successor Agency’s fiscal year end of June 30).

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

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

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

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

“Participating Underwriter” means Raymond James & Associates, Inc., the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

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

Section 3. Provision of Annual Reports.

(a) The Successor Agency shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2019, with the report for the 2017-2018 fiscal year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the Successor Agency shall provide the Annual Report to the Dissemination Agent (if other than the Successor Agency). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the Successor Agency) has not received a copy of the Annual Report, the Dissemination Agent shall contact the Successor Agency to determine if the Successor Agency is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Successor Agency may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the Successor Agency’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The Successor Agency shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the Successor Agency hereunder.

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

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

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

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

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

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

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

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

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

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

Section 5. Reporting of Significant Events.

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

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.

- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the Successor Agency or other obligated person.
- (13) The consummation of a merger, consolidation, or acquisition involving the Successor Agency or an obligated person, or the sale of all or substantially all of the assets of the Successor Agency or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

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

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

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

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

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

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

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

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

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

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first Annual Report filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form,

the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to this Disclosure Certificate modifying the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the Successor Agency to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

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

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

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

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. (a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Successor Agency agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the Successor Agency hereunder, and shall not be deemed to be acting in any fiduciary capacity for the Successor Agency, the Bond holders or any other party. The obligations of the Successor Agency under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

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

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

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

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

Date: _____, 2018

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY OF SAN LEANDRO

By: _____

Name: _____

Title: _____

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Successor Agency to the Redevelopment Agency of the City of San Leandro

Name of Issue: Successor Agency to the Redevelopment Agency of the City of San Leandro Alameda County - City of San Leandro Redevelopment Project Tax Allocation Refunding Bonds, Series 2018A and Series 2018B (Federally Taxable)

Date of Issuance: _____, 2018

NOTICE IS HEREBY GIVEN that the Successor Agency has not provided an Annual Report with respect to the above-named Bonds as required by the Indenture of Trust, dated as of _____, 2018, by and between the Successor Agency and U.S. Bank National Association, as trustee. The Successor Agency anticipates that the Annual Report will be filed by _____.

Dated: _____

DISSEMINATION AGENT:

By: _____
Its: _____

APPENDIX E

SUCCESSOR AGENCY FINANCIAL STATEMENTS
FOR FISCAL YEAR 2016-17

APPENDIX F
FORM OF BOND COUNSEL OPINION

APPENDIX G

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix concerning The Depository Trust Company (“DTC”), and DTC’s book-entry system has been obtained from DTC and the Successor Agency takes no responsibility for the completeness or accuracy thereof. The Successor Agency cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the 2018 Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the 2018 Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the 2018 Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company (“DTC”) will act as securities depository for the 2018 Bonds. The 2018 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the 2018 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2018 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 2018 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the 2018 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 2018 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2018 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2018 Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the 2018 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2018 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

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

Principal, premium (if any), and interest payments on the 2018 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Successor Agency or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the

Successor Agency, subject to any statutory or regulatory requirements as may be in effect from time to time. Principal, premium (if any), and interest payments with respect to the 2018 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Successor Agency or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2018 Bonds at any time by giving reasonable notice to the Successor Agency or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates representing the 2018 Bonds are required to be printed and delivered.

The Successor Agency may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, representing the 2018 Bonds will be printed and delivered to DTC in accordance with the provisions of the Indenture.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Successor Agency believes to be reliable, but the Successor Agency takes no responsibility for the accuracy thereof.