

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2018

NEW ISSUE—BOOK-ENTRY ONLY

Rating:
S&P: “_____”

See the caption “CONCLUDING INFORMATION—Rating”

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California (“Bond Counsel”), under existing statutes, regulations, rulings and judicial decisions, the interest with respect to the 2018 Bonds is not excluded from gross income for federal income tax purposes. In the further opinion of Bond Counsel, the interest (and original issue discount) with respect to the 2018 Bonds is exempt from State of California personal income tax. See “TAX MATTERS” herein.

\$ _____ *

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF POMONA
2018 TAX ALLOCATION REFUNDING BONDS, SERIES BI
(FEDERALLY TAXABLE)**

Dated: Delivery Date

Due: February 1, as shown on the inside front cover page

The Successor Agency to the Redevelopment Agency of the City of Pomona 2018 Tax Allocation Refunding Bonds, Series BI (Federally Taxable) (the “2018 Bonds”) will be delivered as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”), and will be available to ultimate purchasers (“Beneficial Owners”) in integral multiples of \$5,000 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. The principal of and interest (which interest is due February 1 and August 1 of each year, commencing February 1, 2019) on the 2018 Bonds will be payable by Zions Bank, a division of ZB, 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 caption “THE 2018 BONDS—Book-Entry System.”

The 2018 Bonds are being issued pursuant to the Indenture of Trust, dated as of _____, 2018 (the “Indenture”), by and between the Trustee and the Successor Agency to the Redevelopment Agency of the City of Pomona (the “Agency”): (i) to currently refund certain obligations of the Redevelopment Agency of the City of Pomona (the “Former Agency”) currently outstanding in the aggregate principal amount of \$136,755,000, as described under the caption “REFUNDING PLAN”; (ii) to make a deposit into a debt service reserve account (the “Reserve Account”) or purchase a debt service reserve insurance policy to be credited to such Reserve Account and (iii) to pay certain costs of issuance of the 2018 Bonds.

The 2018 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity. See the caption “THE 2018 BONDS—Redemption.”

The 2018 Bonds are secured by the Pledged Tax Revenues deposited in the Redevelopment Property Tax Trust Fund and payable from amounts on deposit therein after payments of certain County of Los Angeles administrative costs and payments to certain taxing agencies, as more fully described under the captions “SECURITY FOR THE 2018 BONDS—Pass-Through Agreements,” “Statutory Pass-Through Amounts,” “Section 33676 Election” and “PROPERTY TAXATION IN CALIFORNIA—Property Tax Collection Procedures—Property Tax Administrative Costs.” Taxes levied on the property within the Project Area (as defined herein and in the Indenture) on that portion of the taxable valuation over and above the taxable valuation of the base year property tax roll, to the extent that such taxes constitute Pledged Tax Revenues, will be deposited in the Redevelopment Obligation Retirement Fund and administered by the Agency and the Trustee in accordance with the Indenture.

[The Agency has received a commitment from a municipal bond insurer to provide a municipal bond insurance policy and a debt service reserve fund surety bond and will decide whether to purchase such insurance policy and surety bond at the time of the pricing. If a municipal bond insurance policy is obtained, it would guarantee the scheduled payment of the principal of and interest on all or a portion of the 2018 Bonds. No assurance can be given as to whether the Agency will purchase a municipal bond insurance policy or a debt service reserve fund surety bond. See “INTRODUCTORY STATEMENT—Bond Insurance” and “—Reserve Account” herein.]

This cover page of the Official Statement contains information for quick reference only. It is not a complete summary of the 2018 Bonds. Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision. Attention is hereby directed to certain risk factors more fully described herein.

The 2018 Bonds are not a debt of the City of Pomona, the State of California, or any of its political subdivisions (except the Agency), and neither said City or State, nor any of its political subdivisions (except the Agency), is liable hereon, nor in any event shall the 2018 Bonds be payable out of any funds or properties other than those of the Agency. The 2018 Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The principal of and interest on the 2018 Bonds are payable solely from the Pledged Tax Revenues (as defined herein and in the Indenture) allocated to the Agency from the Project Area and other funds as set forth in the Indenture.

The 2018 Bonds are offered, when, as and if issued, subject to the approval of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel. Certain legal matters will be passed on for the Agency by the City Attorney of the City of Pomona, as counsel to the Agency, and Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as disclosure counsel to the Agency, for the Underwriter by its counsel, Thompson Coburn LLP, Los Angeles, California, and for the Trustee by its counsel. It is anticipated that the 2018 Bonds will be available for delivery through the facilities of DTC on or about [____], 2018.

[Ziegler Logo]

Dated: _____, 2018

* Preliminary, subject to change.

MATURITY SCHEDULE

Base CUSIP[†] _____

\$ _____ *

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF POMONA
2018 TAX ALLOCATION REFUNDING BONDS, SERIES BI
(FEDERALLY TAXABLE)**

<i>Maturity Date (February 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>	<i>CUSIP[†] Suffix</i>
	\$	%	%		

* Preliminary, subject to change.

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**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY OF POMONA
Pomona, California**

**CITY OF POMONA
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA**

**MAYOR AND MEMBERS OF THE CITY COUNCIL,
ACTING AS THE GOVERNING BOARD OF THE AGENCY**

Tim Sandoval, Mayor
Rubio R. Gonzalez, Member
Adriana Robledo, Member
Cristina Carrizosa, Member
Elizabeth Ontiveros-Cole, Member
Ginna E. Escobar, Member
Robert S. Torres, Member

STAFF

Linda Lowry, City Manager/Executive Director
Onyx Jones, Finance Director
Marie Michel Macias, Interim City Clerk/Secretary
Arnold M. Alvarez-Glasman, Esq., City Attorney/Agency General Counsel

SPECIAL SERVICES

Bond Counsel and Disclosure Counsel

Stradling Yocca Carlson & Rauth, a Professional Corporation
Newport Beach, California

Municipal Advisor and Fiscal Consultant

Urban Futures, Inc.
Tustin, California

Trustee

Zions Bank, a division of ZB, National Association
Los Angeles, California

Verification Agent

[Grant Thornton LLP
Minneapolis, Minnesota]

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 by the Agency or the Underwriter 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 given or authorized by the Agency or the Underwriter.

Use of Official Statement. This Official Statement is submitted in connection with the sale of the 2018 Bonds described in this Official Statement and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement does not constitute a contract between any Bond owner and the Agency or the Underwriter.

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.

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

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 Agency or the other parties described in this Official Statement, since the date of this Official Statement.

Document Summaries. All summaries of the Indenture or other documents contained in this Official Statement are made subject to the provisions of such documents and do not purport to be complete statements of any or all such provisions. All references in this Official Statement to the Indenture and such other documents are qualified in their entirety by reference to such documents, which are on file with the Agency.

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

No Registration with the SEC. The issuance and sale of the 2018 Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Sections 3(a)(2) and 3(a)(12), respectively, for the issuance and sale of municipal securities.

Public Offering Prices. The Underwriter may offer and sell the 2018 Bonds to certain dealers and dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and the Underwriter may change such public offering prices from time to time.

Website. The City of Pomona maintains an Internet website which includes information about the Agency. However, the information maintained on such website is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the 2018 Bonds.

PROJECT AREA MAP

[TO COME]

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\$ _____ *

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF POMONA
2018 TAX ALLOCATION REFUNDING BONDS, SERIES BI
(FEDERALLY TAXABLE)**

INTRODUCTORY STATEMENT

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 Pomona (the “Agency”) of its \$ _____ * 2018 Tax Allocation Refunding Bonds, Series BI (Federally Taxable) (the “2018 Bonds”).

Authority and Purpose

The 2018 Bonds are being issued pursuant to the Constitution and laws of the State of California (the “State”), including Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the “Bond Law”), the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code (the “Redevelopment Law”), the Dissolution Act (as defined below) and an Indenture of Trust, dated as of _____, 2018 (the “Indenture”), by and between the Agency and Zions Bank, a division of ZB, National Association, as trustee (the “Trustee”). See the caption “THE 2018 BONDS—Authority for Issuance.” The 2018 Bonds and any additional debt (“Parity Debt”) issued as bonds pursuant to the Indenture are collectively referred to as the “Bonds.”

The 2018 Bonds are being issued: (i) to currently refund certain obligations of the Redevelopment Agency of the City of Pomona (the “Former Agency”) currently outstanding in the aggregate principal amount of \$136,755,000, as described under the caption “REFUNDING PLAN,” (ii) to make a deposit into a debt service reserve account (the “Reserve Account”) or purchase a debt service reserve insurance policy to be credited to such Reserve Account, and (iii) to pay certain costs of issuance of the 2018 Bonds. See the caption “REFUNDING PLAN—Sources and Uses of Funds.”

The 2018 Bonds are secured by the Pledged Tax Revenues deposited in the Redevelopment Property Tax Trust Fund (referred to at times herein as the “RPTTF”) and payable from amounts on deposit therein after payments of certain County of Los Angeles (the “County”) administrative costs and payments to certain taxing agencies, as more fully described under the captions “SECURITY FOR THE 2018 BONDS—Pass-Through Agreements,” “—Statutory Pass-Through Amounts” and “PROPERTY TAXATION IN CALIFORNIA—Property Tax Collection Procedures—*Property Tax Administrative Costs.*” Upon issuance of the 2018 Bonds, there will be no other bonds outstanding with a pledge and lien on the Pledged Tax Revenues senior to or on a parity with the pledge and lien in favor of the 2018 Bonds other than the Senior Obligations; provided, however, that the Agency may issue Parity Debt, subject to compliance with certain conditions set forth in the Indenture. See “SECURITY FOR THE 2018 BONDS—Issuance of Additional Indebtedness—*Parity Debt.*”

The City and the Agency

The City was incorporated in January 1888 and became a charter city in 1911. The City now encompasses approximately 22.9 square miles, and as of January 1, 2018 the City’s estimated population is 155,687. The City is located approximately 30 miles east of downtown Los Angeles, in the eastern portion of the County of Los Angeles, adjacent to Orange and San Bernardino Counties.

The Former Agency was activated by Ordinance No. 2112 of the City Council adopted on August 22, 1966 pursuant to the Redevelopment Law. The seven members of the City Council served as the governing body of the Former Agency and exercised all the rights, powers, duties and privileges of the Former Agency.

* Preliminary, subject to change.

On June 29, 2011, Assembly Bill No. 26 (“AB X1 26”) was enacted as Chapter 5, Statutes of 2011, together with a companion bill, Assembly Bill No. 27 (“AB X1 27”). A lawsuit entitled *California Redevelopment Association, et al. v. Matosantos, et al.*, was brought in the State Supreme Court challenging the constitutionality of AB X1 26 and AB X1 27. In a published decision (53 Cal. 4th 231 (Dec. 29, 2011)), the State Supreme Court largely upheld AB X1 26, invalidated AB X1 27, and held that AB X1 26 may be severed from AB X1 27 and enforced independently. As a result of AB X1 26 and the decision of the State Supreme Court, as of February 1, 2012, all redevelopment agencies in the State, including the Former Agency, were dissolved, 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 of AB X1 26 relating to the dissolution and winding down of former redevelopment agency affairs are Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health & 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, and as further amended on September 22, 2015 by Senate Bill 107 (“SB 107”), enacted as Chapter 325, Statutes of 2015 (collectively, as amended from time to time, the “Dissolution Act”).

Pursuant to Section 34173 of the Dissolution Act and Resolution No. 2012-8, adopted on January 9, 2012, the City Council of the City elected to serve as the successor agency to the Former Agency. Subdivision (g) of Section 34173 of the Dissolution Act, which was added by AB 1484, expressly affirms that the 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.

The Redevelopment Plans and the Project Area

The 2018 Bonds are principally payable from Pledged Tax Revenues attributable to the Project Area (defined under the caption “THE PROJECT AREA”). The Project Area represents a merger of the following eleven separately adopted project areas (including an annexation to one of the project areas) within the City (the “Original Project Areas”):

1. Arrow/Towne Redevelopment Project;
2. Downtown I Redevelopment Project;
3. Downtown II Redevelopment Project;
4. Downtown III Redevelopment Project;
5. Holt/Indian Hill Redevelopment Project;
6. Mission Corona Redevelopment Project;
7. Mountain Meadows Redevelopment Project, including the Fairgrounds Amendment Area;
8. Reservoir Street Industrial Redevelopment Project;
9. South Garey/Freeway Corridor Redevelopment Project;
10. Southwest Pomona Redevelopment Project; and
11. West Holt Redevelopment Project.

The Original Project Areas were merged together and the Project Area was created by the City Council pursuant to Ordinance No. 3910, finally adopted on August 7, 2000. Thereafter, the Project Area was amended by Ordinance No. 3960, adopted on July 15, 2002 to add territory to the Project Area referred to herein as the “Amendment No. 1 Area.” The Project Area was further amended by Ordinance No. 3997, adopted on October 20, 2003 and Ordinance No. 4074, adopted on December 4, 2006. The Project Area encompasses approximately 6,730 acres, or about 46% of the total incorporated area of the City, and is composed of a mix of commercial/retail and residential development. Each of the Original Project Areas continues to be subject to the Redevelopment Plan pursuant to which such Original Project Area was adopted, as amended. See the caption “THE PROJECT AREA” for detailed information regarding the Redevelopment Plans, certain amendments to the Redevelopment Plans, and the Project Area.

Tax Allocation Financing

Prior to the enactment of AB X1 26, the Redevelopment Law authorized the financing of redevelopment projects through the use of tax increment revenues. This method provided that the taxable valuation of the property within a redevelopment project area on the property tax roll last equalized prior to the effective date of the ordinance which adopts the redevelopment plan becomes the base year valuation. Assuming that the taxable valuation never drops below the base year level, the taxing agencies thereafter received that portion of the taxes produced by applying then current tax rates to the base year valuation, and the redevelopment agency was allocated the remaining portion produced by applying then current tax rates to the increase in valuation over the base year. Such incremental tax revenues allocated to a redevelopment agency were authorized to be pledged to the payment of agency obligations.

The Dissolution Act authorizes refunding bonds, including the 2018 Bonds, to be secured by a pledge of moneys deposited from time to time in a Redevelopment Property Tax Trust Fund held by a county auditor-controller with respect to a successor agency, which are equivalent to the tax increment revenues that were formerly allocated under the Redevelopment Law to the redevelopment agency and formerly authorized under the Redevelopment Law to be used for the financing of redevelopment projects.

Under the Indenture, Pledged Tax Revenues consist of all taxes (i) that were eligible for allocation to the Former Agency with respect to the Project Area and are allocated to the Agency pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Redevelopment Law and Section 16 of Article XVI of the Constitution of the State, or pursuant to other applicable State laws and (ii) that are deposited by the Auditor-Controller of the County of Los Angeles (the "County Auditor-Controller") in the Redevelopment Property Tax Trust Fund, all as provided in Section 34172(d) of the Dissolution Act, excluding the portion of such taxes required to pay debt service on the Senior Obligations, but only to the extent that such taxes are pledged to the payment of debt service on the Senior Obligations.

Pursuant to the Indenture, the Agency will deposit moneys derived from the Project Area constituting Pledged Tax Revenues promptly upon receipt thereof into the Redevelopment Obligation Retirement Fund established pursuant to Section 34170.5(a) of the Dissolution Act. Moneys held in the Redevelopment Obligation Retirement Fund will be transferred to the Trustee at the times specified in the Indenture to make payments of principal of and interest on the 2018 Bonds, all as described under the caption "SECURITY FOR THE 2018 BONDS."

Successor agencies have no power to levy property taxes and must look specifically to the allocation of taxes as described above. See the caption "RISK FACTORS."

Security for the 2018 Bonds

The Dissolution Act requires the County Auditor-Controller to determine the amount of property taxes that would have been allocated to the Former Agency had the Former Agency not been dissolved pursuant to the operation of AB X1 26, using current assessed values on the last equalized roll on August 20, and to deposit such amount in the Redevelopment Property Tax Trust Fund. Section 34177.5(g) of the Dissolution Act provides that any bonds authorized to be issued by the Agency will be considered indebtedness incurred by the dissolved Former Agency, with the same legal effect as if such bonds had been issued prior to the effective date of AB X1 26, in full conformity with the applicable provisions of the Redevelopment Law that existed prior to that date, will be included in the Agency's Recognized Obligation Payment Schedule, and 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 established pursuant to, and in accordance with, the Dissolution Act. See Appendix B and the caption "SECURITY FOR THE 2018 BONDS—Recognized Obligation Payment Schedule."

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 Agency pursuant to the provisions of the Redevelopment Law and the State Constitution which provided for the allocation of tax increment revenues under the Redevelopment Law, as described in the foregoing paragraph.

In accordance with the Dissolution Act, the 2018 Bonds and any Parity Debt (defined in Appendix B) which may be issued in the future are payable from and secured by, and Pledged Tax Revenues include, moneys deposited, from time to time, in the Redevelopment Property Tax Trust Fund.

The 2018 Bonds are payable from and secured by the Pledged Tax Revenues, whether held in the Redevelopment Property Tax Trust Fund or by the Agency or the Trustee. Such pledge constitutes a first and exclusive lien on and security interest in the Pledged Tax Revenues and the Redevelopment Obligation Retirement Fund, including the Special Fund therein, and all amounts in the Redevelopment Property Tax Trust Fund, including without limitation any override tax revenues attributable to tax rate overrides levied by taxing agencies within the Project Area that were pledged to the Refunded Obligations, and will attach, be perfected and be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the Agency, irrespective of whether such parties have notice of the Indenture. Such pledge permits the payment by the County Auditor-Controller of the County's administrative costs to the County as allowed under Section 34182 and Section 95.3 of the Revenue and Taxation Code and to various taxing agencies pursuant to the Pass-Through Agreements, Statutory Pass-Through Amounts and 33676 Amounts (as those terms are defined under the caption "SECURITY FOR THE 2018 BONDS—Tax Increment Financing—*Tax Sharing*") prior to payment of the principal and interest on the 2018 Bonds (unless such payments to taxing agencies are subordinated to payments on the 2018 Bonds). Taxes levied on the property within the Project Area on that portion of the taxable valuation over and above the taxable valuation of the applicable base year property tax roll with respect to the Project Area, to the extent that such taxes constitute Pledged Tax Revenues as described in this Official Statement, will be deposited in the Redevelopment Property Tax Trust Fund for transfer by the County Auditor-Controller to the Agency's Redevelopment Obligation Retirement Fund on January 2 and June 1 of each year to the extent required for payments listed in the Agency's Recognized Obligation Payment Schedule in accordance with the requirements of the Dissolution Act. See the captions "SECURITY FOR THE 2018 BONDS—Tax Increment Financing—*Tax Sharing*," "—Pass-Through Agreements," "—Statutory Pass-Through Amounts," "—Section 33676 Election" and "—Recognized Obligation Payment Schedule." Moneys deposited by the County Auditor-Controller into the Agency's Redevelopment Obligation Retirement Fund, and the Special Fund held therein, will be transferred by the Agency to the Trustee for deposit in the Debt Service Fund established under the Indenture and administered by the Trustee in accordance with the Indenture.

Metropolitan Water District ("MWD") levies a tax rate override within the Project Area, which is included in Pledged Tax Revenues and will be available to pay debt service on the 2018 Bonds if needed. However, the County Auditor-Controller will pay MWD's override taxes to MWD unless the Agency informs the County Auditor-Controller that such amounts are needed to pay debt service on the 2018 Bonds. The MWD override currently equals approximately 0.0035% of assessed value. The projections of Pledged Tax Revenues set forth in the Fiscal Consultant's Report attached hereto as Appendix A and in Tables 7 and 8 under the caption "PLEDGED TAX REVENUES—Projected Pledged Tax Revenues" are based on the 1.00% general levy and do not include MWD override revenues; however, such revenues are pledged to and would be available to pay the 2018 Bonds if needed. See the caption "SECURITY FOR THE 2018 BONDS—Pledged Tax Revenues."

The County Pass-Through Agreements (but not Education Entity Pass-Through Agreements, Statutory Pass-Through Amounts or 33676 Amounts) have been subordinated to the 2018 Bonds, subject to compliance with certain procedures set forth in the Dissolution Act. Also, see the captions "SECURITY FOR THE 2018 BONDS—Tax Increment Financing—*Tax Sharing*," "—Pass-Through Agreements," "—Statutory Pass-Through Amounts" and "—Section 33676 Election."

The Agency has no power to levy property taxes and must look specifically to the allocation of taxes as described above. See the captions “SECURITY FOR THE 2018 BONDS” and “RISK FACTORS.”

Obligations with Senior Right to Payment

The use of Pledged Tax Revenues from the Project Area to pay debt service on the 2018 Bonds is subject to the prior pledge or priority of payment of certain tax increment revenues under the Senior Obligations, permitted administrative costs of the County Auditor-Controller and payments to certain taxing entities under Pass-Through Agreements and Statutory Pass-Through Amounts. See the captions “SECURITY FOR THE 2018 BONDS—Senior Obligations” for a description of bonds payable on a senior basis to the 2018 Bonds, “PROPERTY TAXATION IN CALIFORNIA—Property Tax Collection Procedures—*Property Tax Administrative Costs*” for a description of the County’s administrative costs, “SECURITY FOR THE 2018 BONDS—Pass-Through Agreements” for a description of the senior and subordinate Pass-Through Agreements and “—Statutory Pass-Through Amounts” for a description of the Statutory Pass-Through Amounts. The County Pass-Through Agreements have been subordinated to the 2018 Bonds, subject to compliance with certain procedures set forth in the Dissolution Act. See the caption “SECURITY FOR THE 2018 BONDS—Tax Increment Financing—*Tax Sharing*.”

Upon the issuance of the 2018 Bonds and the completion of the refundings described under the caption “REFUNDING PLAN” there will be no bonds or agreements outstanding with a pledge or lien on the Pledged Tax Revenues senior to or on a parity with the 2018 Bonds other than the Senior Obligations.

Issuance of Parity Debt

The Indenture permits the Agency to issue Parity Debt to refund outstanding 2018 Bonds, Parity Debt, or to finance the repayment of the County Deferral and Deferred Amounts (as those terms are defined under the caption “SECURITY FOR THE 2018 BONDS—Pass-Through Agreements”), subject to compliance with certain requirements set forth in the Indenture. See “SECURITY FOR THE 2018 BONDS—Issuance of Additional Indebtedness” and “—Pass-Through Agreements.”

Bond Insurance

[The Agency has received a commitment from a municipal bond insurer to provide a municipal bond insurance policy and a debt service reserve fund surety bond. If a municipal bond insurance policy is obtained, it would guarantee the scheduled payment of the principal of and interest on all or a portion of the 2018 Bonds. No assurance can be given as to whether the Agency will purchase a municipal bond insurance policy or a debt service reserve fund policy. The Agency’s decision whether to purchase a municipal bond insurance policy or a debt service reserve fund policy will be made at or about the time of the pricing of the 2018 Bonds and will be based upon, among other things, market conditions at the time of such pricing. If the Agency purchases a municipal bond insurance policy or a debt service reserve fund policy, information regarding the municipal bond insurer and the terms of its bond insurance and debt service reserve fund policy commitments will be included in the final Official Statement. See the captions “—Reserve Account” and “SECURITY FOR THE 2018 BONDS—Transfer of Amounts by Trustee—*Reserve Account*.”]

Reserve Account

A Reserve Account for the 2018 Bonds is established pursuant to the Indenture in an amount equal to the Reserve Requirement of \$_____. See “SECURITY FOR THE 2018 BONDS—Redevelopment Obligation Retirement Fund; Deposit of Pledged Tax Revenues.”

The Reserve Account will also secure Parity Debt, if issued in the future by the Agency in the form of Bonds pursuant to a Supplemental Indenture. The Reserve Requirement will be calculated with respect to the 2018 Bonds and each other series or multiple series of Parity Debt issued as Bonds pursuant to a single

Supplemental Indenture for which a reserve is to be funded and as of any date of computation, as the lesser of: (i) 125% of the average Annual Debt Service with respect to such series of Bonds, (ii) Maximum Annual Debt Service with respect to such series of Bonds, or (iii) with respect to such 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, 10% of the issue price of such series of Bonds); provided, that in no event will the Agency, in connection with the issuance of Parity Debt 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 will, in connection with the issuance of such Parity Debt pursuant to a Supplemental Indenture, be increased only by the amount of such deposit as permitted by the Code; and, provided further that the 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. See “SECURITY FOR THE 2018 BONDS—Transfer of Amounts by Trustee.”

[The Agency has applied for and received a commitment from a municipal bond insurer to obtain a reserve surety bond to satisfy the Reserve Requirement. See “—Bond Insurance.”]

Further Information

Brief descriptions of the 2018 Bonds, the Indenture, the 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 herein to the Indenture, the Bond Law, the Redevelopment Law, the Dissolution Act, the Constitution and the laws of the State as well as the proceedings of the Former Agency, the Agency and the City are qualified in their entirety by reference to such documents. References herein to the 2018 Bonds are qualified in their entirety by the form thereof included in the Indenture and the information with respect thereto included herein, copies of which are all available for inspection at the offices of the Agency. Copies of the forms of all documents are available from the City Clerk’s office, City of Pomona, 505 South Garey Avenue, Pomona, California 91766.

Capitalized terms used herein and not defined have the meanings set forth in Appendix B.

REFUNDING PLAN

General

The Agency expects to apply a portion of the proceeds of the 2018 Bonds, together with other funds on hand, to refund on a current basis all amounts payable pursuant to the following outstanding obligations of the Agency (collectively, the “Refunded Obligations”).

1. Third Amended Loan Agreement, dated as of March 1, 1998, by and among the Former RDA, the Pomona Public Financing Authority (the “Authority”) and The Bank of New York Mellon Trust Company, N.A., as successor to BNY Western Trust Company; Loan Payments under such agreement secure payment of the Pomona Public Financing Authority 1998 Refunding Revenue Bonds, Series W (Southwest Pomona Redevelopment Project), currently outstanding in the principal amount of \$34,365,000.

2. Merged Redevelopment Project Loan Agreement, dated as of April 1, 2001, by and among the Former RDA, the Authority and The Bank of New York Mellon Trust Company, N.A., as successor to BNY Western Trust Company; Loan Payments under such agreement secure payment of the Pomona Public Financing Authority 2001 Revenue Bonds, Series AD (Merged Redevelopment Project), currently outstanding in the principal amount of \$23,720,000.

3. Merged Redevelopment Project Loan Agreement, dated as of November 1, 2003, by and among the Former RDA, the Authority and The Bank of New York Mellon Trust Company, N.A., as successor to BNY Western Trust Company; Loan Payments under such agreement secure payment of the Pomona Public Financing Authority 2003 Revenue Bonds, Series AH (Merged Redevelopment Project), currently outstanding in the principal amount of \$14,205,000.

4. Merged Redevelopment Project Housing Loan Agreement, dated as of December 1, 2005, by and among the Former RDA, the Authority and The Bank of New York Mellon Trust Company, N.A., as successor to The Bank of New York Trust Company, N.A.; Loan Payments under such agreement secure payment of the Pomona Public Financing Authority 2005 Taxable Housing Tax Revenue Bonds, Series AQ (Merged Redevelopment Project), currently outstanding in the principal amount of \$7,010,000.

5. Merged Redevelopment Project Loan Agreement, dated as of December 1, 2006, by and among the Former RDA, the Authority and The Bank of New York Mellon Trust Company, N.A., as successor to The Bank of New York Trust Company, N.A.; Loan Payments under such agreement secure payment of the Pomona Public Financing Authority 2006 Revenue Bonds, Series AS (Merged Redevelopment Project), currently outstanding in the principal amount of \$25,635,000.

6. Merged Redevelopment Project Loan Agreement, dated as of December 1, 2006, by and among the Former RDA, the Authority and The Bank of New York Mellon Trust Company, N.A., as successor to The Bank of New York Trust Company, N.A.; Loan Payments under such agreement secure payment of the Pomona Public Financing Authority 2006 Taxable Revenue Bonds, Series AT (Merged Redevelopment Project), currently outstanding in the principal amount of \$5,550,000.

7. Merged Redevelopment Project Subordinate Loan Agreement, dated as of December 1, 2006, by and among the Former RDA, the Authority and The Bank of New York Mellon Trust Company, N.A., as successor to The Bank of New York Trust Company, N.A.; Loan Payments under such agreement secure payment of the Pomona Public Financing Authority 2006 Subordinate Revenue Bonds, Series AX (Merged Redevelopment Project), currently outstanding in the principal amount of \$19,755,000.

8. Merged Redevelopment Project Subordinate Loan Agreement, dated as of July 1, 2007, by and among the Former RDA, the Authority and The Bank of New York Mellon Trust Company, N.A., as successor to The Bank of New York Trust Company, N.A.; Loan Payments under such agreement secure payment of the Pomona Public Financing Authority 2007 Subordinate Revenue Bonds, Series AW (Merged Redevelopment Project), currently outstanding in the principal amount of \$6,515,000.

The Agency is issuing the 2018 Bonds to provide moneys (together with other available funds of the Agency) necessary to refund the Refunded Obligations in whole. On the date of issuance of the 2018 Bonds, a portion of the proceeds of the 2018 Bonds and other available funds of the Agency will be transferred, pursuant to separate escrow agreements for each of the Refunded Obligations (each an "Escrow Agreement"), to The Bank of New York Mellon Trust Company, N.A. (the "Escrow Bank"). Such moneys shall be applied by the Escrow Bank to the redemption and defeasance of the Refunded Obligations.

The amounts held by the Escrow Bank under each Escrow Agreement are pledged solely to the redemption of the applicable series of outstanding Refunded Obligations. The moneys deposited with the Escrow Bank under the Escrow Agreements will not be available for the payments of principal of and interest on the 2018 Bonds.

Sufficiency of the deposits to the Escrow Funds for the redemption of the Refunded Obligations will be verified by [Grant Thornton LLP, Minneapolis, Minnesota] (the "Verification Agent"). Assuming the accuracy of such computations, as a result of the deposit and application of funds as provided in the Escrow Agreements, the applicable series of Refunded Obligations will be defeased pursuant to the provisions of the

indenture under which such series of Refunded Obligations was issued as of the date of issuance of the 2018 Bonds.

Verification of Mathematical Computations

Upon issuance of the 2018 Bonds, the Verification Agent will deliver a report on the mathematical accuracy of certain computations based upon certain information and assertions provided to it by the Underwriter relating to the adequacy of the cash to be deposited in the respective escrow funds to pay the Redemption Price of the Refunded Obligation.

Sources and Uses of Funds

The estimated sources and uses of the 2018 Bonds are summarized as follows:

Sources:	
Principal Amount of 2018 Bonds	\$
Plus Other Available Moneys ⁽¹⁾	
[Plus/Less Net Original Premium/Discount]	
Total Sources:	\$
Uses:	
Refunding Fund	\$
Costs of Issuance Fund ⁽²⁾	
Total Uses:	\$

⁽¹⁾ Includes moneys on deposit in funds and accounts of the Refunded Obligations.

⁽²⁾ Includes fees and expenses of Bond and Disclosure Counsel, Municipal Advisor, Fiscal Consultant, Trustee, Escrow Agent, Verification Agent and City Attorney, printing expenses, rating agency fees, Underwriter's discount, premiums for the bond insurance and a reserve surety, if obtained, and other miscellaneous costs.

THE 2018 BONDS

Authority for Issuance

The 2018 Bonds are authorized for issuance pursuant to the Indenture, the Bond Law, the Redevelopment Law and the Dissolution Act. Direction to undertake the issuance of the 2018 Bonds and the execution of the related documents was authorized by the Agency pursuant to Resolution No. SA 2018-8 adopted on June 18, 2018 (the "Resolution"), and by the Oversight Board of the Agency pursuant to Resolution No. OB 2018-09 adopted on June 21, 2018 (the "Oversight Board Action").

Written notice of the Oversight Board Action was provided to the State Department of Finance (the "DOF") pursuant to the Dissolution Act, and the DOF requested a review within five business days of such written notice. [On _____, 2018], which is within the time period allotted under the Dissolution Act for the DOF to review the Oversight Board's approving resolution, the DOF provided a letter to the Agency stating that based on the DOF's review and application of the law, the Oversight Board Action approving the 2018 Bonds is approved by the DOF. A copy of the DOF's letter is set forth in Appendix F.

Description of the 2018 Bonds

The 2018 Bonds will be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, so long as no 2018 Bond will have more than one maturity date. The 2018 Bonds will be dated as of their Closing Date.

Interest on the 2018 Bonds will be payable semiannually on February 1 and August 1 in each year, commencing on February 1, 2019 (each, an “Interest Payment Date”). Each 2018 Bond will bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it will bear interest from such Interest Payment Date; or (b) it is authenticated on or before January 15, 2019, in which event it will bear interest from its Closing Date; provided, however, that if, as of the date of authentication of any 2018 Bond, interest thereon is in default, such 2018 Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the 2018 Bonds (including the final interest payment upon maturity or redemption) is payable when due by check or draft of the Trustee mailed on the Interest Payment Date to the Owner thereof at such Owner’s address as it appears on the Registration Books at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least \$1,000,000 aggregate principal amount of the 2018 Bonds, which written request is on file with the Trustee as of any Record Date, interest on such 2018 Bonds will be paid on the succeeding Interest Payment Date by wire to such account in the United States as will be specified in such written request. The principal of the 2018 Bonds and premium, if any, upon redemption, are payable in lawful money of the United States of America upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee.

Book-Entry System

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. See Appendix D for further information with respect to DTC and its book-entry system.

Redemption

Optional Redemption. The 2018 Bonds maturing on or prior to February 1, 20__ are not subject to optional redemption. The 2018 Bonds maturing on or after February 1, 20__, are subject to optional redemption prior to their respective maturity dates as a whole, or in part by lot, on any date on or after February 1, 20__, by such maturity or maturities as the Agency may direct (or in the absence of such direction, pro rata by maturity and by lot within a maturity), from any source of available funds. Such optional redemption will be at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued but unpaid interest to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The 2018 Bonds that are Term Bonds maturing February 1, 20__ and February 1, 20__ are subject to mandatory redemption in whole, or in part by lot, on February 1 in each year, commencing February 1, 20__, February 1, 20__ and February 1, 20__, respectively, as set forth below, from sinking fund payments made by the Agency to the Principal Account, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on February 1 in the respective years as set forth in the following tables; provided however, that (y) in lieu of redemption thereof such 2018 Term Bonds may be purchased by the Agency pursuant to the Indenture, and (z) if some but not all of such 2018 Term Bonds have been redeemed pursuant to the optional redemption provisions described above, the total amount of all future sinking fund payments will be reduced by the aggregate principal amount of such 2018 Term Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the Agency (notice of which determination will be given by the Agency to the Trustee).

2018 Term Bonds of 20__

***Sinking Fund Redemption Date
(February 1)***

***Principal Amount
to be Redeemed***

\$

(maturity)

2018 Term Bonds of 20__

***Sinking Fund Redemption Date
(February 1)***

***Principal Amount
to be Redeemed***

\$

(maturity)

Notice of Redemption; Rescission. The Trustee on behalf and at the expense of the Agency will mail (by first class mail, postage prepaid) notice of any redemption at least twenty (20) but not more than sixty (60) days prior to the redemption date, (i) to the Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) to the Securities Depositories and one or more Information Services designated in a Written Request of the Agency filed with the Trustee; but such mailing will not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein will affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice will state the redemption date and the redemption price, will state, in the case of an optional redemption, that such redemption is conditioned upon the timely delivery of the redemption price by the Agency to the Trustee for deposit in the Redemption Account, will designate the CUSIP number of the Bonds to be redeemed, will state the individual number of each Bond to be redeemed or will state that all Bonds between two stated numbers (both inclusive) or all of the 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 such Bonds will not accrue from and after the redemption date.

The Agency will have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption will be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation will not constitute an Event of Default under the Indenture. The Agency and the Trustee will 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 and to the same recipients as the original notice of redemption was sent.

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

Partial Redemption of Bonds. In the event only a portion of any Bond is called for redemption, then upon surrender of such Bond the Agency will execute and the Trustee will authenticate and deliver to the Owner thereof, at the expense of the Agency, a new Bond or Bonds of the same interest rate and maturity, of

authorized denominations, in aggregate principal amount equal to the unredeemed portion of the 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 Bonds so called for redemption have been duly deposited with the Trustee, such 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 Bonds or portions thereof are to be selected for redemption by lot, the Trustee will make such selection, in such manner as the Trustee deems appropriate, and will notify the Agency thereof to the extent Bonds are no longer held in book-entry form. In the event of redemption by lot of Bonds, the Trustee will assign to each Bond then Outstanding a distinctive number for each \$5,000 of the principal amount of each such Bond. The Bonds to be redeemed will be the Bonds to which were assigned numbers so selected, but only so much of the principal amount of each such Bond of a denomination of more than \$5,000 will be redeemed as will equal \$5,000 for each number assigned to it and so selected. All Bonds redeemed or purchased pursuant to the Indenture will be cancelled and destroyed.

Purchase in Lieu of Redemption. In lieu of redemption of the Term Bonds pursuant to the Indenture or a Supplemental Indenture, amounts on deposit in the Special Fund or in the Principal Account may also be used and withdrawn by the Agency and the Trustee, respectively, at any time, upon the Written Request of the Agency, for the purchase of the Term Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the Agency may in its discretion determine. The par amount of any Term Bonds so purchased by the Agency in any twelve-month period ending on July 1 in any year will be credited towards and will reduce the par amount of the Term Bonds required to be redeemed pursuant to the Indenture on February 1 in each year; provided that evidence satisfactory to the Trustee of such purchase has been delivered to the Trustee by said July 1.

Annual Debt Service

The table below sets forth the annualized debt service on the 2018 Bonds, assuming no optional redemptions are made with respect to the 2018 Bonds.

<i>Bond Year (Amount Payable as of February 1)</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
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Total

Source: Underwriter.

SECURITY FOR THE 2018 BONDS

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 X1 26, using current assessed values on the last equalized roll on August 20, and to deposit such amount in the Redevelopment Property Tax Trust Fund for the Agency established and held by the County Auditor-Controller pursuant to the Dissolution Act. Section 34177.5(g) of the Dissolution Act provides that any bonds authorized to be issued by the Agency will be considered indebtedness incurred by the dissolved Former Agency, with the same legal effect as if the bonds had been issued prior to the effective date of AB X1 26, in full conformity with the applicable provision of the Redevelopment Law that existed prior to that date; will be included in the Agency's Recognized Obligation Payment Schedule and 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 established pursuant to the Dissolution Act. Property tax revenues pledged to any bonds authorized to be issued by the Agency under the Dissolution Act, including the 2018 Bonds, are taxes allocated to the Agency pursuant to subdivision (b) of Section 33670 of the Redevelopment Law and Section 16 of Article XVI of the State Constitution. See Appendix B and the caption "—Recognized Obligation Payment Schedule."

Pursuant to Section 33670(b) of the Redevelopment Law and Section 16 of Article XVI of the State Constitution, and as provided in the Redevelopment Plan for the Project Area, taxes levied upon taxable property in the Project Area each year by or for the benefit of the State, any city, county, district, or other public corporation (herein sometimes collectively called "taxing agencies") after the effective date of the ordinance approving the redevelopment plan, or the respective effective dates of ordinances approving amendments to the 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 applicable 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 redevelopment plan, or the respective effective dates of ordinances approving amendments thereto 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/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 (as discussed under the caption "PROPERTY TAXATION IN CALIFORNIA—Article XIII A of the State Constitution"), that portion of the levied taxes each year in excess of such amount, annually allocated within the redevelopment plan limit, when collected will be paid into a special fund of the Former Agency. Section 34172(a) of the Dissolution Act provides that, for purposes of Section 16 of Article XVI of the State Constitution, the Redevelopment Property Tax Trust Fund will be deemed to be a special fund of the Agency to pay the debt service on indebtedness incurred by the Former Agency or the Agency to finance or refinance the redevelopment projects of the Former Agency.

That portion of the levied taxes described in paragraph (b) above constitutes the amount 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 referred to in paragraph (b) above. SB 107 provides that debt service override revenues approved by the voters for the purpose of supporting pension programs or capital projects or programs related to the State Water Project that are not pledged to or not needed for debt service on Agency debt will be allocated and paid to the entity that levies the override. The MWD levies a tax rate override, which is pledged to pay debt service on the 2018 Bonds and would be available to pay debt service on the 2018 Bonds if needed. However, the County Auditor-Controller will pay MWD's override taxes to MWD unless the Agency informs the County Auditor-Controller that such amounts are needed to pay debt service on the 2018 Bonds. See the caption "—Pledged Tax Revenues."

The 2018 Bonds are payable from and secured by deposits into the Redevelopment Property Tax Trust Fund to be derived from the Project Area on a subordinate basis to amounts required to pay debt service on the Senior Obligations, certain County administrative costs to the County and to pay amounts due to certain taxing entities under the Educational Entity Pass-Through Agreements, Statutory Pass-Through Amounts and 33676 Amounts. See the captions "—Tax Increment Financing—*Tax Sharing*," "PROPERTY TAXATION IN CALIFORNIA—Property Tax Collection Procedures—*Property Tax Administrative Costs*," "SECURITY FOR THE 2017 BONDS—Pass-Through Agreements" and "—Statutory Pass-Through Amounts."

The Agency has no power to levy and collect taxes, and various factors beyond its control could affect the amount of Pledged Tax Revenues available in any fiscal year (defined as July 1 through June 30) to pay the principal of and interest on the 2018 Bonds. See the captions "—Tax Increment Financing," "—Recognized Obligation Payment Schedule," "PROPERTY TAXATION IN CALIFORNIA" and "RISK FACTORS."

The 2018 Bonds are not a debt of the City, the State, or any of its political subdivisions (other than the Agency), and neither said City, said State, nor any of its political subdivisions (other than the Agency) is liable thereon, nor in any event will the 2018 Bonds be payable out of any funds or properties other than those of the Agency. The 2018 Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

Pledged Tax Revenues

The Indenture provides that all Pledged Tax Revenues and the Redevelopment Obligation Retirement Fund, including the Special Fund therein, and all amounts in the Redevelopment Property Tax Trust Fund, including without limitation any override tax revenues attributable to tax rate overrides levied by taxing agencies within the Project Area that were pledged to the Refunded Obligations, are irrevocably pledged to secure the payment of the principal of and interest or redemption premium (if any) on the 2018 Bonds and all Parity Debt without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. Such pledge will constitute a first and exclusive lien on and security interest in the Pledged Tax Revenues and the Redevelopment Obligation Retirement Fund, including the Special Fund therein, and all amounts in the Redevelopment Property Tax Trust Fund, including without limitation any override tax revenues that were pledged to the Refunded Obligations, and will attach, be perfected and be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the Agency, irrespective of whether such parties have notice of the Indenture; provided however, that the County Auditor-Controller is authorized by Section 34183(a) of the Dissolution Act to use Pledged Tax Revenues to pay the County's administrative costs allowed under Section 34182 and Section 95.3 of the Revenue and Taxation Code and is required by Section 34183 of the Dissolution Act to pay Pledged Tax Revenues to taxing entities pursuant to the Pass-Through Agreements, Statutory Pass-Through Amounts and 33676 Amounts (unless such payments are subordinated to payments on the 2018 Bonds and Parity Debt pursuant to Section 33607.5(e) of the Redevelopment Law or Section 34177.5(c) of the Dissolution Act). Except for the Pledged Tax Revenues, such amounts and such funds and accounts, no other moneys, funds, accounts or properties of the Agency are pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the 2018 Bonds or Parity Debt except as provided in the following paragraph with respect to the 2018 Bonds.

Metropolitan Water District (“MWD”) levies a tax rate override within the Project Area, which is included in Pledged Tax Revenues and will be available to pay debt service on the 2018 Bonds if needed. However, the County Auditor-Controller will pay MWD’s override taxes to MWD unless the Agency informs the County Auditor-Controller that such amounts are needed to pay debt service on the 2018 Bonds. The MWD override was approximately \$_____ for fiscal year 2017-18 and will decline over time, until fiscal year 2034-35, in which the override tax rate will expire. The projections of Pledged Tax Revenues set forth in the Fiscal Consultant’s Report attached hereto as Appendix A and in Tables 7 and 8 under the caption “PLEDGED TAX REVENUES—Projected Pledged Tax Revenues” are based on the 1.00% general levy and do not include MWD override revenues; however, such revenues are pledged to and would be available to pay the 2018 Bonds if needed.

The County Pass-Through Agreements (but not the Education Entity Pass-Through Agreements and the Statutory Pass-Through Amounts) have been subordinated to the 2018 Bonds, subject to compliance with certain procedures set forth in the Dissolution Act. Also, see the captions “SECURITY FOR THE 2018 BONDS—Tax Increment Financing—*Tax Sharing*,” “—Pass-Through Agreements” and “—Statutory Pass-Through Amounts.”

The Indenture further provides that the Debt Service Fund and any fund or account created under the Indenture, including amounts on deposit therein (including proceeds of the 2018 Bonds), are irrevocably pledged under the Indenture to secure the payment of the principal of and interest or redemption premium (if any) on the 2018 Bonds and other Bonds without preference or priority for series issue, number, dated date, sale date, date of execution or date of delivery. Such pledge will constitute a first and exclusive lien on and security interest in the Debt Service Fund and any other fund or account created under the Indenture, and including amounts on deposit therein (including proceeds of the 2018 Bonds), and will attach, be perfected and be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the Agency, irrespective of whether such parties have notice of the Indenture.

Pursuant to Section 34177.5(g) of the Dissolution Act, except as provided in the Indenture, the 2018 Bonds and Parity Debt will be secured by a pledge of and lien on moneys deposited in the Redevelopment Property Tax Trust Fund held by the County Auditor-Controller related to the Agency, which moneys, subject to the payment by the County Auditor-Controller of certain amounts to pay County administrative expenses as allowed under Section 34182 and Section 95.3 of the Revenue and Taxation Code and to taxing entities pursuant to the Pass-Through Agreements and Sections 33607.5, 33607.7 and 33676 of the Redevelopment Law, constitute Pledged Tax Revenues under the Indenture. See the caption “—Tax Increment Financing—*Tax Sharing*” below.

As defined in the Indenture, “Pledged Tax Revenues” means all taxes (i) that were eligible for allocation to the Former Agency with respect to the Project Area and are allocated to the Agency pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Redevelopment Law and Section 16 of Article XVI of the Constitution of the State, or pursuant to other applicable State laws and (ii) that are deposited by the County Auditor-Controller in the Redevelopment Property Tax Trust Fund, all as provided in Section 34172(d) of the Dissolution Act, excluding the portion of such taxes required to pay debt service on the Senior Obligations, but only to the extent that such taxes are pledged to the payment of debt service on the Senior Obligations. See Appendix B.

Pursuant to the Dissolution Act, former tax increment revenues generated in the Project Area are no longer required to be deposited into the Low and Moderate Income Housing Fund. In essence, the Dissolution Act does not make a distinction between moneys previously required to be deposited into the Low and Moderate Income Housing Fund and other general purpose tax increment. Accordingly, such revenues are now available and pledged to the repayment of the 2018 Bonds and any Parity Debt. Because a portion of the proceeds of the Senior Obligations was used to satisfy the Former Agency’s low- and moderate-income housing obligation, the Senior Obligations are secured by a senior pledge of and lien on all of the Agency’s tax

increment revenues deposited into the Redevelopment Property Tax Trust Fund. See “SECURITY FOR THE 2018 BONDS—Tax Increment Financing—*Elimination of Housing Set-Aside*.”

Taxes levied on the property within the Project Area on that portion of the taxable valuation over and above the taxable valuation of the applicable base year property tax roll with respect to the various territories within the Project Area, to the extent that they constitute Pledged Tax Revenues as described below, will be deposited in the Redevelopment Property Tax Trust Fund for transfer by the County Auditor-Controller to the Agency’s Redevelopment Obligation Retirement Fund on January 2 and June 1 of each year to the extent required for payments listed in the Agency’s approved Recognized Obligation Payment Schedule in accordance with the requirements of the Dissolution Act. See the caption “—Recognized Obligation Payment Schedule.” Moneys deposited by the County Auditor-Controller into the Agency’s Redevelopment Obligation Retirement Fund will be transferred by the Agency to the Trustee for deposit in the Debt Service Fund established under the Indenture and administered by the Trustee in accordance with the Indenture.

In consideration of the acceptance of the 2018 Bonds and other Bonds by those who will hold the same from time to time, the Indenture constitutes a contract between the Agency and 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 Agency will be for the equal and proportionate benefit, security and protection of all Owners of the 2018 Bonds and other Bonds without preference, priority or distinction as to security or otherwise of any of the 2018 Bonds and other 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 in the Indenture.

Redevelopment Obligation Retirement Fund; Deposit of Pledged Tax Revenues

The Agency has established the Redevelopment Obligation Retirement Fund and the Special Fund therein pursuant to Section 34170.5(a) of the Dissolution Act, which the Agency will continue to hold so long as any of the 2018 Bonds are Outstanding. The Indenture also establishes a separate fund known as the “Debt Service Fund” and the accounts therein which will be held by the Trustee. The Agency will deposit all of the Pledged Tax Revenues received in any Bond Year in the Special Fund promptly upon receipt by the Agency, and thereafter will transfer amounts received to the Debt Service Fund until such time as the amounts so transferred to the Debt Service Fund equal the aggregate amounts required to be deposited by the Trustee into the Interest Account, the Principal Account, and the Reserve Account of the Debt Service Fund pursuant to the Indenture on the next succeeding Interest Payment Date following such receipt of Pledged Tax Revenues by the Agency and for deposit in the funds and accounts established with respect to Parity Debt on the next succeeding Interest Payment Date following such receipt of Pledged Tax Revenues by the Agency, as provided in any Supplemental Indenture.

Transfer of Amounts by Trustee

The Indenture creates accounts within the Debt Service Fund as set forth below, to be known respectively as the Interest Account, the Principal Account, and the Reserve Account. Moneys in the Debt Service Fund will be transferred by the Trustee in the following amounts at the following times, for deposit in the following respective accounts within the Debt Service Fund, which are established with the Trustee by the Indenture, in the following order of priority (provided further that, if on the fifth (5th) Business Day prior to the date the Agency is required to transfer amounts on deposit in the Special Fund to the Trustee there are not amounts on deposit therein sufficient to make the following deposits, taking into account amounts required to be transferred with respect to Bonds other than the 2018 Bonds, the Agency will immediately notify the Trustee of the amount of any such insufficiency and the Trustee will deposit amounts received from the Agency into sub-accounts of the Interest Account and/or Principal Account, as applicable, on a pro-rata basis):

Interest Account. On or before the fifth (5th) Business Day preceding each Interest Payment Date, commencing with the Interest Payment Date of February 1, 2019, the Agency will withdraw from the Special 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 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. All moneys in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying the interest on the 2018 Bonds as it becomes due and payable (including accrued interest on any Bonds redeemed prior to maturity pursuant to this Indenture).

Principal Account. On or before the fifth (5th) Business Day preceding February 1 in each year beginning February 1, 2019 (with respect to the 2018 Bonds), the Agency will withdraw from the Special 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 Serial Bonds and Outstanding Term Bonds, including pursuant to mandatory sinking account redemption, on the next February 1. No such transfer and deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal to become due on the next February 1 on all of the Outstanding Serial Bonds and Term Bonds. All moneys in the Principal Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Serial Bonds and the Term Bonds, including by mandatory sinking account redemption, as the same becomes due and payable.

Reserve Account. There has been established in the Debt Service Fund by the Indenture a separate fund and account known as the “Reserve Account” solely as security for payments on the 2018 Bonds payable by the Agency pursuant to the Indenture, which will be held by the Trustee in trust for the benefit of the Owners of the 2018 Bonds.

The Reserve Requirement with respect to the 2018 Bonds is \$_____. “Reserve Requirement” is defined in the Indenture as an amount calculated, with respect to the 2018 Bonds and each other series or multiple series of Parity Debt issued as Bonds pursuant to a single Supplemental Indenture for which a reserve is to be funded and as of any date of computation, as the lesser of: (i) 125% of the average Annual Debt Service with respect to such series of Bonds, (ii) Maximum Annual Debt Service with respect to such series of Bonds, or (iii) with respect to such series of Bonds (or multiple series issued pursuant to a single Supplemental Indenture), 10% of the original principal amount of such series of Bonds (or, if such series, or multiple series, of Bonds has more than a de minimis amount of original issue discount or premium, 10% of the issue price of such series, or multiple series, of Bonds); provided, that in no event will the Agency, in connection with the issuance of Parity Debt 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 will, in connection with the issuance of such Parity Debt pursuant to a Supplemental Indenture, be increased only by the amount of such deposit as permitted by the Code; and, provided further that the 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. See the caption “INTRODUCTORY STATEMENT—Reserve Account.”

The Reserve Requirement for the 2018 Bonds will be satisfied by the delivery of the 2019 Reserve Policy by the 2018 Insurer on the Closing Date with respect to the 2018 Bonds. The Agency will have no obligation to replace the 2018 Reserve Policy or to fund the Reserve Account with cash if, at any time that the 2018 Bonds are Outstanding, any rating assigned to the 2018 Insurer is downgraded, suspended or withdrawn or amounts are not available under the 2018 Reserve Policy, other than in connection with a draw on the 2018 Reserve Policy.

No Reserve Account for Parity Debt Not Issued as Bonds. The Indenture permits the issuance of Parity Debt under a Parity Debt Instrument without funding the Reserve Requirement with respect to such Parity Debt in the Reserve Account. The Agency may be more likely to default on the payment of Parity Debt issued without funding the Reserve Requirement and in the event the Agency has insufficient revenues to pay debt service on the 2018 Bonds and Parity Debt, Pledged Tax Revenues would be applied pro-rata to the payment of such Parity Debt and the 2018 Bonds. See the captions “SECURITY FOR THE 2018 BONDS—Issuance of Additional Indebtedness” and “RISK FACTORS—Parity Debt Issued Without Reserve.”

See Appendix B under the caption “SECURITY OF BONDS; FLOW OF FUNDS—Deposit of Amounts by Trustee—*Reserve Account*” for further information with respect to the procedure for drawing upon the Reserve Account.

Tax Increment Financing

General. Prior to the enactment of AB X1 26, the Redevelopment Law authorized the financing of redevelopment projects through the use of tax increment revenues. This method provided that the taxable valuation of the property within a redevelopment project area on the property tax roll last equalized prior to the effective date of the ordinance which adopts the redevelopment plan becomes the base year valuation. Assuming that the taxable valuation exceeds the base year level, the taxing agencies thereafter received that portion of the taxes produced by applying then current tax rates to the base year valuation, and the redevelopment agency was allocated the remaining portion produced by applying then current tax rates to the increase in valuation over the base year. Such incremental tax revenues allocated to a redevelopment agency were authorized to be pledged to the payment of agency obligations.

The Dissolution Act authorizes refunding bonds, including the 2018 Bonds, that are issued by a successor agency to be secured by a pledge of moneys deposited from time to time in a Redevelopment Property Tax Trust Fund held by a county auditor-controller with respect to that successor agency, which are equivalent to the tax increment revenues that were formerly allocated under the Redevelopment Law to the redevelopment agency and formerly authorized under the Redevelopment Law to be used for the financing of redevelopment projects, less amounts deducted pursuant to Section 34183(a) of the Dissolution Act for permitted administrative costs of the county auditor-controller. Under the Indenture, Pledged Tax Revenues consist of the amounts deposited from time to time in the Redevelopment Property Tax Trust Fund established pursuant to and as provided in the Dissolution Act. Successor agencies have no power to levy property taxes and must look specifically to the allocation of taxes as described above. See the caption “RISK FACTORS.”

Tax Sharing. The Redevelopment Law authorized redevelopment agencies to make payments to school districts and other taxing agencies to alleviate any financial burden or detriments to such taxing agencies caused by a redevelopment project. The Former Agency entered into eight agreements for this purpose. (See the caption “—Pass-Through Agreements” below.) Additionally, Sections 33607.5 and 33607.7 of the Redevelopment Law required mandatory tax sharing applicable to redevelopment projects adopted after January 1, 1994, or amended thereafter in certain manners specified in such statutes (the “Statutory Pass-Through Amounts”). (See the caption “—Statutory Pass-Through Amounts” below.) Further, redevelopment project areas adopted between January 1, 1985 and January 1, 1994 were subject to payments to schools and to other affected taxing agencies that elected to receive tax revenue payments set forth under Section 33676 of the Law (“33676 Amounts”). (See the caption “—Section 33676 Election” below.)

The Dissolution Act requires the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund amounts required to be distributed pursuant to Pass-Through Agreements or as Statutory Pass-Through Amounts or 33676 Amounts to the taxing entities on each January 2 and June 1 before amounts are distributed by the County Auditor-Controller from the Redevelopment Property Tax Trust Fund to the Agency’s Redevelopment Obligation Retirement Fund, unless: (i) pass-through payment obligations have been made subordinate to debt service payments for the bonded indebtedness of the Agency; (ii) the Agency has reported, no later than the December 1 and May 1 preceding the applicable January 2 or June 1 distribution

date, that the total amount available to the Agency from the Redevelopment Property Tax Trust Fund allocation to the Agency's Redevelopment Obligation Retirement Fund, from other funds transferred from the Former Agency and from funds that have or will become available through asset sales and all redevelopment operations, is insufficient to fund the Agency's enforceable obligations, pass-through payments and the Agency's administrative cost allowance for the applicable six-month period; and (iii) the State Controller has concurred with the Agency that there are insufficient funds for such purposes for the applicable six-month period.

The Dissolution Act provides for a procedure by which the Agency may make Statutory Pass-Through Amounts subordinate to the 2018 Bonds. The Agency has undertaken the requisite procedures to obtain subordination of the Statutory Pass-Through Amounts and, therefore, amounts due as Statutory Pass-Through Amounts are junior in payment priority to the 2018 Bonds, subject to compliance with the procedures set forth in the Dissolution Act, as described above. See the caption "PLEDGED TAX REVENUES" for projections of Pledged Tax Revenues, which take into account projected payments under Pass-Through Agreements. See "THE PROJECT AREA" for additional information regarding assessed values and tax revenues generated in the Project Area.

Elimination of Housing Set-Aside. Before the dissolution of the Former Agency, the Redevelopment Law required the Former Agency to set aside not less than 20% of the gross tax increment allocated to the Former Agency from the Project Area, i.e., the "Housing Set-Aside," in the Former Agency's Low and Moderate Income Housing Fund, to be expended for low and moderate income housing purposes. Generally, the Former Agency was authorized to use the Housing Set-Aside to pay debt service on bonds solely to the extent that the proceeds of such bonds were used to finance or refinance low and moderate income housing projects. In contrast, under the Redevelopment Law, the Former Agency was authorized to use the portion of tax increment that was not part of the Housing Set-Aside (the "Non-Housing Portion") to pay debt service on all bonds and other indebtedness of the Former Agency incurred to finance or refinance redevelopment projects for the Project Area, subject to limitations set forth in the indentures or other governing documents.

The Dissolution Act has eliminated the Low and Moderate Income Housing Fund and the requirement to deposit the Housing Set-Aside into such fund. None of the property tax revenues deposited in the Redevelopment Property Tax Trust Fund are designated as the Housing Set-Aside because the Agency has no obligations that are payable from the Housing Set-Aside. The Redevelopment Property Tax Trust Fund flow of funds under the Dissolution Act makes no distinction between bonds that were, in whole or in part, secured by and payable from the Housing Set-Aside and bonds that were solely secured by and payable from the Non-Housing Portion. In effect, after the Former Agency's dissolution, all of the Agency's outstanding bonds are paid from Redevelopment Property Tax Trust Fund disbursements without distinction between obligations related to housing and non-housing projects. Because a portion of the proceeds of the Senior Obligations was used to satisfy the Former Agency's low- and moderate-income housing obligation, the Senior Obligations are secured by a senior pledge of and lien on all of the Agency's tax increment revenues deposited into the Redevelopment Property Tax Trust Fund, including the Housing Set-Aside.

Recognized Obligation Payment Schedule

On or before each February 1, with respect to each fiscal year, the Dissolution Act requires successor agencies to prepare and approve, and submit to the successor agency's oversight board and the DOF for approval, a Recognized Obligation Payment Schedule pursuant to which enforceable obligations (as such term is 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. As defined in the Dissolution Act, "enforceable obligation" includes bonds, including the required debt service, reserve set-asides and any other payments required under an indenture or similar documents governing the issuance of the outstanding bonds of the former redevelopment agency, as well as other obligations such as loans, judgments or settlements against the former redevelopment agency, any legally binding and enforceable agreement that is not otherwise void as violating the debt limit or public policy, contracts necessary for the administration or operation of the successor agency,

and amounts borrowed from the 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 the bond indenture or when the next property tax allocation will be insufficient to pay all obligations due under the provisions of the bond for the next payment due in the following half of the calendar year.

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; (v) the Redevelopment Property Tax Trust Fund (but only to the extent that 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 former redevelopment agency, as approved by the oversight board).

The Dissolution Act provides that, commencing on the date that the first Recognized Obligation Payment Schedule is valid, only those payments listed in the Recognized Obligation Payment Schedule may be made by the Agency from the funds specified in the Recognized Obligation Payment Schedule. Each annual Recognized Obligation Payment Schedule may be amended once, provided that (i) the Agency submits the amendment to DOF no later than October 1, (ii) the Oversight Board makes a finding that the amendment is necessary for the payment of approved enforceable obligations during the second half of the Recognized Obligation Payment Schedule period (from January 1 to June 30, inclusive), and (iii) the Agency may only amend the amount requested for payment of approved enforceable obligations. DOF shall notify the Agency and the County Auditor-Controller as to whether the Agency's requested amendment is approved at least 15 days before the January 2 property tax distribution.

The Recognized Obligation Payment Schedule must be submitted by the Agency, after approval by the Oversight Board, to the County Administrative Officer, the County Auditor-Controller, the DOF and the State Controller by February 1 in each year with respect to the Agency's payment obligations during the next fiscal year. If the Agency does not submit an Oversight Board-approved Recognized Obligation Payment Schedule by such deadline, the City will be subject to a civil penalty equal to \$10,000 per day for every day that the schedule is not submitted. Additionally, the Agency's administrative cost allowance will be reduced by 25% for any fiscal year for which the Agency does not submit an Oversight Board-approved Recognized Obligation Payment Schedule within 10 days of the February 1 deadline. If the Agency fails to submit a Recognized Obligation Payment Schedule by the February 1 deadline, any creditor of the Agency or the DOF or any affected taxing entity shall have standing to, and may request a writ of mandate to, require the Agency to immediately perform this duty. For additional information regarding procedures under the Dissolution Act relating to late Recognized Obligation Payment Schedules and implications thereof on the 2018 Bonds, see the caption "RISK FACTORS—Recognized Obligation Payment Schedule."

With respect to each Recognized Obligation Payment Schedule submitted by the Agency, the Dissolution Act requires the DOF to make a determination of the enforceable obligations and the amounts and funding sources available to pay approved enforceable obligations no later than April 15. Within five business days of the determination by the DOF, the Agency may request additional review by the DOF and an opportunity to meet and confer on disputed items, if any. The DOF will notify the Agency and the County Auditor-Controller as to the outcome of its review at least 15 days before the June 1 property tax distribution date preceding the applicable Recognized Obligation Payment Schedule period. Additionally, the County Auditor-Controller may review a submitted Recognized Obligation Payment Schedule and object to the inclusion of any items that are not demonstrated to be enforceable obligations and may object to the funding source proposed for any items, provided that the County Auditor-Controller must provide notice of any such objections to the Agency, the Oversight Board and the DOF at least 60 days prior to the next property tax distribution date.

See the caption “—Last and Final Recognized Obligation Payment Schedule” for a description of the Last and Final Recognized Obligation Payment Schedule authorized by the Dissolution Act pursuant to SB 107.

In connection with the allocation and distribution by the County Auditor-Controller of property tax revenues deposited in the Redevelopment Property Tax Trust Fund, under the Dissolution Act the County Auditor-Controller must prepare estimates of the amounts of: (i) property tax to be allocated and distributed; and (ii) the amounts of pass-through payments to be made for the upcoming fiscal year, and provide those estimates to the entities receiving the distributions and DOF by no later than October 1 and April 1 of each year, as applicable. If, after receiving such estimate from the County Auditor-Controller, the Agency determines and reports, no later than December 1 or May 1, as applicable, that the total amount available to the Agency from the Redevelopment Property Tax Trust Fund allocation to the Agency’s Redevelopment Obligation Retirement Fund, from other funds transferred from the Former Agency and from funds that have or will become available through asset sales and all redevelopment operations, is insufficient to fund the payment of pass-through obligations, Agency enforceable obligations listed on the Recognized Obligation Payment Schedule and the Agency’s administrative cost allowance, the County Auditor-Controller must notify the State Controller and the DOF by no later than 10 days from the date of the Agency’s notification. If the State Controller concurs that there are insufficient funds to pay required debt service, and if the Agency’s tax sharing obligations described in Section 34183(a)(1) of the Dissolution Act have been subordinated to the Agency’s enforceable obligations, then the Dissolution Act provides for certain adjustments to be made to the estimated distributions, as described in more detail under the caption “—Tax Increment Financing—*Tax Sharing*.”

The Dissolution Act provides that any bonds authorized to be issued by the Agency will be considered indebtedness incurred by the dissolved Former Agency, with the same legal effect as if such bonds had been issued prior to the effective date of AB X1 26, in full conformity with the applicable provision of the Redevelopment Law that existed prior to such date, will be included in the Agency’s Recognized Obligation Payment Schedule and 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 established pursuant to the Dissolution Act. Additionally, if an enforceable obligation provides for an irrevocable commitment of property tax revenue and where allocation of revenues is expected to occur over time, the Dissolution Act provides that a successor agency may petition the DOF to provide written confirmation that its determination of such enforceable obligation as approved in a Recognized Obligation Payment Schedule is final and conclusive, and reflects the DOF’s approval of subsequent payments made pursuant to the enforceable obligation. If the confirmation is granted by the DOF, then the DOF’s review of such payments in each future Recognized Obligation Payment Schedule will be limited to confirming that they are required by the prior enforceable obligation.

In order to ensure the timely payment of debt service on the 2018 Bonds, on or before each February 1 following the Closing Date (or at such earlier time as may be required by the Dissolution Act), for so long as any Bonds are outstanding, the Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule to the DOF and to the County Auditor-Controller that shall include, from the first available Pledged Tax Revenues (subject to payments to the County for administrative expenses and to certain taxing entities, as provided in the Indenture): (i) all debt service due on all Outstanding 2018 Bonds and Parity Debt coming due during the applicable ROPS Period (with one-half of such year’s debt service to be distributed from the Redevelopment Property Tax Trust Fund on June 1 and the remainder of such year’s debt service to be distributed from the Redevelopment Property Tax Trust Fund on January 2), as well as all amounts due and owing to any Insurer under the Indenture, and (ii) any amount required to cure any deficiency in the Reserve Account pursuant to the Indenture or a reserve account established under any Parity Debt Instrument (including any amounts required due to a draw on the Qualified Reserve Account Credit Instrument as well as all amounts due and owing to any Insurer under the Indenture).

The Agency covenants in the Indenture that it will comply with the requirements of the Dissolution Act, including without limitation to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Agency with its covenants under the Indenture. See Appendix B.

Last and Final Recognized Obligation Payment Schedule

SB 107 amended the Dissolution Act to permit a successor agency to submit a Last and Final Recognized Obligation Payment Schedule (a “Last and Final ROPS”) for approval by the oversight board and DOF if: (i) the successor agency’s only remaining debt is administrative costs and payments pursuant to enforceable obligations with defined payment schedules, (ii) all remaining obligations have been previously listed on a Recognized Obligation Payment Schedule and approved by DOF, and (iii) the successor agency is not a party to outstanding or unresolved litigation. The Last and Final ROPS must list the remaining enforceable obligations of the successor agency in the following order: (A) enforceable obligations to be funded from the Redevelopment Property Tax Trust Fund, (B) enforceable obligations to be funded from bond proceeds or other legally or contractually dedicated or restricted funding sources, and (C) loans or deferrals authorized for repayment to the city that created the redevelopment agency or the successor to the former redevelopment agency’s housing functions and assets. The Last and Final ROPS must also include the total outstanding obligation and a schedule of remaining payments for each enforceable obligation described in (A) and (B) above, and the total outstanding obligation and an interest rate of 4%, for any loans or deferrals listed pursuant to (C) above. The Last and Final ROPS shall also establish the maximum amount of Redevelopment Property Tax Trust Funds to be distributed to the successor agency for each remaining fiscal year until all obligations have been fully paid. DOF approval is required for any Last and Final ROPS to become effective. The county auditor-controller shall also review the Last and Final ROPS and provide any objection to the inclusion of any items or amounts to DOF.

Successor agencies may only amend an approved Last and Final ROPS twice. Approval by the oversight board and DOF is required for any amendment to a Last and Final ROPS to become effective. The Dissolution Act provides DOF with 100 days to approve or deny an amendment to a Last and Final ROPS. Each amended Last and Final ROPS approved by DOF shall become effective in the subsequent Redevelopment Property Tax Trust Fund distribution period. If an amended Last and Final ROPS is approved less than 15 days before the date of the property tax distribution, the Last and Final ROPS shall not be effective until the subsequent Redevelopment Property Tax Trust Fund distribution period.

Any revenues, interest, and earnings of the successor agency, including proceeds from the disposition of real property, that are not authorized for use pursuant to the approved Last and Final ROPS shall be remitted to the county auditor-controller for distribution to the affected taxing entities. A successor agency shall not expend more than the amount approved for each enforceable obligation listed on the approved Last and Final ROPS. The county auditor-controller shall no longer distribute property tax to the successor agency’s Redevelopment Property Tax Trust Fund once the aggregate amount of property tax allocated to the successor agency equals the total outstanding obligation approved in the Last and Final ROPS. Commencing on the effective date of the approved Last and Final ROPS, the successor agency shall not prepare or transmit annual Recognized Obligation Payment Schedules.

After the Last and Final ROPS is approved by DOF, the county auditor-controller shall continue to allocate moneys in the successor agency’s Redevelopment Property Tax Trust Fund pursuant to Section 34183 of the Dissolution Act; however, the county auditor-controller shall allocate such moneys in each fiscal period, after deducting the county auditor-controller’s administrative costs, in the following order of priority: (A) pass through payments pursuant to Section 34183(a)(1) of the Dissolution Act, (B) scheduled debt service payments on tax allocation bonds listed and approved in the Last and Final ROPS, (C) scheduled payments on revenue bonds listed and approved in the Last and Final ROPS, but only to the extent the revenues pledged for them are insufficient to make the payments and only if the successor agency’s tax increment revenues were also pledged for the repayment of bonds, (D) scheduled payments for debts and obligations listed and approved in the Last and Final ROPS to be paid from the Redevelopment Property Tax Trust Fund, (E) payments listed and

approved on the Last and Final ROPS that were authorized but unfunded in prior periods, (F) repayment of loans and deferrals to the city that created the redevelopment agency or the successor to the former redevelopment agency's housing functions and assets that are listed and approved on the Last and Final ROPS, and (G) any moneys remaining in the Redevelopment Property Tax Trust Fund after the payments and transfers described in (A) to (F), above, shall be distributed to taxing entities in accordance with Section 34183(a)(4) of the Dissolution Act.

If the successor agency reports to the county auditor-controller that the total available amounts in the Redevelopment Property Tax Trust Fund will be insufficient to fund the successor agency's current or future fiscal year obligations, and if the county auditor-controller concurs that there are insufficient funds to pay the required obligations, the county auditor-controller may divert subordinated pass-through payments to the successor agency pursuant to Section 34183(b) of the Dissolution Act. See the caption "—Tax Increment Financing."

[The Agency has no current plans to file a Last and Final ROPS.] [Further, the Agency has covenanted in the Indenture not to submit to the Oversight Board or the California Department of Finance a request for the final amendment permitted for its Last and Final ROPS without the prior written consent of the 2018 Insurer unless all amounts that could become due to the 2018 Insurer are included as a line item on the Last and Final ROPS, as amended.]

Senior Obligations

The following obligations (the "Senior Obligations") are payable from moneys deposited in the Redevelopment Property Tax Trust Fund derived from specified Project Areas on a senior basis to the Series BI Bonds, as described below. Each Senior Obligation has a prior claim on Redevelopment Property Tax Trust Fund moneys derived from the Project Area for which such bonds were issued, but not the Agency's other Project Areas.

1. Redevelopment Agency of the City of Pomona Mountain Meadows Redevelopment Project 1998 Tax Allocation Refunding Bonds, Series X, currently outstanding in the principal amount of \$415,000.
2. Redevelopment Agency of the City of Pomona West Holt Avenue Redevelopment Project 1998 Tax Allocation Refunding Bonds, Series Y, currently outstanding in the principal amount of \$5,570,000.
3. Payment of the "Deferred Amount" pursuant to the 1988 Southwest County Agreement, to the extent not paid directly by the County Auditor-Controller pursuant to Health and Safety Code Section 34183(a)(1). See the caption "—Pass-Through Agreements—*County Pass-Through Agreements—Southwest Project.*"
4. Payment of the "County Deferral" obligation pursuant to the 1991 South Garey/Freeway Corridor County Agreement, to the extent not paid directly by the County Auditor-Controller pursuant to Health and Safety Code Section 34183(a)(1). See the caption "—Pass-Through Agreements—*County Pass-Through Agreements—South Garey/Freeway Corridor Project.*"

See the caption "SECURITY FOR THE 2018 BONDS—Issuance of Additional Indebtedness" for a description of the Agency's ability to finance payment of the Deferred Amount and County Deferral on a parity with the 2018 Bonds.

[Confirm no other agreements or obligations are payable on a basis senior to the 2018 Bonds.]

Pass-Through Agreements

Prior to 1994, under the Law, a redevelopment agency could enter into an agreement to pay former tax increment revenues to any affected taxing agency that has territory located within a redevelopment project in an amount which in the redevelopment agency's determination is appropriate to alleviate any financial burden or detriment caused by the redevelopment project. These Pass-Through Agreements normally provided for payment or pass-through of tax increment revenue directed to the affected taxing agency, and, therefore, are commonly referred to as pass-through agreements or tax sharing agreements.

The Former Agency entered into Pass-Through Agreements with certain taxing agencies with respect to some of the Original Project Areas. These Pass-Through Agreements are briefly summarized below. Although payments of future pass-through revenues to the County under the County Pass-Through Agreements have been subordinated by agreement of the County, the Educational Entity Pass-Through Agreements are both treated as senior to the payment of debt service on the 2018 Bonds (to the extent of tax increment revenues from the applicable Original Project Areas).

County Pass-Through Agreements

South Garey/Freeway Corridor Project. The former Redevelopment Agency entered into a tax sharing agreement with the County of Los Angeles (the "1991 South Garey/Freeway Corridor County Agreement") for the purpose of alleviating fiscal detriment to the County and County Flood Control District. The Redevelopment Agency agreed to allocate 45.9% of the tax increment generated by the South Garey Freeway Corridor Project Area to the County (the County Share), with the remaining 54.1% allocated to the Redevelopment Agency (the Agency Share). The County further agreed to defer 50% of the County Share in excess of the portion of tax revenues attributable to increases in the assessed value of the taxable property in the Project Area, which otherwise would be calculated annually by a "2% inflationary amount (the "County Deferral"). The County Deferral will continue until such time when the County Deferral plus the County housing contribution cumulatively totals \$25 million or the 28th year of the Project, whichever is sooner. The County Deferral accrues interest at 7% per year, compounded annually.

As of June 30, 2018 the outstanding balance of the County Deferral and accrued interest is approximately \$9,150,151.46. Repayment of the County Deferral commences in Fiscal Year 2019-20. Although the County has agreed to subordinate future pass-through payments under the County Pass-Through Agreements to the 2018 Bonds, the County has not subordinated repayment of the County Deferral to the 2018 Bonds. Thus, payments on the County Deferral are deducted from Pledged Tax Revenues in the projections set forth in the Fiscal Consultant's Report attached hereto as Appendix A and in Tables 7 and 8 under the caption "PLEDGED TAX REVENUES—Projected Pledged Tax Revenues."

Southwest Project. The former Redevelopment Agency entered into a tax sharing agreement with the County of Los Angeles (the "1988 Southwest County Agreement") for the purpose of alleviating fiscal detriment to the County and County Fire Protection District. The Redevelopment Agency agreed to allocate 49.3% of the tax increment generated by the Southwest Project Area to the County (referred to as the "County Share"), with the remaining 50.7% allocated to the Redevelopment Agency (referred to as the "Agency Share"). The 1988 Southwest County Agreement also established an \$8.5 million annual "Base Amount" allocation comprised of the Agency Share plus an "Annual Grant" allocable from the County Share. This Annual Grant shall not be less than \$600,000 and shall not exceed \$3.1 million in any year. To the extent that the sum of the Agency Share plus the Annual Grant is less than the \$8.5 million Base Amount, the County agreed to loan out of the County Share an amount (referred to as the "Deferred Amount") so as to enable the Redevelopment Agency to annually receive the minimum \$8.5 million Base Amount each year. The loan interest accrues at 7% per year, compounded annually, and is to be repaid during any fiscal year in which the Agency Share plus the Annual Grant exceeds the Base Amount. To the extent that annual tax increment exceeds the Base Amount, the amount of any excess tax increment over the Base Amount is to be allocated to

the County, unless and until the County has received the County Share less the amount of any Annual Grant for that fiscal year.

As of June 30, 2018 the outstanding balance of the Deferred Amount and accrued interest is approximately \$47,055,548.16. The Fiscal Consultant projects that the threshold for commencing repayment of the Deferred Amount to the County will be reached during Fiscal Year 2018-19. Although the County has agreed to subordinate future pass-through payments under the County Pass-Through Agreements to the 2018 Bonds, the County has not subordinated repayment of the Deferred Amount to the 2018 Bonds. Thus, payments on the Deferred Amount are deducted from Pledged Tax Revenues in the projections set forth in the Fiscal Consultant's Report attached hereto as Appendix A and in Tables 7 and 8 under the caption "PLEDGED TAX REVENUES—Projected Pledged Tax Revenues."

Downtown I, Downtown II, Downtown III, Holt Avenue/Indian Hill, Reservoir Street, West Holt, and Mountain Meadows Original Project Areas. The former Redevelopment Agency entered into a tax sharing agreement with the County and County Fire Protection District. Under the provisions of this agreement, to the extent that tax increment from these redevelopment project areas exceeded the annual dollar amount necessary to service pre-existing debt in existence at the time this agreement was implemented, the Redevelopment Agency agreed to allocate 49.3% of the tax increment from the redevelopment project areas (with the exception of Downtown III) to the County (referred to as the "County Share"), with the remaining 50.7% retained by the Redevelopment Agency (referred to as the "Agency Share"). For Downtown III, the County Share is set at 46.3% of annual tax increment according to the County Auditor-Controller. Prior to dissolution, the Redevelopment Agency was solely responsible for the low and moderate income housing requirement.

Arrow Towne Project. The former Redevelopment Agency entered into a tax sharing agreement with the County of Los Angeles for the purpose of alleviating fiscal detriment to the County and County Flood Control District. The Redevelopment Agency agreed to allocate 40% of the tax increment generated by the Arrow Towne Project Area to the County, with the remaining 60% allocated to the Redevelopment Agency. Prior to dissolution, the Redevelopment Agency was solely responsible for the low and moderate income housing requirement to be paid from the Agency Share.

Mission Corona Business Center. The former Redevelopment Agency entered into a tax sharing agreement with the County of Los Angeles for the purpose of alleviating fiscal detriment to the County and County Flood Control District. The Redevelopment Agency agreed to allocate 49% of the tax increment generated by the Mission Corona Business Center Project Area to the County, with the remaining 51% allocated to the Agency. Prior to dissolution, the Redevelopment Agency was solely responsible for the low and moderate income housing requirement to be paid from the Agency Share.

As used in this Official Statement, the foregoing Pass-Through Agreements between the Agency and the County are referred to as the "County Pass-Through Agreements."

Pomona Unified School District Tax Sharing Agreement – South Garey/Freeway Corridor Project. The former Redevelopment Agency entered into a tax sharing agreement with the Pomona Unified School District (the "Pomona USD Agreement") for the purpose of alleviating fiscal detriment to the District. Based upon a review of County Auditor-Controller records, the District's weighted average share of the basic tax levy distribution is over 18%. The District annually receives 50% of the District's share of tax increment generated in the South Garey/Freeway Corridor Project until a maximum of \$7.5 million is allocated. In addition, the District annually receives 50% of the amount annually deferred by the County under the County tax sharing agreement until a maximum of \$12.5 million is allocated or until the 28th year of the Project, whichever is sooner. After such time, the Redevelopment Agency was eligible to use all of the District's share to pay the loan principal and interest on the County Deferral amount. Once the principal and interest on the County Deferral has been paid in full, the District shall be allocated the portion of tax revenues attributable to increases in the assessed value of the taxable property in the Project Area, which otherwise would be calculated annually

by a 2% inflationary amount unless the District's \$7.5 million threshold cited above has not been reached. If this is the case, the District shall receive 50% of the District's share of tax increment from the Project Area until the \$7.5 million is received by the District.

Mount San Antonio Community College District Tax Sharing Agreement – South Garey/Freeway Corridor Project. The former Redevelopment Agency entered into a tax sharing agreement with the Mount San Antonio Community College District (the "Mount SAC Agreement"; and, together with the Pomona USD Agreement, the "Educational Entities Agreement") for the purpose of alleviating fiscal detriment to the District. Commencing in the sixth year of the South Garey/Freeway Corridor Plan, the District receives 50% of the District's share of tax increment generated by the South Garey/Freeway Corridor Project up to a cumulative maximum of \$3.7 million. Based upon a review of County Auditor-Controller records, the District's share of the basic tax levy distribution is 2.6%. Any amounts annually allocated to the District, which exceed the amounts the District would otherwise have received under a 2% annual inflationary increase, are to be placed in an Agency Trust Fund for the District's use and which must benefit the Project Area and mitigate Project impacts.

For more information about the Pass-Through Agreements, see the Fiscal Consultant's Report attached to this Official Statement as Appendix A. See Tables 7 and 8 under the caption "PLEDGED TAX REVENUES—Projected Pledged Tax Revenues" for projections of payments under the Educational Entities Agreements and Statutory Pass-Through Amounts, which have not been subordinated to the 2018 Bonds.

Statutory Pass-Through Amounts

AB 1290 eliminated the statutory authority for negotiated pass-through agreements and provided a formula for mandatory tax sharing, which formula applies to a project areas if the taxing agencies were affected by (i) the adoption after January 1, 1994, of a new redevelopment plan for a project area or an amendment to an existing redevelopment plan that added territory to a project area or (ii) the adoption after January 1, 1994 of an amendment to a redevelopment plan that was adopted before January 1, 1994 that extends the time limit on incurring debt with respect to the project area, extends the time limit for the duration and effectiveness of the redevelopment plan or increases the dollar cap on the amount of tax increment revenues allocable to the redevelopment agency for the project area.

Section 33607.5 Payments. As described above, prior to the adoption of AB 1290, the Redevelopment Law authorized a redevelopment agency to enter into "pass-through" or "tax-sharing" agreements with taxing entities affected by the adoption of a redevelopment plan. AB 1290 repealed the provisions of the Redevelopment Law which authorized tax-sharing agreements, and replaced it with a system of statutorily mandated pass-throughs (the "Section 33607.5 Payments").

For any post-1993 amendment to a redevelopment plan adopted before January 1, 1994 that extends the time limits for incurring debt, extends the duration of the redevelopment plan or increases the tax increment cap, the formulas for calculating Section 33607.5 Payments are similar to those described in the preceding paragraph, except that each instance of the "first fiscal year the agency receives tax increment revenues" shall be substituted with the first year following the "adjusted base year" as defined in Section 33607.7(c) (the "Adjusted Based Year"). The "Adjusted Base Year" is the fiscal year that the applicable limit would have taken effect without the amendment. Thus, the "25% of tax increment" described in the preceding paragraph would be payable commencing the first year following the Adjusted Base Year, which will be calculated by applying the tax rate against the amount of assessed value by which current year assessed value exceeds the Adjusted Base Year assessed value. Similarly, the "21% additional pass-through" described in the preceding paragraph would be payable commencing the 11th year following the first year after the Adjusted Base Year. The first adjusted base year assessed value for such 21% additional pass-through is the assessed value of the project area in the 10th fiscal year counting from the first year after the Adjusted Base Year.

The area added to the Project Area by Amendment No. 1, adopted by Ordinance No. 3960 on July 15, 2002, is subject to Section 33607.5 Payments. In addition, a statutory pass through obligation was triggered when the Prior Agency adopted a summary ordinance reflecting its election to eliminate the debt incurrence time limitations for qualifying redevelopment plans adopted before the passage of AB 1290. This election was allowed under legislation enacted under SB 211 and implemented by the Prior Agency's action under Ordinance No. 3997, on October 20, 2003 for all of the Project Area. The Section 33607.5 Payments commenced the first year following the fiscal year in which the repealed debt incurrence time limit would have taken effect for the respective redevelopment project areas without the summary ordinance election.

The payments of the Statutory Pass-Through Amounts to the affected taxing entities are allocated among each affected taxing entity in proportion to the share of property taxes each affected taxing entity received in the year funds are allocated. As indicated, amounts specified as payable to affected taxing entities are computed after deducting the Housing Set-Aside amounts even though the Agency no longer receives Housing Set-Aside under the Dissolution Act. The Statutory Pass-Through Amounts have not been subordinated to the 2018 Bonds. See the caption “—Tax Increment Financing—*Tax Sharing*.”

For more information about the Statutory Pass-Through Amounts, see the Fiscal Consultant's Report attached to this Official Statement as Appendix A. See Tables 7 and 8 under the caption “PLEDGED TAX REVENUES—Projected Pledged Tax Revenues” for projections of payments under the Educational Entities Agreements and Statutory Pass-Through Amounts, which have not been subordinated to the 2018 Bonds.

Section 33676 Election

Prior to the enactment of AB 1290, redevelopment project areas adopted between January 1, 1985 and January 1, 1994 were subject to payments to schools and to other affected taxing agencies that elected to receive tax revenue payments set forth under Section 33676 of the Law (“33676 Amounts”). The annual payments represent that portion of property taxes that are, or otherwise would be, calculated annually pursuant to subdivision (f) of Section 110.1 of the Revenue and Taxation Code (and referred to as the 2% inflation allocation).

The following taxing entities within the Project Area are receiving payments under Section 33676: County Superintendent of Schools, Mt. San Antonio Community College District, Bonita Unified School District, and Pomona Unified School District.

33676 Amounts will be paid prior to debt service of the 2018 Bonds. See the caption “—Tax Increment Financing—*Tax Sharing*.” Also see the caption “PLEDGED TAX REVENUES—Projected Pledged Tax Revenues.” For more information regarding the 33676 Amounts payable by the Agency, see the Fiscal Consultant's Report attached to this Official Statement as Appendix A.

Issuance of Additional Indebtedness

No Additional Senior Obligations. Under the Indenture, the Agency has covenanted that it will not issue additional bonds or incur additional obligations that are payable from moneys deposited in the Redevelopment Property Tax Trust Fund on a senior basis to the 2018 Bonds.

Upon the issuance of the 2018 Bonds and the completion of the refundings described under the caption “REFUNDING PLAN” there will be no bonds outstanding with a pledge or lien on the Pledged Tax Revenues senior to the 2018 Bonds other than the Senior Obligations.

Parity Debt. Section 34177.5(a) of the Dissolution Act presently permits successor agencies to issue bonds or incur other indebtedness secured by property tax revenues comprised of former tax increment revenues required by the Dissolution Act to be deposited into the respective Redevelopment Property Tax Trust Fund for the applicable successor agency under limited circumstances, including to provide savings to

the successor agency, provided that (A) the total interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds shall 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 (B) the principal amount of the refunding bonds or the indebtedness will 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. If the foregoing conditions are satisfied, the initial principal amount of the refunding bonds or indebtedness may be greater than the outstanding principal amount of the bonds or other indebtedness to be refunded. The successor agency may pledge to the refunding bonds or other indebtedness the revenues pledged to the bonds or other indebtedness being refunded, having the same lien priority as the pledge of the bonds or other obligations to be refunded.

In addition to the 2018 Bonds, the Agency may issue Parity Debt to refund any outstanding 2018 Bonds, other Parity Debt, the County Deferral or the Deferred Amounts (see the caption "SECURITY FOR THE 2018 BONDS—Pass-Through Agreements") in such principal amount as will be determined by the Agency. The Agency may issue and deliver any such Parity Debt subject to the following conditions precedent:

(a) No Event of Default under the Indenture or an event of default under any Parity Debt Instrument will have occurred and be continuing unless cured by the issuance of such Parity Debt;

(b) The Parity Debt must provide savings to the Agency in compliance with Health and Safety Code Section 34177.5;

(c) In the event the Agency issues Parity Debt as Bonds pursuant to a Supplemental Indenture, the Agency will cause the amount on deposit in the Reserve Account to equal the Reserve Requirement;

(d) With respect to Parity Debt issued to refund all or a portion of the County Deferral or the Deferred Amounts (see the caption "SECURITY FOR THE 2018 BONDS—Pass-Through Agreements"), the Pledged Tax Revenues for the then current Fiscal Year plus, at the option of the Successor Agency, the Additional Allowance as set forth in a Written Certificate of the Successor Agency filed with the Trustee, shall be equal to [125%] of Maximum Annual Debt Service on all Bonds and Parity Debt which will be Outstanding following the issuance of such Parity Debt. "Additional Allowance" is defined in the Indenture to mean, as the date of calculation, the amount of Pledged Tax Revenues which, as shown in the Report of an Independent Redevelopment Consultant, are estimated to be receivable by the Agency as a result of increases in the assessed valuation of taxable property in the Project Area due to construction which has been completed or transfers of ownership that have occurred but are not yet reflected on the tax rolls. For purposes of this definition, the term "increases in the assessed valuation" means the amount by which the assessed valuation of taxable property in the Project Area in any Fiscal Year is estimated to exceed the assessed valuation of taxable property in the Project Area (as reported by the County Auditor-Controller) in the Fiscal Year in which such calculation is made; and

(e) The Agency must deliver to the Trustee a Written Certificate of the Successor Agency certifying that the conditions precedent to the issuance of such Parity Debt set forth in the Indenture have been satisfied.

Subordinate Obligations. The Agency has various significant enforceable obligations that are, or will be, listed on the Agency's Recognized Obligation Payment Schedules and paid from moneys deposited in the Agency's Redevelopment Property Tax Trust Fund from time to time. The Agency has determined that these obligations are either subordinate to the 2018 Bonds or not secured by a pledge of Pledged Tax Revenues. Nothing contained in the Indenture prevents the Agency from issuing additional bonds or incurring other loans, advances or indebtedness payable from Pledged Tax Revenues but not secured by a pledge of Pledged Tax Revenues or on a subordinate basis to the 2018 Bonds.

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 is entered on separate parts of the assessment roll maintained by county assessors. 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. See the caption “RISK FACTORS—Bankruptcy and Foreclosure” for certain limitations on the priority of secured tax liens under federal law, however.

Generally, *ad valorem* taxes are collected by a county for the benefit of the various taxing agencies (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 Fund.

Collections. The method of collecting delinquent taxes is substantially different for secured and unsecured property. Counties have 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. The County has not adopted a Teeter Plan alternative method of collection and distribution of taxes; therefore, delinquencies in the payment of property taxes could have an adverse effect on the Agency’s ability to make timely debt service payments. See Table 5 under the heading “THE PROJECT AREA—Levy and Collection.”

Supplemental Assessments. California Revenue and Taxation Code Section 75.70 provides for the supplemental assessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. 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, which delayed the realization of increased property taxes from the new assessments for up to 14 months. Revenue and Taxation Code Section 75.70 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 the Project Area subsequent to the January 1 lien date. To the extent that such supplemental assessments occur within the Project Area, Pledged

Tax Revenues may increase. However, because supplemental assessments cannot be accurately projected, no provision has been made by the Fiscal Consultant to reflect the impact of supplemental assessments on Pledged Tax Revenues. See Appendix A.

Property Tax Administrative Costs. In 1990, the State Legislature enacted Senate Bill (“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. 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, as well as the foregoing SB 1559 amounts, to be deducted from Pledged Tax Revenues. The County’s total administrative charge for the Project Area, deducted from the Fiscal Year 2017-18 Redevelopment Property Tax Trust Fund allocation to the Agency, amounted to approximately 1.73% of the total gross tax increment revenues allocation for such period. The Fiscal Consultant assumes that the County property tax administration will continue to be annually charged at this percentage factor to the gross tax revenue generated by the Project Area in subsequent fiscal years. See the projections set forth in the Fiscal Consultant’s Report attached as Appendix A and under the caption “PLEDGED TAX REVENUES—Projected Pledged Tax Revenues” herein.

Pass-Through Agreements. Prior to 1994, under the Redevelopment Law, a redevelopment agency could enter into an agreement to pay tax increment revenues to any taxing agency that has territory located within a redevelopment project in an amount which in the redevelopment agency’s determination was appropriate to alleviate any financial burden or detriment caused by the redevelopment project. Such agreements normally provide for payment or pass-through of tax increment revenue directed to the affected taxing agency, and, therefore, are commonly referred to as pass-through agreements or tax sharing agreements. The Agency’s agreements with affected taxing agencies are referred to herein as “Pass-Through Agreements.” See the caption “SECURITY FOR THE 2018 BONDS—Pass-Through Agreements” for a discussion of Pass-Through Agreements for each Project Area and the treatment of Pass-Through Agreements under the Dissolution Act.

Statutory Pass-Through Amounts. The payment of Statutory Pass-Through Amounts results from: (i) redevelopment plan amendments which add territory in existing project areas on or after January 1, 1994; and (ii) redevelopment plan amendments which eliminate, extend or increase one or more limitations within a redevelopment plan (such as the removal of the time limit on the establishment of loans, advances and indebtedness). The calculation of the amount due to affected taxing entities is described in Sections 33607.5 and 33607.7 of the Redevelopment Law. See the caption “SECURITY FOR THE 2018 BONDS—Statutory Pass-Through Amounts” for a discussion of the Agency’s obligation to pay Statutory Pass-Through Amounts to affected taxing agencies. Also see the caption “SECURITY FOR THE 2018 BONDS—Tax Increment Financing—Tax Sharing.”

33676 Amounts. The Agency is required to pay certain inflationary increases in tax increment revenues referred to herein as 33676 Amounts to certain educational taxing agencies. See the caption “SECURITY FOR THE BONDS—Section 33676 Election” for a discussion of the Agency’s obligation to pay 33676 Amounts. Also see the caption “SECURITY FOR THE 2018 BONDS—Tax Increment Financing—Tax Sharing.”

Recognized Obligation Payment Schedule. The Dissolution Act provides that, commencing on the date that the first Recognized Obligation Payment Schedule is valid, only those payments listed in the Recognized Obligation Payment Schedule may be made by the Agency from the funds specified in the Recognized Obligation Payment Schedule. Before each February 1, with respect to the following fiscal year, 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 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. Pledged Tax Revenues will not be distributed from the Redevelopment Property Tax Trust Fund by the County Auditor-Controller to the Agency's Redevelopment Obligation Retirement Fund without a duly approved and effective Recognized Obligation Payment Schedule obtained in sufficient time prior to each June 1 property tax distribution date. See the caption "SECURITY FOR THE 2018 BONDS—Recognized Obligation Payment Schedule" and "RISK FACTORS—Recognized Obligation Payment Schedule." See also "SECURITY FOR THE 2018 BONDS—Last and Final Recognized Obligation Payment Schedule" for a description of the Last and Final ROPS authorized by the Dissolution Act pursuant to SB 107.

Unitary Property

Assembly Bill ("AB") 2890 (Statutes of 1986, Chapter 1457) provides that, commencing with fiscal year 1988-89, assessed value derived from State-assessed unitary property (consisting mostly of operational property owned by utility companies) is to be allocated county-wide as follows: (i) each tax rate area will receive the same amount from each assessed utility received in the previous fiscal year unless the applicable county-wide values are insufficient to do so, in which case values will be allocated to each tax rate area on a pro rata basis; and (ii) if values to be allocated are greater than in the previous fiscal year, each tax rate area will receive a pro rata share of the increase from each assessed utility according to a specified formula. Additionally, the lien date on State-assessed property was changed from March 1 to January 1.

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. AB 454 provides for the consolidation of all State-assessed property, except for regulated railroad property, into a single tax rate area in each county. AB 454 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 located. The intent of AB 2890 and AB 454 is to provide redevelopment agencies with their appropriate share of revenue generated from property assessed by the State Board of Equalization.

Actual unitary revenues were \$489,400 for Fiscal Year 2017-18. Unitary tax revenues are pledged to payment of the 2018 Bonds; however, the projections of Pledged Tax Revenues set forth in Tables 7 and 8 under the caption "PLEDGED TAX REVENUES—Projected Pledged Tax Revenues" and in the Fiscal Consultant's Report attached hereto as Appendix A do not include unitary revenues.

Article XIII A of the State Constitution

On June 6, 1978, State voters approved an amendment (commonly known as Proposition 13 or the Jarvis-Gann Initiative) which added Article XIII A to 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 State fiscal year 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. Each year the State Board of Equalization 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 Fiscal Year 2018-19, the current Fiscal Year, and the 10 prior Fiscal Years.

Historical Inflation Adjustment Factors

<i>Fiscal Year</i>	<i>Inflation Adj. Factor</i>
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
2018-19	2.000

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 State Supreme Court and the United States Supreme Court.

In the general election held on 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.

Appropriations Limitation – Article XIII B

On November 6, 1979, State voters approved Proposition 4 (also known as the Gann Initiative), which added Article XIII B to the State Constitution. 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 State fiscal year 1978-79, 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 is not deemed to be the receipt by an agency of proceeds of taxes levied by or on behalf of an agency within the meaning of Article XIII B, nor will 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 State appellate court decisions. On the basis of these decisions, the Agency does not believe that it is subject to Article XIII B and has not adopted an appropriations limit.

Articles XIII C and XIII D of the State Constitution

At the election held on November 5, 1996, Proposition 218 was passed by the voters of California. The initiative added Articles XIII C and XIII D to the State Constitution. Provisions in the two articles affect the ability of local government to raise revenues. The 2018 Bonds are secured by sources of revenues that are not subject to limitation by Proposition 218. See the caption “—Propositions 218 and 26.”

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 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. SB 107, which became effective on September 22, 2015, amended Section 34183(a)(1) of the Dissolution Act to provide that such debt service override revenues approved by the voters for the purpose of supporting pension programs or capital projects or programs related to the State Water Project that are not pledged to or not needed for debt service on Agency debt will be allocated and paid to the entity that levies the override. See “SECURITY FOR THE 2018 BONDS—General.” The Metropolitan Water District levies a tax rate override, which would be available to pay debt service on the 2018 Bonds if needed. See the caption “SECURITY FOR THE 2018 BONDS—Pledged Tax Revenues.”

Redevelopment Plan Limits

In 1993, the State legislature passed AB 1290, Chapter 942, Statutes 1993, which, among other things, required redevelopment agencies to adopt time limits in each redevelopment plan specifying: (i) the last date to incur debt for a redevelopment project; (ii) the last date to undertake redevelopment activity within a project area; (iii) the last date to collect tax increment revenue from a project area to repay debt; and (iv) a limitation on the number of dollars of taxes that could be allocated to the Former Agency from the applicable Project Area. See the caption “THE PROJECT AREA.”

SB 107, which became effective September 22, 2015, amended the Dissolution Act to provide that the time limits for receiving property tax revenues and the limitation on the amount of property tax revenues that may be received by the Former Agency and the Agency set forth in the Redevelopment Plan are not effective for purposes of paying the Agency’s enforceable obligations. Accordingly, the projections set forth in this

Official Statement and in the Fiscal Consultant's Report attached to this Official Statement as Appendix A do not take into account the time and financial limitations set forth in the Redevelopment Plan for the Project Area. See the captions "THE PROJECT AREA—General" and "—Plan Limits."

The County Auditor-Controller will only deposit revenues into the RPTTF for Project Area that reach their Plan Limits in the future if the Agency demonstrates that such revenues are needed to pay the Agency's enforceable obligations. See the captions "RISK FACTORS— Effect of Redevelopment Plan Limits."

Appeals of Assessed Values

Pursuant to State 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 November 30 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 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 Pledged 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 Appendix A for information regarding the appeals pending with respect to the assessed valuations of the top ten property owners within 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 pursuant to Proposition 8 may be initiated by the County Assessor or requested by the property owner, and such reductions apply only to a single tax year.

After a roll reduction is granted pursuant to Proposition 8, 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.

The County Assessor has the ability to use Proposition 8 criteria to apply blanket reductions in valuation to classes of property affected by particular negative economic conditions. The Agency is aware that the County Assessor made such reductions to assessed values of residential property in the Project Area and the City generally in recent fiscal years, a portion of which reductions have now been restored. The Fiscal Consultant's Report does not assume any future reductions in assessed valuations as a result of Proposition 8, but there can be no assurance that such reductions will not be made in the future. See the caption "THE PROJECT AREA" for further information with respect to reductions in assessed value within the Project Area in the last ten fiscal years.

Propositions 218 and 26

On November 5, 1996, State voters approved Proposition 218—Voter Approval for Local Government Taxes—Limitation on Fees, Assessments, and Charges—Initiative Constitutional Amendment. Proposition 218 added Articles XIII C and XIII D 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 XIII C of the State Constitution by adding an expansive definition for the term "tax," which previously was not defined under the State Constitution. Pledged Tax Revenues securing the 2018 Bonds are derived from property taxes which are outside the scope of taxes, assessments and property-related fees and charges which are limited by Proposition 218 and outside of the scope of taxes which are limited by Proposition 26.

Future Initiatives

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

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF POMONA

The Former Agency was established by the City Council of the City and was activated by Ordinance No. 2112 adopted by the City Council on August 22, 1966, pursuant to the Redevelopment Law. On June 29, 2011, AB X1 26 was enacted as Chapter 5, Statutes of 2011, together with a companion bill, AB X1 27. A lawsuit entitled California Redevelopment Association, et al. v. Matosantos, et al., was brought in the State Supreme Court challenging the constitutionality of AB X1 26 and AB X1 27. In a published decision (53 Cal. 4th 231 (Dec. 29, 2011)), the State Supreme Court largely upheld AB X1 26, invalidated AB X1 27, and held that AB X1 26 may be severed from AB X1 27 and enforced independently. As a result of AB X1 26 and the decision of the State Supreme Court, as of February 1, 2012, all redevelopment agencies in the State, including the Former Agency, were dissolved, and successor agencies were designated as successor entities to the former redevelopment agencies to expeditiously wind down the affairs of the former redevelopment agencies.

Pursuant to Section 34173 of the Dissolution Act and Resolution No. 2012-8, adopted on January 9, 2012, the City Council of the City elected to serve 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 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.

The Agency is governed by the seven-member legislative body (the "Board") which consists of the City Council of the City. The Mayor acts as the Chair of the Board, the City Manager as its Executive Director, the City Clerk as its Secretary and the Finance Director of the City as its Finance Director.

Agency Powers

All powers of the Agency are vested in the Board. Pursuant to the Dissolution Act, the Agency is a separate public body from the City and successor 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 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, many Agency actions are subject to approval by the Oversight Board, as well as review by the DOF. The State has strict laws regarding public meetings (known as the Ralph M. Brown Act) which generally make all Board and Oversight Board meetings open to the public in a similar manner as City Council meetings.

Previously, Section 33675 of the Redevelopment Law required the Former Agency to file not later than the first day of October of each year with the County Auditor a statement of indebtedness certified by the chief fiscal officer of the Former Agency for each redevelopment plan which provides for the allocation of taxes (i.e., the Redevelopment Plan). The statement of indebtedness was required to contain the date on which the bonds were delivered, the principal amount, term, purposes and interest rate of the bonds and the outstanding balance and amount due on the bonds. Similar information was required to be given for each loan, advance or indebtedness that the Former Agency had incurred or entered into which is payable from tax increment. Section 33675 also provided that payments of tax increment revenues from the County Auditor-Controller to the Former Agency could not exceed the amounts shown on the Former Agency's statement of indebtedness. The Dissolution Act eliminates this requirement and provides that, commencing on the date that the first Recognized Obligation Payment Schedule is valid thereunder, the Recognized Obligation Payment Schedule supersedes the statement of indebtedness previously required under the Redevelopment Law, and that, commencing on such date, the statement of indebtedness will no longer be prepared nor have any effect under the Redevelopment Law. See the caption "SECURITY FOR THE 2018 BONDS—Recognized Obligation Payment Schedule."

THE PROJECT AREA

Under the Law, a city or county that activated a redevelopment agency was required to adopt, by ordinance, a redevelopment plan for each redevelopment project to be undertaken by the redevelopment agency. A redevelopment agency could only undertake those activities within a redevelopment project specifically authorized in the adopted redevelopment plan. A redevelopment plan is a legal document, the content of which is largely prescribed in the Redevelopment Law, rather than a "plan" in the customary sense of the word. Each redevelopment plan originally included separate time and financial limitations applicable to each Project Area. SB 107, which became effective September 22, 2015, amended the Dissolution Act to provide that the time limits for receiving property tax revenues and the limitation on the amount of property tax revenues that may be received by the Former Agency and the Agency set forth in the applicable redevelopment plan are not effective for purposes of paying the Agency's enforceable obligations. Accordingly, the projections set forth in this Official Statement and in the Fiscal Consultant's Report attached to this Official Statement as Appendix A were prepared without regard to the time and financial limitations set forth in the Redevelopment Plan for the Project Area. Also, the County Auditor-Controller will only deposit revenues into the RPTTF after a Project Area reaches a plan limit set forth in the redevelopment plan if and to the extent the Agency provides evidence that the revenues are needed to pay enforceable obligations. See "RISK FACTORS—Effect of Redevelopment Plan Limits." See below under this caption for additional information regarding the Project Area, including information on land use, property ownership, assessed valuation and Pledged Tax Revenues generated within the Project Area. See "SECURITY FOR THE 2018 BONDS—Pledged Tax Revenues."

General

The Project Area exists pursuant to the Redevelopment Plan for each of the Original Project Areas, as amended from time to time. The Original Project Areas were merged by amendment to the individual Redevelopment Plans for the Original Project Areas in 2000. A brief description of the location and land uses within each Original Project Area and the Amendment No. 1 Area of the Project Area is set forth below.

Downtown I Project Area. The Downtown I Project Area was adopted by Ordinance No. 2265 of the Pomona City Council in May 1969. The Redevelopment Plan for the Downtown I Project Area, which represents the Agency's first adopted redevelopment project, underwent amendments in 1970, 1971, 1973, 1986 and 1996, and 2000. Territory was added to the Downtown I Project Area by the 1971 and 1973 Amendments.

The Downtown I Project Area is located in the Central Business District of Pomona. The 62-acre Downtown I Project Area is generally bounded by Mission Boulevard to the south, Garey Avenue to the east, 1st Street to the north, and Parcels Street to the west. The Project is partially adjacent to the Downtown II Project Area, and is surrounded by the Downtown III Project Area.

Downtown II Project Area. The Downtown II Project Area was adopted in May 1969 by Ordinance No. 2267 of the Pomona City Council. The Downtown II Project Area is also located in the Central Business District of Pomona bounded by Garey Avenue to the west, Mission Boulevard to the south, Towne Avenue to the east, and 1st and Monterey Avenue to the north. The Downtown II Project Area encompasses approximately 105 acres. The Downtown II Project Area has been amended six times: in 1969, 1970, 1986, 1996, and 1997, and 2000. The Downtown II Project Area was amended to add territory in 1969.

Mountain Meadows Project Area, including Fairgrounds Amendment Area. The Mountain Meadows Project Area was adopted in December 1976 by Ordinance No. 2813 of the Pomona City Council. The Mountain Meadows Project Area was subsequently amended in 1985, 1994, 1999, July 2000, and August 2000. The total Mountain Meadows Project Area encompasses an estimated 640 acres in the northeastern portion of Pomona. It is generally located north of the San Bernardino freeway, bounded on the west by Fairplex Drive, and by White Avenue on the north and east of the Fairgrounds. The original Mountain Meadows portion of this Original Project Area is bounded on the east by an irregular parcel map boundary roughly following Dudley Street, La Mancha, and Paseo La Paz streets. The Fairgrounds portion of this Original Project Area, which was added by amendment in 1985, is bounded on the south by McKinley Avenue. In recognition of the persistence of blighting conditions and the need for additional revenues to implement the goals and objectives of the Redevelopment Plan, the Agency enacted Ordinance No. 3898 on December 13, 1999, pursuant to CRL Section 33333.6(f)(2), to extend various time limits by 5 years.

Reservoir Street Industrial Project Area. The Reservoir Street Industrial Project Area was adopted in August 1978 by Ordinance No. 2908 of the Pomona City Council. The Reservoir Street Industrial Project Area encompasses approximately 331 acres located in the southeastern portion of the City, between County Road on the south, and Mission Street on the north, running generally along the Los Angeles County line to east, and Reservoir Street to the west. The Reservoir Street Industrial Project Area was amended in 1994, 1999, July 2000, and August 2000. In recognition of the persistence of blighting conditions and the need for additional revenues to implement the goals and objectives of the Redevelopment Plan, the Agency enacted Ordinance No. 3898 on December 13, 1999, pursuant to CRL Section 33333.6(f)(2), to extend various time limits by 5 years.

Holt Avenue/Indian Hill Project Area. The Holt Avenue/Indian Hill Project Area was adopted in December 1979 by Ordinance No. 2988 of the Pomona City Council. The Holt Avenue/Indian Hill Project Area encompasses approximately 265 acres of strip commercial uses along Holt Avenue, east of Towne Avenue, and includes the Indian Hill Mall, and the property located between Holt Avenue and the Southern Pacific Railroad right-of-way westerly to Towne Avenue. The Holt Avenue/Indian Hill Project Area also

includes residential, industrial, and vacant land in the area. The Holt Avenue/Indian Hill Project Area was amended in 1994, 1997, and 2000.

Southwest Project Area. The Southwest Pomona Project Area was adopted in February 1980 by Ordinance No. 2998 of the Pomona City Council. The Southwest Pomona Project Area encompasses an estimated 2,400 acres in the southwest portion of the City. It includes the Phillips Ranch area with its residential, commercial, and public and open space uses. The Southwest Pomona Project Area also includes large vacant commercial parcels with good freeway access, and commercial uses along Garey Avenue. The area opposite the Corona Expressway is an older residential area. The Southwest Pomona Project Area is bounded roughly by Garey Avenue on the east, Mission Boulevard on the north, the Pomona Freeway on the south, and the City limit on the west. The Southwest Pomona Project Area was amended in 1983, 1986, 1996, and 2000.

Arrow/Towne Project Area. The Arrow/Towne Project Area was adopted in July 1981 by Ordinance No. 3073 of the Pomona City Council. The total Arrow/Towne Project Area encompasses an estimated 80 acres around the intersection of Arrow Highway and Towne Avenue, in the northeastern section of the City. It is generally bounded by Vassar Street on the south, Wilker Drive on the west, railroad right-of-way on the north and Carnegie Avenue on the east. The Arrow/Towne Project Area includes Palomares Cemetery and underutilized commercial areas.

Mission Corona Project Area. The Mission Corona Project Area was adopted in March 1982 by Ordinance No. 3108 of the Pomona City Council. The Mission Corona Project Area encompasses approximately 30 acres of land along Mission Boulevard, east of the Chino Expressway (71). The Mission Corona Project Area is bounded on the east by Vista Avenue, and is composed of a commercial retail complex, strip commercial along Mission Boulevard, and multi-family residential.

West Holt Project Area. The West Holt Project Area was adopted in May 1982 by Ordinance No. 3609 of the Pomona City Council, and later amended in 1994 and 2000. The total West Holt Project Area encompasses approximately 1,000 acres on the western side of Pomona, north of the Union Pacific right-of-way. The West Holt Project Area is generally bounded by the Orange Freeway (57) to the west, and Hamilton Avenue to the east. The West Holt Project Area comprises mixed residential, commercial, and industrial land uses.

Downtown III Project Area. The Downtown III Project Area was adopted in July 1984 by Ordinance No. 3233 of the Pomona City Council. The Downtown III Project Area encompasses approximately 510 acres surrounding Downtown I and Downtown II Project Areas. It is located in the Central Business District, and is bounded on the south by 11th Street, on the east by Towne Avenue, on the north by Pearl Street, and on the west by Huntington Boulevard.

South Garey/Freeway Corridor Project Area. The South Garey/Freeway Corridor Project Area was adopted in July 1991 by Ordinance No. 3609 of the Pomona City Council. The South Garey/Freeway Corridor Project Area encompasses approximately 832 acres of mixed uses including residential, commercial, and industrial area in seven non-contiguous sub-areas throughout the City.

Amendment No. 1 Area. Amendment No. 1 to the Merged Project Area was adopted by Ordinance No. 3960 on July 15, 2002 to add territory to the Project Area (the "Amendment No. 1 Area"). The Amendment No. 1 Area encompasses approximately 475 acres and is composed of commercial corridors along North Garey, North Indian Hill and North Foothill in the northern portion of the City, north of the Downtown III and Holt Avenue/Indian Hill Project Areas.

Plan Limits

SB 107, which became effective September 22, 2015, amended the Dissolution Act to provide that the time limits for receiving property tax revenues and the limitation on the amount of property tax revenues that may be received by the Former Agency and the Agency set forth in the Redevelopment Plan are not effective for purposes of paying the Agency's enforceable obligations. The projections set forth in this Official Statement and in the Fiscal Consultant's Report attached to this Official Statement as Appendix A do not reflect the impact of these plan limits on the revenues projected to be available to pay debt service on the 2018 Bonds and Existing Parity Bonds, except for the annual limits on the amount of tax increment the Agency is permitted to receive from the Southwest Project, which is confirmed in the 1988 Southwest County Agreement. See the caption "PLEDGED TAX REVENUES—Projected Pledged Tax Revenues." The following table summarizes the time and financial limits set forth in the Redevelopment Plan.

REDEVELOPMENT PLAN LIMITATION DATES AND AMOUNTS

<i>Component Area (Date of Adoption)</i>	<i>Plan Termination</i>	<i>Debt Repayment</i>	<i>Maximum T.I.</i>	<i>Acres</i>
Downtown I (5/19/1969)	5/19/12	5/19/22	\$240,000,000 (cumulative)	62
Downtown II (5/26/1969)	5/26/12	5/26/22	\$200,000,000 (cumulative)	105
Mountain Meadows (12/22/1976)	12/22/19	12/22/29	\$800k (annual; combo with Fairgrounds)	640
Reservoir Street (8/21/1978)	8/21/21	8/21/31	\$127,820,000 (cumulative)	331
Holt Ave./Indian Hill (12/10/1979)	12/10/22	12/10/32	\$15,000,000 (cumulative)	265
Southwest (7/16/1984)	2/18/23	2/18/33	\$8,500,000 (annual) ⁽¹⁾	2,400
Arrow Towne (7/13/1981)	7/13/24	7/13/34	\$22,000,000 (cumulative)	80
Mission Corona (3/8/1982)	3/8/25	3/8/35	\$35,000,000 (cumulative)	30
West Holt (3/24/1982)	5/23/25	5/23/35	\$60,000,000 (cumulative)	1,000
Downtown III (7/16/1989)	7/16/30	7/16/40	\$240,000,000 (cumulative)	510
Fairgrounds added area (12/16/1985)	12/16/26	12/16/36	\$800k (combo w/Mtn. Mdws)	(incl. in Mtn. Meadows)
So. Garey/Freeway (7/15/1991)	7/15/24	7/15/34	\$500,000,000 (cumulative)	832
Merged added area (7/15/2002)	7/15/33	7/15/48	\$200,000,000 (cumulative)	475
Total =				6,730

⁽¹⁾ The \$8,500,000 annual tax increment limit is expressed in the 1988 Southwest County Agreement.
Source: Urban Futures, Inc.

Assessed Valuation

As discussed under the caption “SECURITY FOR THE BONDS—Tax Increment Financing,” the 2018 Bonds are secured by Pledged Tax Revenues from the Project Area.

A breakdown of the reported taxable valuations and incremental assessed value in the Project Area for Fiscal Year 2018-19 is set forth in the below table:

Table 1
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF POMONA
Assessed Valuation and Incremental Valuation, by Component Area
(Fiscal Year 2018-19)

<i>Component Area</i>	<i>Secured Assessed Value</i>	<i>Unsecured Assessed Value</i>	<i>Total Assessed Value</i>	<i>Less: Base Year Assessed Value</i>	<i>Incremental Assessed Value</i>
Downtown I	\$ 65,869,664	\$ 4,457,940	\$ 70,327,604	\$ (12,433,483)	\$ 57,894,121
Downtown II	108,789,584	3,025,621	111,815,205	(16,337,162)	95,478,043
Mountain Meadows	128,032,377	2,403,521	130,435,898	(2,089,880)	128,346,018
Reservoir Street	254,741,606	25,278,214	280,019,820	(40,630,010)	239,389,810
Holt Ave. / Indian Hill ⁽¹⁾	-	-	-	-	-
Southwest	1,738,915,504	20,650,777	1,759,566,281	(35,374,150)	1,724,192,131
Arrow Towne	123,395,242	7,695,269	131,090,511	(2,496,640)	128,593,871
Mission Corona	32,825,981	1,730,968	34,556,949	(2,862,635)	31,694,314
West Holt	541,460,252	84,505,099	625,965,351	(84,298,178)	541,667,173
Downtown III	243,501,626	10,528,329	254,029,955	(48,171,646)	205,858,309
Fairgrounds added area	71,809,961	14,905,445	86,715,406	(7,807,126)	78,908,280
South Garey / Freeway	866,046,637	53,118,719	919,165,356	(336,739,137)	582,426,219
Merged added area	617,003,977	22,336,457	639,340,434	(194,197,874)	445,142,560
Totals	\$ 4,792,392,411	\$ 250,636,359	\$ 5,043,028,770	\$ (783,437,921)	\$ 4,259,590,849

⁽¹⁾ Tax revenues from this component area are not currently being allocated to the Agency. Accordingly, the current Assessed Value and incremental Assessed Value for this area have been excluded from the totals.

Source: Urban Futures, Inc.

Schedule of Historical Incremental Revenues

The following table is a schedule of the taxable valuations and resulting incremental tax revenues in the Project Area for the Fiscal Years 2013-14 through 2017-18.

Table 2
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF POMONA
Historical Taxable Values and Incremental Revenues
(Fiscal Years 2013-14 through 2017-18)

	<i>2013-14</i>	<i>2014-15</i>	<i>2015-16</i>	<i>2016-17</i>	<i>2017-18</i>
Total Taxable Valuation ⁽¹⁾	\$ 3,737,459,743	\$ 3,913,677,144	\$ 4,175,705,066	\$ 4,513,316,779	\$ 4,760,993,047
Less: Base Year Valuation	(783,437,921)	(783,437,921)	(783,437,921)	(783,437,921)	(783,437,921)
Incremental Valuation	\$ 2,954,021,822	\$ 3,130,239,223	\$ 3,392,267,145	\$ 3,729,878,858	\$ 4,259,590,849
Tax Rate/\$100	1.0000	1.0000	1.0000	1.0000	1.0000
Incremental Revenues	\$ 29,540,218	\$ 31,302,392	\$ 33,922,671	\$ 37,298,789	\$ 39,775,551
Actual RPTTF Deposit ⁽²⁾	\$ 28,804,070	\$ 28,444,534	\$ 35,584,841	\$ 39,886,620	\$ 41,322,237

⁽¹⁾ Assessed Valuation provided by Los Angeles County Auditor-Controller’s office.

⁽²⁾ Based on actual collections. Includes unitary and supplemental tax revenues. See the Caption “PROPERTY TAXATION IN CALIFORNIA—Property Tax Collection Procedures” and “—Unitary Property.”

Source: Urban Futures, Inc.; Los Angeles County Auditor Controller.

Largest Taxpayers

The top ten taxpayers for the Project Area in the current Fiscal Year are set forth in the below table.

Table 3
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF POMONA
Top Ten Taxpayers (Fiscal Year 2018-19)

<i>Name</i>	<i>2017-18 Assessed Valuation</i>	<i>Primary Land Use</i>	<i>Percent of Secured Value⁽¹⁾</i>	<i>Percent of Incremental Value⁽²⁾</i>
1. Crest Financing LP	\$ 88,479,126	Single Family Residential	1.85%	2.08%
2. Prologis Uslv Newca 5 LLC ⁽³⁾	49,116,372	Industrial	1.02	1.15
3. Bre Paragon Mf Olive Ridge	40,085,842	Multi-Family Residential	0.84	0.94
4. 1271 W Sunset LLC ET AL	37,513,350	Multi-Family Residential	0.78	0.88
5. BPP Pacific Industrial CA REIT	33,123,480	Industrial	0.69	0.78
6. Cmc Dragon LP	31,409,249	Industrial	0.66	0.74
7. Investel One LLC ⁽³⁾	31,256,910	Commercial	0.65	0.73
8. Sybron Dental Specialties Inc	27,941,553	Industrial	0.58	0.66
9. Lennar Homes of California Inc	27,529,420	Vacant Residential	0.57	0.65
10. PRBC 7 LP	<u>26,635,387</u>	Commercial	<u>0.56</u>	<u>0.63</u>
Total	\$ 393,090,689		8.20%	9.23%

(1) Based on Fiscal Year 2018-19 secured assessed valuation of \$4,792,392,411.

(2) Based on Fiscal Year 2018-19 incremental valuation of \$4,259,590,849.

(3) Currently has assessment appeal on file.

Source: Urban Futures, Inc. with information from the Los Angeles County 2018-19 Secured Property Tax Roll.

Land Use

The following table illustrates the land use of property in the Project Area.

Table 4
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF POMONA
Land Use Statistics (Fiscal Year 2018-19)⁽¹⁾

<i>Land Use</i>	<i>No. of Parcels</i>	<i>Secured Assessed Valuation</i>	<i>Percent of Secured Assessed Valuation⁽²⁾</i>
Single Family Residential	6,771	\$ 2,099,187,957	43.80%
Commercial	1,046	1,114,953,848	23.27
Industrial	447	1,056,246,234	22.04
Multi-Family Residential	466	309,340,077	6.45
Governmental/Institutional/Other	344	82,119,618	1.71
Vacant Residential	415	50,297,812	1.05
Vacant Commercial	173	34,502,575	0.72
Vacant Industrial	103	24,551,829	0.51
Vacant Governmental/Institutional/Other	248	10,131,345	0.21
Recreational	23	9,992,200	0.21
Vacant Agricultural	<u>1</u>	<u>1,068,916</u>	<u>0.02</u>
Total All Secured	10,037	\$ 4,792,392,411	100.00%

(1) Totals may not add due to rounding.

(2) Based on Fiscal Year 2018-19 secured assessed valuation of \$4,792,392,411.

Source: Urban Futures, Inc. with information from the Los Angeles County 2018-19 Secured Property Tax Roll.

Levy and Collection

The following table sets forth property tax levy and collections in the Project Area from Fiscal Year 2012-13 through 2016-17. The County has not adopted the “Teeter Plan” alternative method for collection of taxes and, therefore, the receipt of property taxes is subject to delinquencies. Actual receipts of tax increment have averaged 96.34% of the levy for the Project Area over such five-year period.

Table 5
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF POMONA
Tax Levy and Collections (Fiscal Years 2012-13 to 2016-17)

<i>Fiscal Year Ending June 30</i>	<i>Computed Levy⁽¹⁾</i>	<i>Actual Based on Collections Rate</i>	<i>Collections Rate</i>
2013	\$28,567,911	\$27,568,612	96.50%
2014	29,316,780	28,361,067	96.74
2015	32,081,142	31,307,337	97.59
2016	36,857,372	34,492,563	93.58
2017	38,683,758	37,631,851	97.28

⁽¹⁾ Computed Levy based on reported incremental value multiplied by the tax rate to compute gross tax increment. Computed Levy also includes unitary taxes, if any, as reported by the County Auditor-Controller.
Source: County; Urban Futures, Inc.

Assessment Appeals

There are two basic types of assessment appeals provided for under California law. The first type of appeal, commonly referred to as a base year assessment appeal, involves a dispute on the valuation assigned by the County Assessor following a change in ownership or completion of new construction. If the base year value assigned by the County Assessor is reduced, the valuation of the property cannot increase in subsequent years more than 2% annually unless and until another change in ownership and/or additional new construction activity occurs. The second type of appeal, commonly referred to as a Proposition 8 appeal, can result if factors occur causing a decline in the market value of the property to a level below the property's then current taxable value.

Property taxable values determined by the County Assessor may be subject to an appeal by the property owner. Assessment appeals are annually filed with the County Assessment Appeals Board for a hearing and resolution. The resolution of an appeal may result in a reduction to the County Assessor's original taxable value and a tax refund to the property owner. A property owner can file for a regular assessment appeal with the County between July 2 and November 30. Revenue and Taxation Code Section 1604 allows up to two years for an assessment appeal to be decided. Five of the top twenty taxpayers within the Project Areas have filed assessment appeals that are currently pending. Additional appeals to assessed values in the Project Areas may be filed from time to time in the future. The Agency cannot predict the extent of these appeals or their likelihood of success.

The Fiscal Consultant researched the status of assessment appeals filed by property owners in the Project Area based upon the latest information available from the County Appeals Board database from January 2013 through June 2018. The Fiscal Consultant's estimates are based upon the historical averages of successful appeals and amounts of value reductions. Actual appeals, reductions and refunds may vary from historical averages. The Fiscal Consultant's estimated reductions in values are not reflected in its projections of Pledged Tax Revenues, as the results of pending appeals are uncertain.

The following table, showing appeal data for the period of January 2013 through June 2018, summarizes the potential losses from pending assessment appeals within the Project Area.

Table 6
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF POMONA
Assessed Valuation Appeals (January 2013 to June 2018)

<i>No. of Appeals Filed</i>	<i>No. of Successful Appeals</i>	<i>Assessed Value of Property</i>	<i>Owner's Opinion of Value</i>	<i>Total Requested Assessed Value Reduction</i>	<i>Reduction Allowed by Board</i>	<i>Allowed Reductions as % of Requested</i>
580	151	\$1,440,429,584	\$714,485,517	\$725,944,067	\$99,909,775	13.76%

Outstanding Assessment Appeals

<i>Roll Year Appealed</i>	<i>No. of Appeals Filed</i>	<i>Assessed Value of Property</i>	<i>Owner's Opinion of Value</i>	<i>Potential Loss of Assessed Value</i>	<i>Historical Success Rate</i>	<i>Est. Reduction (Based on Historical Success)</i>
2013	37	\$ 130,855,390	\$ 59,211,474	\$ 71,643,916	13.76%	\$ 9,860,164
2014	22	64,366,589	38,089,050	26,277,539	13.76	3,616,509
2015	20	51,179,397	21,570,890	29,608,507	13.76	4,074,941
2016	57	643,091,281	393,377,483	249,713,798	13.76	34,367,454
2017	<u>104</u>	<u>504,873,551</u>	<u>279,641,164</u>	<u>225,232,387</u>	<u>13.76</u>	<u>30,998,142</u>
Total	240	\$ 1,394,366,208	\$ 791,890,061	\$ 602,476,147	13.76%	\$ 82,917,210

Source: Urban Futures, Inc. with data obtained from Los Angeles County.

PLEDGED TAX REVENUES

Pledged Tax Revenues are to be deposited in the Redevelopment Obligation Retirement Fund, and thereafter and after transfers have been made by the Agency to the Debt Service Fund, administered by the Trustee and applied to the payment of the principal of and interest on the 2018 Bonds.

Projected Pledged Tax Revenues

The Agency retained the Fiscal Consultant to provide projections of taxable valuation and Pledged Tax Revenues from developments in the Project Area. The Agency believes that the assumptions (set forth in the footnotes below and in Appendix A) upon which the projections are based are reasonable; however, some assumptions may not materialize and unanticipated events and circumstances may occur. See the caption “RISK FACTORS.” Therefore, the actual Pledged Tax Revenues received during the forecast period may vary from the projections and the variations may be material. A summary of the projected total taxable valuation and Pledged Tax Revenues for the Project Area is set forth in the following tables. The projections set forth in Table 7 assume no growth in assessed value. The projections set forth in Table 8 assume assessed value growth at 2% in Fiscal Year 2018-19 and thereafter.

SB 107, which became effective September 22, 2015, amended the Dissolution Act to provide that the time limits for receiving property tax revenues and the limitation on the amount of property tax revenues that may be received by the Former Agency and the Agency set forth in the Redevelopment Plan are not effective for purposes of paying the Agency’s enforceable obligations. The projections set forth in this Official Statement and in the Fiscal Consultant’s Report attached to this Official Statement as Appendix A continue to reflect the impact of these plan limits on the revenues projected to be available to pay debt service on the 2018 Bonds and Existing Parity Bonds; actual Pledged Tax Revenues, to the extent needed for payment of debt service on the 2018 Bonds and Existing Parity Bonds, will likely not be limited by such plan limits. See the caption “PLEDGED TAX REVENUES—Projected Pledged Tax Revenues.”

Table 7
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF POMONA
Projected Pledged Tax Revenues—Assumes No Value Growth

<i>Fiscal Year Ending June 30</i>	<i>Assessed Valuation⁽¹⁾</i>	<i>Incremental Value Over Base⁽²⁾</i>	<i>Gross Tax Increment Revenue⁽³⁾</i>	<i>County Admin. Charges⁽⁴⁾</i>	<i>Senior Pass- Through Amounts⁽⁵⁾</i>	<i>South Garey/Freeway County Deferral Repayment⁽⁶⁾</i>	<i>Southwest Deferred Amount Repayment⁽⁷⁾</i>	<i>Tax Revenues Available for Debt Service on Senior Obligations and 2018 Bonds⁽⁸⁾</i>	<i>Senior Obligations Debt Service⁽⁹⁾</i>	<i>Pledged Tax Revenues⁽¹⁰⁾</i>
2019	\$5,043,028,770	\$4,259,590,849	\$42,595,908	\$(736,909)	\$(7,276,282)	--	\$(37,393)	\$34,545,324	\$(651,815)	\$33,893,509
2020	5,043,028,770	4,259,590,849	42,595,908	(736,909)	(7,276,282)	\$(1,884,116)	(37,393)	32,661,208	(649,128)	32,012,080
2021	5,043,028,770	4,259,590,849	42,595,908	(736,909)	(7,276,282)	(1,884,116)	(37,393)	32,661,208	(650,488)	32,010,720
2022	5,043,028,770	4,259,590,849	42,595,908	(736,909)	(7,276,282)	(1,884,116)	(37,393)	32,661,208	(650,760)	32,010,448
2023	5,043,028,770	4,259,590,849	42,595,908	(736,909)	(7,276,282)	(1,884,116)	(37,393)	32,661,208	(654,945)	32,006,263
2024	5,043,028,770	4,259,590,849	42,595,908	(736,909)	(7,276,282)	(1,884,116)	(37,393)	32,661,208	(652,735)	32,008,473
2025	5,043,028,770	4,259,590,849	42,595,908	(736,909)	(7,276,282)	(1,884,116)	(37,393)	32,661,208	(654,290)	32,006,918
2026	5,043,028,770	4,259,590,849	42,595,908	(736,909)	(7,276,282)	(1,745,920)	(37,393)	32,799,404	(581,500)	32,217,904
2027	5,043,028,770	4,259,590,849	42,595,908	(736,909)	(7,276,282)		(37,393)	34,545,324	(579,500)	33,965,824
2028	5,043,028,770	4,259,590,849	42,595,908	(736,909)	(7,276,282)		(37,393)	34,545,324	(581,400)	33,963,924
2029	5,043,028,770	4,259,590,849	42,595,908	(736,909)	(7,276,282)		(37,393)	34,545,324	(581,925)	33,963,399
2030	5,043,028,770	4,259,590,849	42,595,908	(736,909)	(7,276,282)		(37,393)	34,545,324	(581,075)	33,964,249
2031	5,043,028,770	4,259,590,849	42,595,908	(736,909)	(7,276,282)		(37,393)	34,545,324	(578,850)	33,966,474
2032	5,043,028,770	4,259,590,849	42,595,908	(736,909)	(7,276,282)		(37,393)	34,545,324	(580,250)	33,965,074
2033	5,043,028,770	4,259,590,849	42,595,908	(736,909)	(7,276,282)		(37,393)	34,545,324		34,545,324
2034	5,043,028,770	4,259,590,849	42,595,908	(736,909)	(7,276,282)		(37,393)	34,545,324		34,545,324
2035	5,043,028,770	4,259,590,849	42,595,908	(736,909)	(7,276,282)		(37,393)	34,545,324		34,545,324
2036	5,043,028,770	4,259,590,849	42,595,908	(736,909)	(7,276,282)		(37,393)	34,545,324		34,545,324
2037	5,043,028,770	4,259,590,849	42,595,908	(736,909)	(7,276,282)		(37,393)	34,545,324		34,545,324
2038	5,043,028,770	4,259,590,849	42,595,908	(736,909)	(7,276,282)		(37,393)	34,545,324		34,545,324
2039	5,043,028,770	4,259,590,849	42,595,908	(736,909)	(7,276,282)		(37,393)	34,545,324		34,545,324
2040	5,043,028,770	4,259,590,849	42,595,908	(736,909)	(7,276,282)		(37,393)	34,545,324		34,545,324
2041	5,043,028,770	4,259,590,849	42,595,908	(736,909)	(7,276,282)		(37,393)	34,545,324		34,545,324

(1) Taxable values as reported by the County for Fiscal Year 2018-19. Real property consists of land and improvements.

(2) Represents reported and projected incremental values over a Base Year value of \$783,437,921 (reported by the County in Fiscal Year 2018-19).

(3) Gross Tax Increment revenue based on 1.00% tax rate applied to incremental AV (over base year assessed value of \$783,437,921). Excludes override tax rate levied by MWD. See the captions "SECURITY FOR THE 2018 BONDS—General" and "—Pledged Tax Revenues."

(4) County Administrative Charges include charges under SB 2557 and AB X1 26. The Fiscal Consultant estimates the charges at 1.73% of Gross Tax Increment Revenues.

(5) Includes payments pursuant to Educational Entity Pass-Through Agreements, Statutory Pass-Through Amounts and 33676 Amounts. See the caption "SECURITY FOR THE 2018 BONDS—Pass-Through Agreements," "—Statutory Pass-Through Amounts" and "—Section 33676 Election." Payments under County Pass-Through Agreements have been subordinated to payment of the 2018 Bonds. See the caption "SECURITY FOR THE 2018 BONDS—Tax Increment Financing—Tax Sharing" and "—Pass-Through Agreements."

(6) Estimated payments of the County Deferral pursuant to the 1991 South Garey/Freeway Corridor County Agreement. See the captions "SECURITY FOR THE 2018 BONDS—Senior Obligations" and "—Pass-Through Agreements."

(7) Estimated payments of the Deferred Amounts pursuant to the 1988 Southwest County Agreement. See the captions "SECURITY FOR THE 2018 BONDS—Senior Obligations" and "—Pass-Through Agreements."

(8) Tax revenues available for debt service payments on Senior Obligations and 2018 Bonds.

(9) Debt service payments on Senior Obligations.

(10) Pledged Tax Revenues available for debt service payments on the 2018 Bonds.

Source: Urban Futures, Inc.

Table 8
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF POMONA
Projected Pledged Tax Revenues—Assumes Value Growth

<i>Fiscal Year Ending June 30</i>	<i>Assessed Valuation⁽¹⁾</i>	<i>Incremental Value Over Base⁽²⁾</i>	<i>Gross Tax Increment Revenue⁽³⁾</i>	<i>County Admin. Charges⁽⁴⁾</i>	<i>Senior Pass- Through Amounts⁽⁵⁾</i>	<i>South Garey/Freeway County Deferral Repayment⁽⁶⁾</i>	<i>Southwest Deferred Amount Repayment⁽⁷⁾</i>	<i>Tax Revenues Available for Debt Service on Senior Obligations and 2018 Bonds⁽⁸⁾</i>	<i>Senior Obligations Debt Service⁽⁹⁾</i>	<i>Pledged Tax Revenues⁽¹⁰⁾</i>
2019	\$5,043,028,770	\$4,259,590,849	\$42,595,908	\$ (736,909)	\$ (7,276,282)	--	\$ (37,393)	\$34,545,324	\$(651,815)	\$33,893,509
2020	5,143,889,345	4,360,451,424	43,604,514	(754,358)	(7,504,848)	\$(1,884,116)	(319,285)	33,141,907	(649,128)	32,492,779
2021	5,246,767,132	4,463,329,211	44,633,292	(772,156)	(7,739,526)	(1,987,346)	(611,043)	33,523,221	(650,488)	32,872,733
2022	5,351,702,475	4,568,264,554	45,682,646	(790,310)	(7,980,466)	(2,094,190)	(913,013)	33,904,666	(650,760)	33,253,906
2023	5,458,736,524	4,675,298,603	46,752,986	(808,827)	(8,227,820)	(2,204,773)	(1,225,551)	34,286,015	(654,945)	33,631,070
2024	5,567,911,255	4,784,473,334	47,844,733	(827,714)	(8,481,744)	(2,319,226)	(1,549,029)	34,667,020	(652,735)	34,014,285
2025	5,679,269,480	4,895,831,559	48,958,316	(846,979)	(8,742,398)	(2,437,686)	(1,883,828)	35,047,424	(654,290)	34,393,134
2026	5,792,854,870	5,009,416,949	50,094,169	(866,629)	(9,009,946)	(1,161,731)	(2,230,345)	36,825,519	(581,500)	36,244,019
2027	5,908,711,967	5,125,274,046	51,252,740	(886,672)	(9,284,554)		(2,588,990)	38,492,524	(579,500)	37,913,024
2028	6,026,886,206	5,243,448,285	52,434,483	(907,117)	(9,566,394)		(2,960,188)	39,000,785	(581,400)	38,419,385
2029	6,147,423,931	5,363,986,010	53,639,860	(927,970)	(9,855,641)		(3,344,377)	39,511,872	(581,925)	38,929,947
2030	6,270,372,409	5,486,934,488	54,869,345	(949,240)	(10,152,476)		(3,742,013)	40,025,616	(581,075)	39,444,541
2031	6,395,779,857	5,612,341,936	56,123,419	(970,935)	(10,457,081)		(4,153,567)	40,541,836	(578,850)	39,962,986
2032	6,523,695,454	5,740,257,533	57,402,575	(993,065)	(10,769,645)		(4,579,525)	41,060,340	(580,250)	40,480,090
2033	6,654,169,364	5,870,731,443	58,707,314	(1,015,637)	(11,090,360)		(5,020,391)	41,580,926		41,580,926
2034	6,787,252,751	6,003,814,830	60,038,148	(1,038,660)	(11,419,424)		(5,476,688)	42,103,377		42,103,377
2035	6,922,997,806	6,139,559,885	61,395,599	(1,062,144)	(11,757,037)		(5,948,955)	42,627,463		42,627,463
2036	7,061,457,762	6,278,019,841	62,780,198	(1,086,097)	(12,103,405)		(6,437,752)	43,152,944		43,152,944
2037	7,202,686,917	6,419,248,996	64,192,490	(1,110,530)	(12,458,741)		(6,943,656)	43,679,563		43,679,563
2038	7,346,740,656	6,563,302,735	65,633,027	(1,135,451)	(12,823,260)		(7,467,267)	44,207,049		44,207,049
2039	7,493,675,469	6,710,237,548	67,102,375	(1,160,871)	(13,197,183)		(8,009,204)	44,735,117		44,735,117
2040	7,643,548,978	6,860,111,057	68,601,111	(1,186,799)	(13,580,737)		(8,570,110)	45,263,464		45,263,464
2041	7,796,419,958	7,012,982,037	70,129,820	(1,213,246)	(13,974,153)		(9,150,647)	45,791,775		45,791,775

- (1) Taxable values as reported by the County for Fiscal Year 2018-19, increased by 2% annually for Fiscal Year 2019-20 and annually thereafter. Real property consists of land and improvements.
- (2) Represents reported and projected incremental values over a Base Year value of \$783,437,921 (reported by the County in Fiscal Year 2018-19).
- (3) Gross Tax Increment revenue based on 1.00% tax rate applied to incremental AV (over base year assessed value of \$783,437,921). Excludes override tax rate levied by MWD. See the captions "SECURITY FOR THE 2018 BONDS—General" and "—Pledged Tax Revenues."
- (4) County Administrative Charges include charges under SB 2557 and AB X1 26. The Fiscal Consultant estimates the charges at 1.73% of Gross Tax Increment Revenues.
- (5) Includes payments pursuant to Educational Entity Pass-Through Agreements, Statutory Pass-Through Amounts and 33676 Amounts. See the caption "SECURITY FOR THE 2018 BONDS—Pass-Through Agreements," "—Statutory Pass-Through Amounts" and "—Section 33676 Election." Payments under County Pass-Through Agreements have been subordinated to payment of the 2018 Bonds. See the caption "SECURITY FOR THE 2018 BONDS—Tax Increment Financing—Tax Sharing" and "—Pass-Through Agreements."
- (6) Estimated payments of the County Deferral pursuant to the 1991 South Garey/Freeway Corridor County Agreement. See the captions "SECURITY FOR THE 2018 BONDS—Senior Obligations" and "—Pass-Through Agreements."
- (7) Estimated payments of the Deferred Amounts pursuant to the 1988 Southwest County Agreement. See the captions "SECURITY FOR THE 2018 BONDS—Senior Obligations" and "—Pass-Through Agreements."
- (8) Tax revenues available for debt service payments on Senior Obligations and 2018 Bonds.
- (9) Debt service payments on Senior Obligations.
- (10) Pledged Tax Revenues available for debt service payments on the 2018 Bonds.

Source: Urban Futures, Inc.

Debt Service Coverage

Set forth below is the estimated debt service coverage for the 2018 Bonds using Fiscal Year 2018-19 Pledged Tax Revenues assuming 0% value growth in tax increment revenues.

Table 9
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF POMONA
Estimated Debt Service Coverage—Assumes No Value Growth

<i>Year Ending June 30</i>	<i>Tax Revenues Available for Debt Service on Senior Obligations and 2018 Bonds⁽¹⁾</i>	<i>Senior Obligations Debt Service</i>	<i>Pledged Tax Revenues</i>	<i>Debt Service on 2018 Bonds^{(2)*}</i>	<i>Total Payments for All-In Debt Service Coverage Calculation</i>	<i>Debt Service Coverage on 2018 Bonds^{(3)*}</i>	<i>All-In Debt Service Coverage^{(4)*}</i>
2019	\$34,545,324	\$651,815	\$33,893,509	\$ 9,004,508	\$ 9,656,323	3.76x	3.58x
2020	32,661,208	649,128	32,012,080	11,839,325	12,488,453	2.70	2.62
2021	32,661,208	650,488	32,010,720	11,745,550	12,396,038	2.73	2.63
2022	32,661,208	650,760	32,010,448	11,709,950	12,360,710	2.73	2.64
2023	32,661,208	654,945	32,006,263	11,489,013	12,143,958	2.79	2.69
2024	32,661,208	652,735	32,008,473	11,487,788	12,140,523	2.79	2.69
2025	32,661,208	654,290	32,006,918	11,443,463	12,097,753	2.80	2.70
2026	32,799,404	581,500	32,217,904	11,466,544	12,048,044	2.81	2.72
2027	34,545,324	579,500	33,965,824	11,448,869	12,028,369	2.97	2.87
2028	34,545,324	581,400	33,963,924	11,370,413	11,951,813	2.99	2.89
2029	34,545,324	581,925	33,963,399	11,376,975	11,958,900	2.99	2.89
2030	34,545,324	581,075	33,964,249	11,150,600	11,731,675	3.05	2.94
2031	34,545,324	578,850	33,966,474	11,125,800	11,704,650	3.05	2.95
2032	34,545,324	580,250	33,965,074	8,851,800	9,432,050	3.84	3.66
2033	34,545,324		34,545,324	5,073,000	5,073,000	6.81	6.81
2034	34,545,324		34,545,324	2,817,600	2,817,600	12.26	12.26
2035	34,545,324		34,545,324	1,370,200	1,370,200	25.21	25.21
2036	34,545,324		34,545,324	1,301,800	1,301,800	26.54	26.54
2037	34,545,324		34,545,324	1,219,400	1,219,400	28.33	28.33
2038	34,545,324		34,545,324	1,208,600	1,208,600	28.58	28.58
2039	34,545,324		34,545,324	1,206,600	1,206,600	28.63	28.63
2040	34,545,324		34,545,324	1,208,000	1,208,000	28.60	28.60
2041	34,545,324		34,545,324	717,600	717,600	48.14	48.14

* *Preliminary, subject to change.*

(1) See Table 7.

(2) 2018 Bonds debt service shown on a bond year commencing February 2 in the Fiscal Year.

(3) Calculated by dividing the Pledged Tax Revenues by the debt service on the 2018 Bonds.

(4) Calculated by dividing Tax Revenues Available for Debt Service on Senior Obligations and 2018 Bonds by total debt service payments for Senior Obligations and 2018 Bonds.

Source: Urban Futures, Inc.; Underwriter.

Set forth below is the estimated debt service coverage for the 2018 Bonds using Fiscal Year 2018-19 Pledged Tax Revenues assuming approximately 2% growth in tax increment revenues thereafter.

Table 10
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF POMONA
Estimated Debt Service Coverage—Assumes Value Growth

<i>Year Ending June 30</i>	<i>Tax Revenues Available for Debt Service on Senior Obligations and 2018 Bonds⁽¹⁾</i>	<i>Senior Obligations Debt Service</i>	<i>Pledged Tax Revenues</i>	<i>Debt Service on 2018 Bonds^{(2)*}</i>	<i>Total Payments for All-In Debt Service Coverage Calculation</i>	<i>Debt Service Coverage on 2018 Bonds^{(3)*}</i>	<i>All-In Debt Service Coverage^{(4)*}</i>
2019	\$34,545,324	\$651,815	\$33,893,509	\$ 9,004,508	\$ 9,656,323	3.76x	3.58x
2020	33,141,907	649,128	32,492,779	11,839,325	12,488,453	2.74	2.65
2021	33,523,221	650,488	32,872,733	11,745,550	12,396,038	2.80	2.70
2022	33,904,666	650,760	33,253,906	11,709,950	12,360,710	2.84	2.74
2023	34,286,015	654,945	33,631,070	11,489,013	12,143,958	2.93	2.82
2024	34,667,020	652,735	34,014,285	11,487,788	12,140,523	2.96	2.86
2025	35,047,424	654,290	34,393,134	11,443,463	12,097,753	3.01	2.90
2026	36,825,519	581,500	36,244,019	11,466,544	12,048,044	3.16	3.06
2027	38,492,524	579,500	37,913,024	11,448,869	12,028,369	3.31	3.20
2028	39,000,785	581,400	38,419,385	11,370,413	11,951,813	3.38	3.26
2029	39,511,872	581,925	38,929,947	11,376,975	11,958,900	3.42	3.30
2030	40,025,616	581,075	39,444,541	11,150,600	11,731,675	3.54	3.41
2031	40,541,836	578,850	39,962,986	11,125,800	11,704,650	3.59	3.46
2032	41,060,340	580,250	40,480,090	8,851,800	9,432,050	4.57	4.35
2033	41,580,926		41,580,926	5,073,000	5,073,000	8.20	8.20
2034	42,103,377		42,103,377	2,817,600	2,817,600	14.94	14.94
2035	42,627,463		42,627,463	1,370,200	1,370,200	31.11	31.11
2036	43,152,944		43,152,944	1,301,800	1,301,800	33.15	33.15
2037	43,679,563		43,679,563	1,219,400	1,219,400	35.82	35.82
2038	44,207,049		44,207,049	1,208,600	1,208,600	36.58	36.58
2039	44,735,117		44,735,117	1,206,600	1,206,600	37.08	37.08
2040	45,263,464		45,263,464	1,208,000	1,208,000	37.47	37.47
2041	45,791,775		45,791,775	717,600	717,600	63.81	63.81

* *Preliminary, subject to change.*

(1) See Table 8.

(2) 2018 Bonds debt service shown on a bond year commencing February 2 in the Fiscal Year.

(3) Calculated by dividing the Pledged Tax Revenues by the debt service on the 2018 Bonds.

(4) Calculated by dividing Tax Revenues Available for Debt Service on Senior Obligations and 2018 Bonds by total debt service payments for Senior Obligations and 2018 Bonds.

Source: Urban Futures, Inc.; Underwriter

Projected RPTTF Distributions

The estimated distributions of moneys from the Agency's Redevelopment Property Tax Trust Fund for January 2, 2019, June 1, 2019 and January 2, 2020 are set forth in Table 11 below. The subordinate obligation debt service shown in the below table assumes the issuance of the Series BI Bonds in _____ 2018.

Table 11
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF POMONA
Estimated RPTTF Distributions
(January 2, 2019 to January 2, 2020)

<i>Fiscal Year</i>	<i>January 2, 2019</i>	<i>June 1, 2019</i>	<i>January 2, 2020</i>
Gross Tax Revenues (Based on Fiscal Year)			
Tax Increment	\$ 17,112,139	\$ 25,483,769	\$ 17,517,329
Total Gross Tax Revenues	\$ 17,112,139	\$ 25,483,769	\$ 17,517,329
Deductions			
Property Tax Administrative Fee	\$ 647,453	\$ 89,456	\$ 662,784
Pass-Through Agreements	<u>3,553,736</u>	<u>3,722,546</u>	<u>3,665,368</u>
Total Deductions	\$ 4,201,189	\$ 3,812,002	\$ 4,328,152
Tax Revenues Available for Senior Obligations and 2018 Bonds	\$ 12,910,950	\$ 21,671,767	\$ 13,189,177
Deductions for Senior Obligations Debt Service			
Series X Bonds	\$ 9,855	\$ 59,855	\$ 8,505
Series Y Bonds	<u>427,878</u>	<u>145,384</u>	<u>435,384</u>
Total Senior Obligations	\$ 437,733	\$ 205,239	\$ 443,889
Pledged Tax Revenues Available for 2018 Bonds	\$ 12,473,217	\$ 21,466,528	\$ 12,745,288
2018 Bonds Debt Service*	\$ 5,609,586	\$ 5,609,586	\$ 5,868,719
Remaining for Other Subordinate Obligations*	\$ 6,863,631	\$ 15,856,942	\$ 6,876,569

* Preliminary, subject to change.

Source: Urban Futures, Inc.

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.

Reduction in Taxable Value

Pledged Tax Revenues allocated to the Redevelopment Property Tax Trust Fund 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 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 Pledged Tax Revenues that provide for the repayment of and secure the 2018 Bonds.

Such reduction in Pledged Tax Revenues could have an adverse effect on the Agency's ability to make timely payments of principal of and interest on the 2018 Bonds.

As described in greater detail under the caption "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 2% 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 Pledged Tax Revenues securing the 2018 Bonds.

In addition to the other limitations on and required application under the Dissolution Act of Pledged Tax Revenues on deposit in the Redevelopment Property Tax Trust Fund, as described in this Official Statement, the State electorate or Legislature could adopt a constitutional or legislative property tax reduction with the effect of reducing Pledged Tax Revenues allocated to the Redevelopment Property Tax Trust Fund and available to the 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 Pledged Tax Revenues and adversely affect the source of repayment and security of the 2018 Bonds.

Concentration of Ownership

The ten largest property taxpayers in the Project Area, based upon the Fiscal Year 2017-18 locally assessed tax roll reported by the County Assessor, owned approximately 8.20% of the total Project Area value and approximately 9.23% of the total incremental assessed value within the Project Area. See the Fiscal Consultant's Report attached to this Official Statement as Appendix A. Concentration of ownership presents a risk in that if one or more of the largest property owners were to default on their taxes, or were to successfully appeal the tax assessments on property within the Project Area, a substantial decline in Pledged Tax Revenues could result. See the caption "THE PROJECT AREA—Largest Taxpayers" for more information about these ten largest property taxpayers and see "THE PROJECT AREA—Assessment Appeals" for information as to pending appeals of tax assessments.

Risks to Real Estate Market

The Agency's ability to make payments on the 2018 Bonds is dependent upon the economic strength of the Project Area. The general economy of the Project Area is 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, the supply of or demand for competitive properties in such area, the market value of property in the event of sale or foreclosure and other similar factors. Furthermore, 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, changes in real estate tax rates and other operating expenses, zoning laws and laws relating to threatened and endangered species and hazardous materials and fiscal policies, as well as natural disasters (including, without limitation, earthquakes, wildfires and floods), which may result in uninsured losses. In addition, if there is a 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 Pledged Tax Revenues by the Agency from the Project Area.

Because assessed values do not necessarily indicate fair market values, the declines in fair market values in recent years may have been even greater than the declines in assessed valuations, although it is also

possible that market values could be greater than assessed valuations at any given time. No assurance can be given that the individual parcel owners will pay property taxes in the future or that they will be able to pay such taxes on a timely basis. See the caption “—Bankruptcy and Foreclosure” for a discussion of certain limitations on the City’s ability to pursue judicial proceedings with respect to delinquent parcels.

Reduction in Inflation Rate

As described in greater detail above, 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 rate of inflation, 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%. The 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. See “PROPERTY TAXATION IN CALIFORNIA—Article XIII A of the State Constitution.”

Effect of Redevelopment Plan Limits

Prior to the enactment of SB 107, the Agency’s Project Area were subject to various limitations on the amount of and time within which tax increment could be received by the Agency. Such limitations are referred to as “Plan Limits.” Revenues in excess of such plan limits are not deposited into the RPTTF and are not reflected in the projections of Pledged Tax Revenues set forth in Tables 7 and 8 and the Fiscal Consultant’s Report attached as Appendix A. The County Auditor-Controller will only deposit revenues into the RPTTF for Project Area that reach their Plan Limits in the future if the Agency demonstrates that such revenues are needed to pay the Agency’s enforceable obligations. The Agency does not expect this to affect the availability of Pledged Tax Revenues to pay debt service on the 2018 Bonds when due. Certain of the component areas within the Project Area were subject to plan limitations, though due to the passage of SB 107, such plan limitations are no longer in effect. See the caption “THE PROJECT AREA—Plan Limits.”

Levy and Collection of Taxes

The 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 Pledged Tax Revenues, and accordingly, could have an adverse impact on the security for and the ability of the Agency to repay the 2018 Bonds.

Likewise, 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 Agency’s ability to make timely payments on the 2018 Bonds. As discussed under the caption “PROPERTY TAXATION IN CALIFORNIA—Property Tax Collection Procedures—*Delinquencies*,” the County has not adopted a “Teeter Plan” alternative method for collection of taxes and, therefore, the receipt of property taxes is subject to delinquencies. Any reduction in Pledged Tax Revenues, regardless of the reason, could have an adverse effect on the Agency’s ability to pay the principal of and interest on the 2018 Bonds. See Table 5 under the caption “THE PROJECT AREA—Levy and Collection.”

State Budget Issues

General. AB X1 26 and AB 1484 were enacted by the State Legislature and Governor as trailer bills necessary to implement provisions of the State’s budget acts for its fiscal years 2011-12 and 2012-13, respectively, and constituted efforts to address structural deficits in the State general fund budget. In general terms, these bills implemented a framework to transfer cash assets which were previously held by redevelopment agencies to cities, counties and special districts to fund core public services, with assets

transferred to schools offsetting State general fund costs (then projected savings of \$1.5 billion). There can be no assurance that additional legislation will not be enacted in the future to additionally implement provisions relating to the State budget or otherwise that may affect successor agencies or tax increment revenues, including RPTTF Revenues.

SB 107, which made extensive amendments to the Dissolution Act, was enacted following the adoption of the State fiscal year 2015-16 budget, after having initially been presented as AB 113, a trailer bill to the State fiscal year 2015-16 budget. SB 107 changed the process for submitting Recognized Obligation Payment Schedules from a six-month to an annual process, authorized successor agencies to submit and obtain DOF approval of a Last and Final ROPS to govern all remaining payment obligations of successor agencies, altered the provisions governing the distribution of Redevelopment Property Tax Trust Fund moneys attributable to pension and State Water Project tax rate overrides and eliminated the impact of financial and time limitations in redevelopment plans for purposes of paying enforceable obligations, among other changes to the Dissolution Act. These statutory amendments impact the manner in which successor agencies claim Redevelopment Property Tax Trust Fund moneys for enforceable obligations and, for some successor agencies, impact the amount of Redevelopment Property Tax Trust Fund moneys that will be available for payment of a successor agency's enforceable obligations.

The following information concerning the State's budget for State fiscal year 2017-18 and proposed budget for State fiscal year 2018-19 has been obtained from publicly available information that the Agency believes to be reliable; however, the City and the Underwriter take no responsibility for the accuracy or completeness thereof and have not independently verified such information. Information about the State budget is regularly available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the DOF, <http://www.dof.ca.gov>, under the heading "California Budget." An impartial analysis of the budget is posted by the Legislative Analyst's Office (the "LAO") at <http://www.lao.ca.gov>. In addition, various State official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on cities in the State, may be found at the website of the State Treasurer, <http://www.treasurer.ca.gov>. The information referred to is prepared by the respective State agency maintaining each website and not by the City, the Agency or the Underwriter, and the City, the Agency and the Underwriter take no responsibility for the continued accuracy of these Internet addresses or for the accuracy, completeness or timeliness of information posted thereon, and such information is not incorporated herein by these references.

2017-18 Budget. On June 27, 2017, the Governor signed into law the State budget for fiscal year 2017-18 (the "2017-18 Budget"). The following information is drawn from the DOF's summary of the 2017-18 Budget.

The 2017-18 Budget projects, for State fiscal year 2016-17, total general fund revenues and transfers of approximately \$118.5 billion and total expenditures of approximately \$121.4 billion, such revenues and expenditures being approximately \$1.8 billion and \$1.1 billion lower than the amounts in the State fiscal year 2016-17 budget, respectively. The State is projected to end fiscal year 2016-17 with total available reserves of approximately \$7.4 billion, including \$642 million in the traditional general fund reserve and \$6.7 billion in the Budget Stabilization Account (the "BSA"), the State's basic reserve account. For State fiscal year 2017-18, the 2017-18 Budget projects growth in State general fund revenues to approximately \$125.9 billion, and authorizes expenditures of approximately \$125.1 billion. The State is projected to end State fiscal year 2017-18 with total available reserves of approximately \$9.9 billion, including \$1.4 billion in the traditional general fund reserve and \$8.5 billion in the BSA.

After accounting for expenditures that are controlled by State Constitutional funding requirements such as Proposition 2 and Proposition 98, the 2017-18 Budget allocates discretionary funding for various purposes, including additional deposits of approximately \$1.8 billion to the BSA and \$800 million to the State's discretionary budget reserve fund. The 2017-18 Budget also includes a \$6 billion supplemental payment to the California Public Employees Retirement System through a loan from the Surplus Money

Investment Fund, which is projected to save \$11 billion in pension costs over the next two decades. The General Fund share of repaying such loan will come from Proposition 2 revenues dedicated to reducing debts and long-term liabilities. Other discretionary allocations include one-time funding for infrastructure, affordable housing, public safety and other purposes.

2018-19 Budget. On June 27, 2018, the Governor signed into law the State budget for fiscal year 2018-19 (the “2018-19 Budget”). The following information is drawn from the DOF’s summary of the 2018-19 Budget.

To protect against potential future economic recessions, the 2018-19 Budget fully funds the BSA with a total deposit of over \$4.35 billion and adds two additional reserves to State law: the Budget Deficit Savings Account, intended to facilitate supplemental payments to continue to fully fund the BSA; and the Safety Net Reserve Fund, intended to protect against potential future cuts to certain health and welfare programs.

For fiscal year 2017-18, the 2018-19 Budget projects total general fund revenues and transfers of \$129.8 billion and total expenditures of \$127.0 billion. The State is projected to end the 2017-18 fiscal year with total available general fund reserves of \$12.6 billion, including \$7.3 billion in the traditional general fund reserve and \$9.4 billion in the BSA. For fiscal year 2018-19, the 2018-19 Budget projects total general fund revenues of \$133.3 billion and authorizes expenditures of \$138.7 billion. The State is projected to end the 2018-19 fiscal year with total available general fund reserves of \$15.7 billion, including \$2.0 billion in the traditional general fund reserve and \$13.8 billion in the BSA. The projected ending balance in the BSA at the end of the 2018-19 fiscal year is expected to equal the BSA’s current constitutional maximum of 10 percent of the estimated general fund revenues for fiscal year 2018-19.

For additional information regarding the 2017-18 Budget and the 2018-19 Budget, see the DOF’s website at www.dof.ca.gov and the LAO’s website at www.lao.ca.gov.

Certain litigation which challenges some of the terms of the Dissolution Act is currently ongoing (as described under the caption “—Challenges to Dissolution Act”), and it is anticipated that there will be additional future legislation in this area. The Agency cannot predict what measures may be proposed or implemented for the current fiscal year or in the future.

None of the websites or webpages that are referenced above is in any way incorporated into this Official Statement. They are cited for informational purposes only. The Agency makes no representation whatsoever as to the accuracy or completeness of any of the information on such websites.

There can be no assurance that additional legislation will not be enacted in the future to implement provisions relating to the State budget or otherwise that may affect successor agencies or tax increment revenues.

Recognized Obligation Payment Schedule

The Dissolution Act provides that, commencing on the date that the first Recognized Obligation Payment Schedule is valid thereunder, only those obligations listed in the Recognized Obligation Payment Schedule may be paid by the Agency from the funds specified in the Recognized Obligation Payment Schedule. Before each February 1, with respect to the following fiscal year, 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 pursuant to which enforceable obligations (as described under the caption “SECURITY FOR THE 2018 BONDS—Recognized Obligation Payment Schedule”) of the successor agency are listed, together with the source of funds to be used to pay for each enforceable obligation. Pledged Tax Revenues will not be distributed from the Redevelopment Property Tax Trust Fund by the County Auditor-Controller to the Agency’s Redevelopment Obligation Retirement Fund without a duly approved and effective Recognized Obligation Payment Schedule obtained in sufficient time prior to the June 1 property tax

distribution date. See the caption “SECURITY FOR THE 2018 BONDS—Recognized Obligation Payment Schedule” and “PROPERTY TAXATION IN CALIFORNIA—Property Tax Collection Procedures—*Recognized Obligation Payment Schedule*.” In the event that the Agency fails to file a Recognized Obligation Payment Schedule with respect to a fiscal year, the availability of Pledged Tax Revenues to the Agency could be adversely affected for such period.

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

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

- (i) First, to each local agency and school entity, to the extent applicable, amounts required for pass-through payments that such entity would have received under provisions of the Redevelopment Law, as those provisions read on January 1, 2011, including pursuant to the Statutory Pass-Through Amounts. Pension or State Water Project override revenues that are not pledged to or not needed for debt service on Agency debt will be allocated and paid to the entity that levies the override;
- (ii) Second, to the Agency for payments listed in its Recognized Obligation Payment Schedule;
- (iii) Third, to the Agency for the administrative cost allowance, as defined in the Dissolution Act; and
- (iv) Fourth, the remainder is distributed to the taxing entities in an amount proportionate to such taxing entity’s share of property tax revenues in the tax rate area in such fiscal year (without adjustment for pass-through obligations).

If the Agency does not submit an Oversight Board-approved Recognized Obligation Payment Schedule within five business days of the date upon which the Recognized Obligation Payment Schedule is to be used to determine the amount of property tax allocations and the DOF does not provide a notice to the County Auditor-Controller to withhold funds from distribution to taxing entities, amounts in the Redevelopment Property Tax Trust Fund for such fiscal year would be distributed to taxing entities pursuant to clause (iv) above.

Additionally, in the event Redevelopment Property Tax Trust Fund moneys are insufficient to pay all pass-through amounts and enforceable obligations, the County Auditor-Controller will disburse moneys to taxing agencies for pass-through payments prior to disbursing any moneys to the Agency for debt service on the 2018 Bonds or other enforceable obligations, unless the Agency has complied with the procedures set forth in Section 34177.5(c) of the Dissolution Act to subordinate such pass-through payments to the 2018 Bonds. The County Pass-Through Agreements (but not Education Entity Pass-Through Agreements, Statutory Pass-Through Amounts or 33676 Amounts) have been subordinated to the 2018 Bonds, subject to compliance with the procedures set forth in the Dissolution Act for accessing such revenues. See the caption “SECURITY FOR THE 2018 BONDS—Tax Increment Financing—*Tax Sharing*,” and “—Statutory Pass-Through Amounts.”

The Agency covenants in the Indenture that it will comply with all of the requirements of the Redevelopment Law and the Dissolution Act, including without limitation to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Agency with its covenants under the Indenture.

Further, the Agency covenants in the Indenture to take all actions required under the Dissolution Act to include: (i) scheduled debt service on the 2018 Bonds and any Parity Debt and any amount required under the Indenture to replenish the Reserve Account established hereunder or the reserve account established under any Parity Debt Instrument, and (ii) amounts due to any Insurer under the Indenture or under an insurance or surety bond agreement, in Recognized Obligation Payment Schedules for each ROPS Period so as to enable the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund to the Agency's Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required for the Agency to pay principal of, and interest on, the 2018 Bonds coming due in the respective ROPS Period and to pay amounts owed to any Insurer, as well as the other amounts set forth above.

In order to accomplish the foregoing, on or before each February 1 (or at such earlier time as may be required by the Dissolution Act), for so long as any Bonds are outstanding, the Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule to the DOF and to the County Auditor-Controller that shall include, from the first available Pledged Tax Revenues (subject to prior payments described in the Indenture): (i) all debt service due on all Outstanding 2018 Bonds and Parity Debt coming due during the applicable ROPS Period (with one-half of such year's debt service to be distributed from the Redevelopment Property Tax Trust Fund on June 1 and the remainder of such year's debt service to be distributed from the Redevelopment Property Tax Trust Fund on January 2), as well as all amounts due and owing to any Insurer under the Indenture, and (ii) any amount required to cure any deficiency in the Reserve Account pursuant to the Indenture or a reserve account established under any Parity Debt Instrument (including any amounts required due to a draw on the Qualified Reserve Account Credit Instrument as well as all amounts due and owing to any Insurer under the Indenture). See Appendix B.

The Dissolution Act also imposes certain penalties in the event that the Agency does not timely submit a Recognized Obligation Payment Schedule for each fiscal year. Specifically, a Recognized Obligation Payment Schedule must be submitted by the Agency, after approval by the Oversight Board, to the County Administrative Officer, the County Auditor-Controller, the DOF and the State Controller by February 1 in each year with respect to the following Fiscal Year. If the Agency does not submit an Oversight Board-approved Recognized Obligation Payment Schedule by such deadline, the City will be subject to a civil penalty equal to \$10,000 per day for every day that the schedule is not submitted. Additionally, the Agency's administrative cost allowance will be reduced by 25% for any fiscal year for which the Agency does not submit an Oversight Board-approved Recognized Obligation Payment Schedule within 10 days of the February 1 deadline. If the Agency fails to submit a Recognized Obligation Payment Schedule by the February 1 deadline, any creditor of the Agency or DOF or any affected taxing entity shall have standing to, and may request a writ of mandate to, require the Agency to immediately perform this duty.

For additional information regarding procedures under the Dissolution Act relating to late Recognized Obligation Payment Schedules and implications thereof on the 2018 Bonds, see the caption "SECURITY FOR THE 2018 BONDS—Recognized Obligation Payment Schedule."

Last and Final Recognized Obligation Payment Schedule

SB 107 amended the Dissolution Act to permit certain successor agencies with limited remaining obligations to submit a Last and Final ROPS for approval by the oversight board and DOF. The Last and Final ROPS must list the remaining enforceable obligations of the successor agency, including the total outstanding obligation amount and a schedule of remaining payments for each enforceable obligation. The Last and Final ROPS shall also establish the maximum amount of Redevelopment Property Tax Trust Funds to be distributed to the successor agency for each remaining fiscal year until all obligations have been fully paid.

Any revenues, interest, and earnings of the successor agency, including proceeds from the disposition of real property, that are not authorized for use pursuant to the approved Last and Final ROPS shall be remitted to the county auditor-controller for distribution to the affected taxing entities. A successor agency shall not expend more than the amount approved for each enforceable obligation listed on the approved Last and Final ROPS and once the successor agency has received Redevelopment Property Tax Trust Fund moneys equal to the amount of the total outstanding obligations approved in the Last and Final ROPS, the county auditor-controller will not allocate further Redevelopment Property Tax Trust Fund moneys to the successor agency.

Successor agencies may only amend an approved Last and Final ROPS twice. If the Agency prepares and obtains DOF approval of a Last and Final ROPS and subsequently amends the Last and Final ROPS two times, the Agency may be unable to make unexpected or unscheduled reserve deposits or payments due to the Insurers of Bonds or other Parity Debt.

See the caption “SECURITY FOR THE 2018 BONDS—Last and Final Recognized Obligation Payment Schedule” for a discussion of the requirements for a Last and Final ROPS and the mechanics for allocation of Redevelopment Property Tax Trust Fund moneys pursuant to an approved Last and Final ROPS.

[The Agency has no current plans to file a Last and Final ROPS.] [Further, the Agency has covenanted in the Indenture not to submit to the Oversight Board or the California Department of Finance a request for the final amendment permitted for its Last and Final ROPS without the prior written consent of the 2018 Insurer unless all amounts that could become due to the 2018 Insurer are included as a line item on the Last and Final ROPS, as amended.]

Parity Debt Issued Without Reserve

The Indenture permits the issuance of Parity Debt, subject to compliance with certain requirements. See the caption “SECURITY FOR THE 2018 BONDS—Issuance of Additional Indebtedness.” If such Parity Debt is issued in the form of Bonds pursuant to a Supplemental Indenture, the Indenture requires the amount on deposit in the Reserve Account to equal the Reserve Requirement; however, the Agency may issue Parity Debt in a form other than Bonds, pursuant to a Parity Debt Instrument that is not a Supplemental Indenture, without satisfying the Reserve Requirement. In the event Pledged Tax Revenues are insufficient to pay debt service on all Bonds and Parity Debt, the likelihood of a default by the Agency under such Parity Debt Instrument would be higher than the likelihood of default by the Agency under the Indenture or a Supplemental Indenture, because moneys held in the Reserve Account would only be available to make payments on the 2018 Bonds and Parity Debt issued under a Supplemental Indenture, not to make payments on Parity Debt issued under another Parity Debt Instrument.

The Agency’s ability to issue Parity Debt is limited to refundings of Outstanding 2018 Bonds, other Parity Debt, and repayment of the County Deferral or the Deferred Amounts (as those terms are defined under the caption “SECURITY FOR THE 2018 BONDS—Pass-Through Agreements”). As of the date of this Official Statement, the Agency has no debt obligations on a parity with, or senior to, the Refunded Obligations that will be refunded by the 2018 Bonds. Further, the Agency projects that sufficient Pledged Tax Revenues will be available to make debt service payments on the 2018 Bonds. See Tables 7 and 8 under the caption “PLEDGED TAX REVENUES—Projected Pledged Tax Revenues.”

Parity and Subordinate Debt

The Agency may be able to refund its obligations to pay the County Deferral under the 1991 South Garey/Freeway Corridor County Agreement or the Deferred Amount under the 1988 Southwest County Agreement (see the caption “SECURITY FOR THE 2018 BONDS—Pass-Through Agreements”) on a parity with the 2018 Bonds. The Indenture permits the issuance by the Agency of certain refunding indebtedness which may have a lien upon the Tax Revenues on parity with the lien of the 2018 Bonds. The Agency has covenanted not to issue any additional obligations with a lien on former tax increment revenues senior to the

lien of the 2018 Bonds. See “SECURITY FOR THE 2018 BONDS—Limitations on Additional Indebtedness” for a description of the conditions precedent to issuance of such additional obligations. The Indenture does not limit the issuance of tax allocation bonds or other indebtedness secured by a pledge of tax increment revenues subordinate to the pledge of Tax Revenues securing the 2018 Bonds.

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 County Auditor-Controller 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 is a monoline financial guaranty insurer domiciled in the State of New York and has 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.

Bankruptcy and Foreclosure

The payment of the property taxes from which Pledged 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 (such as the Soldiers’ and Sailors’ Relief Act of 1940 discussed below) or by the laws of the State relating to judicial foreclosure. In addition, the prosecution of a foreclosure action could be delayed due to crowded local court calendars or delays in the legal process. The various legal opinions to be delivered concurrently with the delivery of the 2018 Bonds (including Bond Counsel’s approving legal opinions) 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 because federal bankruptcy laws may provide for an automatic stay of foreclosure and sale of tax sale proceedings. Such delay would increase the possibility of delinquent tax installments not being paid in full and thereby increase the likelihood of a delay or default in payment of the principal of and interest on the 2018 Bonds. Moreover, if the value of the subject property is less than the lien of property taxes, such excess could be treated as an

unsecured claim by the bankruptcy court. Further, should remedies be exercised under the federal bankruptcy laws, payment of property taxes may be subordinated to bankruptcy law priorities. Thus, certain claims may have priority over property taxes in a bankruptcy proceeding even though they would not outside of a bankruptcy proceeding.

In addition, the United States Bankruptcy Code might prevent moneys on deposit in the Redevelopment Obligation Retirement Fund from being applied to pay interest on the 2018 Bonds and/or to redeem Bonds if bankruptcy proceedings were brought by or against a landowner and if the court found that such landowner had an interest in such moneys within the meaning of Section 541(a)(1) of the United States Bankruptcy Code.

Other laws generally affecting creditors' rights or relating to judicial foreclosure may affect the ability to enforce payment of property taxes or the timing of enforcement thereof. For example, the Soldiers and Sailors Civil Relief Act of 1940 affords protections such as a stay in enforcement of the foreclosure covenant, a six-month period after termination of military service to redeem property sold to enforce the collection of a tax or assessment and a limitation on the interest rate on the delinquent tax or assessment to persons in military service if a court concludes that the ability to pay such taxes or assessments is materially affected by reason of such service.

As discussed under the caption "PROPERTY TAXATION IN CALIFORNIA—Property Tax Collection Procedures—Delinquencies," the County has not adopted a "Teeter Plan" alternative method for collection of taxes and, therefore, the receipt of property taxes is subject to delinquencies.

Estimated Revenues

In estimating that Pledged Tax Revenues will be sufficient to pay debt service on the 2018 Bonds, the 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 Agency believes these assumptions to be reasonable, but there is no assurance that these assumptions will be realized. To the extent that the assessed valuation and the tax rates are less than expected, the Pledged Tax Revenues available to pay debt service on the 2018 Bonds will be less than those projected and such reduced Pledged Tax Revenues may be insufficient to provide for the payment of principal of, premium (if any) and interest on the 2018 Bonds.

Hazardous Substances

While governmental taxes, assessments, and charges are a common claim against the value of a taxable parcel, other less common claims may be relevant. One example is a claim with regard to a hazardous substance.

The presence of hazardous substances on a parcel may result in a reduction in the value of a parcel. In general, the owners and operators of a taxable parcel may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but State and local laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance 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 taxable parcels be affected by a hazardous substance is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it.

Further, it is possible that liabilities may arise in the future with respect to any of the taxable parcels resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not only from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of a taxable parcel that is realizable upon a delinquency.

According to the City's General Plan, Noise & Safety Component, over 200 sites with exposed hazardous materials are located within the City. These sites include leaking underground storage tanks, and other hazardous materials sites that are listed by the California Department of Toxic Substances Control. There are six locations listed by the Environmental Protection Agency under the Superfund Amendments and Reauthorization Act, Title III. Of the many hazardous materials sites in the City, these six represent the greatest threat to human and environmental health in the City if toxins are accidentally released. More information regarding these sites is available in the City's General Plan.

Natural Disasters

Natural disasters, including floods and earthquakes, could damage improvements and/or property in the Project Area, or impair the ability of landowners within the Project Area to develop their properties or to pay property taxes.

Seismic Risks. The City lies in a seismically active region of Southern California, with several major active faults in the area, including the San Andreas, Sierra Madre and Whittier-Elsinore fault zones. In addition to the regional faults, there are several local faults located within the City that are considered potentially active. These local faults include the San Jose, Indian Hill, Chino and Central Avenue faults. Seismic activity also can occur on previously undetected faults. In the event of a significant earthquake, substantial damage could occur to the property within the Project Area.

If an earthquake were to substantially damage or destroy taxable property within the Project Area, the assessed valuation of such property would be reduced. Such a reduction of assessed valuations could result in a reduction of the Pledged Tax Revenues that secure the 2018 Bonds.

Flood Risks. The Project Area lies within a dam inundation zone. In the event of failure or rupture of the San Antonio Dam, property within the Project Area could be damaged or destroyed by flooding causing a reduction in assessed valuation within the Project Area. Such a reduction of assessed valuations could result in a reduction of the Pledged Tax Revenues that secure the 2018 Bonds.

Wildland Fire Risks. According to the City's General Plan, Noise & Safety Component, portions of the City are susceptible to wildland fires due to their hilly terrain, dry weather conditions and the nature of their plant cover. The high fire risk areas of Pomona are largely isolated from the fire prone mountainous areas in the region; therefore, large wildfires in the San Gabriel Mountains or other large open space areas in the region spreading to the City is not considered a high probability event. However, the City does have large areas of high fire risk, particularly in the southwestern corner of the City (in Phillips Ranch, Lanterman Center and Cal Poly Pomona areas) and in the Ganesha Hills area. With the right combination of factors (dry vegetation, Santa Ana winds, etc.), wildland fires could spread and threaten nearby residential neighborhoods in the City.

The property within the Project Area may also be at risk from other events of force majeure, such as damaging storms, floods, fires and explosions, strikes, sabotage, riots and spills of hazardous substances, among other events. The Agency cannot predict what force majeure events may occur in the future.

Changes in the Law

There can be no assurance that the State electorate will not at some future time adopt initiatives or that the State 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 Pledged Tax Revenues, which could have an adverse effect on the Agency's ability to pay debt service on the 2018 Bonds.

Investment Risk

Funds held under the Indenture are required to be invested in Permitted Investments as provided under the Indenture. See Appendix B for a summary of the definition of Permitted Investments. The funds and accounts of the Agency, into which a portion of the proceeds of the 2018 Bonds will be deposited and into which Pledged Tax Revenues are deposited, may be invested by the Agency in any investment authorized by law. All investments, including the Permitted Investments and those authorized by law from time to time for investments by municipalities, contain a certain degree of risk. Such risks include, but are not limited to, a lower rate of return than expected and loss or delayed receipt of principal. See also the caption "—Bankruptcy and Foreclosure."

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. Although the Agency has committed to provide certain financial and operating information on an annual basis, there can be no assurance that such information will be available to Owners of the 2018 Bonds on a timely basis. See the caption "CONCLUDING INFORMATION—Continuing Disclosure" and Appendix H. Any failure to provide annual financial information, if required, does not give rise to monetary damages but merely an action for specific performance. 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. Such prices could be substantially different from the original purchase price.

No Validation Proceeding Undertaken

Code of Civil Procedure Section 860 authorizes public agencies to institute a process, otherwise known as a "validation proceeding," for purposes of determining the validity of a resolution or any action taken pursuant thereto. Section 860 authorizes a public agency to institute validation proceedings in cases where another statute authorizes its use. Relevant to the 2018 Bonds, Government Code Section 53511 authorizes a local agency to "bring an action to determine the validity of its bonds, warrants, contracts, obligations or evidences of indebtedness." Pursuant to Code of Civil Procedure Section 870, a final favorable judgment issued in a validation proceeding shall, notwithstanding any other provision of law, be forever binding and conclusive, as to all matters therein adjudicated or which could have been adjudicated, against all persons: "The judgment shall permanently enjoin the institution by any person of any action or proceeding raising any issue as to which the judgment is binding and conclusive."

The Agency has not undertaken or endeavored to undertake any validation proceeding in connection with the issuance of the 2018 Bonds. The Agency and Bond Counsel have relied on the provisions of AB 1484 authorizing the issuance of the 2018 Bonds and specifying the related deadline for any challenge to the 2018 Bonds to be brought. Specifically, Section 34177.5(e) of the Dissolution Act provides that notwithstanding any other law, an action to challenge the issuance of bonds (such as the 2018 Bonds), the incurrence of indebtedness, the amendment of an enforceable obligation, or the execution of a financing agreement authorized under Section 34177.5, must be brought within 30 days after the date on which the

oversight board approves the resolution of the successor agency approving such financing. Such challenge period expired with respect to the 2018 Bonds and the Oversight Board Resolution on July 21, 2018.

It is possible that the definition of Pledged Tax Revenues could be affected by changes in law or judicial decisions relating to the dissolution of redevelopment agencies. However, any action by a court to invalidate provisions of the Dissolution Act required for the timely payment of principal of, and interest on, the 2018 Bonds could be subject to issues regarding unconstitutional impairment of contracts and unconstitutional taking without just compensation. The Agency believes this constitutional provision would provide some protection against the adverse consequences upon the Agency and the availability of Pledged Tax Revenues for the payment of debt service on the 2018 Bonds in the event of successful challenges to the Dissolution Act or portions thereof. However, the Agency provides no assurance that any other lawsuit challenging the Dissolution Act or portions thereof will not result in an outcome that may have a detrimental effect on the Agency's ability to timely pay debt service on the 2018 Bonds.

Bonds Are Limited Obligations

Neither the faith and credit nor the taxing power of the Agency (except to the limited extent set forth in the Indenture), the City, the State or any political subdivision thereof is pledged to the payment of the 2018 Bonds. The 2018 Bonds are special obligations of the Agency; and, except as provided in the Indenture, they are payable solely from Pledged Tax Revenues. Pledged Tax Revenues could be insufficient to pay debt service on the 2018 Bonds as a result of delinquencies in the payment of property taxes or the insufficiency of proceeds derived from the sale of land within the Agency following a delinquency in the payment of the applicable property taxes. As discussed under the caption "PROPERTY TAXATION IN CALIFORNIA—Property Tax Collection Procedures—Delinquencies," the County has not adopted a "Teeter Plan" alternative method for collection of taxes and, therefore, the receipt of property taxes is subject to delinquencies. The Agency has no obligation to pay debt service on the 2018 Bonds in the event of insufficient Pledged Tax Revenues, except to the extent that money is available for such purpose in the Redevelopment Obligation Retirement Fund, the Debt Service Fund and the Reserve Account.

Limitations on Remedies

Remedies available to the Owners of the 2018 Bonds may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the 2018 Bonds or to preserve the tax-exempt status of the 2018 Bonds.

Bond Counsel has limited its opinion as to the enforceability of the 2018 Bonds and of the Indenture to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or other similar laws affecting generally the enforcement of creditors' rights, by equitable principles and by the exercise of judicial discretion. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the Owners.

Enforceability of the rights and remedies of the Owners of the 2018 Bonds, and the obligations incurred by the Agency, may become subject to the United States Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the federal Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against governmental entities in the State. See the caption "—Bankruptcy and Foreclosure."

TAX MATTERS

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest with respect to the 2018 Bonds is exempt from State of California personal income tax.

The difference between the issue price of a 2018 Bond (the first price at which a substantial amount of the 2018 Bonds of the same series and maturity is to be sold to the public) and the stated redemption price at maturity with respect to such 2018 Bond constitutes original issue discount. Original issue discount accrues under a constant yield method. The amount of original issue discount deemed received by the 2018 Bond Owner will increase the 2018 Bond Owner's basis in the 2018 Bond.

The amount by which a 2018 Bond Owner's original basis for determining loss on sale or exchange in the applicable 2018 Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable 2018 Bond premium, which a 2018 Bond holder may elect to amortize under Section 171 of the Code; such amortizable 2018 Bond premium reduces the 2018 Bond Owner's basis in the applicable 2018 Bond (and the amount of taxable interest received), and is deductible for federal income tax purposes. The basis reduction as a result of the amortization of 2018 Bond premium may result in a 2018 Bond Owner realizing a taxable gain when a 2018 Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the 2018 Bond to the Owner. Purchasers of the 2018 Bond should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable 2018 Bond premium.

The federal tax and State of California personal income tax discussion set forth above is included for general information only and may not be applicable depending upon an owner's particular situation. The ownership and disposal of the 2018 Bonds and the accrual or receipt of interest (and original issue discount) with respect to the 2018 Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the 2018 Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the 2018 Bonds.

A copy of the proposed form of the opinion of Bond Counsel to be delivered at Closing is attached hereto as Appendix C.

CONCLUDING INFORMATION

Underwriting

The 2018 Bonds are being purchased by B.C. Ziegler and Company (the "Underwriter") pursuant to a Bond Purchase Agreement, dated _____, 2018 (the "Purchase Agreement"), by and between the Underwriter and the Agency. The Underwriter has agreed to purchase the 2018 Bonds at a price of \$_____ (being the aggregate principal amount thereof, [plus/less an original issue premium/discount] of \$_____ and less an Underwriter's discount of \$_____). The Purchase Agreement provides that the Underwriter will purchase all of the 2018 Bonds if any are purchased. The obligation to make such purchase is subject to certain terms and conditions set forth in the Purchase Agreement, the approval of certain legal matters by counsel and certain other conditions.

The initial public offering prices stated on the inside front cover page of this Official Statement may be changed from time to time by the Underwriter. The Underwriter may offer and sell the 2018 Bonds to certain dealers (including dealers depositing Bonds into investment trusts), dealer banks, banks acting as agents and others at prices lower than said public offering prices.

Municipal Advisor

Urban Futures, Inc., Tustin, California, has served as municipal advisor ("Municipal Advisor") to the Agency in connection with the 2018 Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

Verification of Mathematical Computations

The Verification Agent, an independent accountant, upon delivery of the 2018 Bonds, will deliver a report on the mathematical accuracy of certain computations, contained in schedules provided to them that were prepared by the Agency, relating to the sufficiency of the cash and/or the maturing principal of and interest on the escrow securities to be deposited in the respective escrow funds for the Refunded Obligations, to pay, when due, the principal, whether at maturity or upon prior redemption, interest and redemption premium with respect to the Refunded Obligations.

The Verification Agent's report will include the statement that the scope of its engagement is limited to verifying the mathematical accuracy of the computations contained in such schedules provided to it, and that it has no obligation to update its report because of events occurring, or date or information coming to its attention, subsequent to the date of its report.

Legal Opinion

The opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, approving the validity of the 2018 Bonds and stating that interest on the 2018 Bonds is exempt from California personal income taxes under present State income tax laws will be furnished to the purchaser at the time of delivery of the 2018 Bonds at the expense of the Agency. Compensation for Bond Counsel's services is entirely contingent upon the sale and 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 C. The legal opinion is only as to legality and is not intended to be nor is it to be interpreted or relied upon as a disclosure document or an express or implied recommendation as to the investment quality of the 2018 Bonds.

In addition, certain legal matters will be passed on for the Underwriter by Thompson Coburn LLP, as Underwriter's Counsel, for the Agency by the City Attorney of the City of Pomona, as counsel to the Agency, and by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as disclosure counsel, and for the Trustee by its counsel.

Litigation

There is no action, suit or proceeding known to the Agency to be pending and notice of which has been served upon and received by the 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 Agency taken with respect to any of the foregoing. [To be confirmed prior to posting.]

Ratings

In connection with the issuance and delivery of the 2018 Bonds, S&P Global Ratings, a Standard & Poor's Financial Services, LLC business ("S&P") has assigned its underlying municipal rating of "___" to the 2018 Bonds. There is no assurance that the credit ratings given to the 2018 Bonds will be maintained for any

period of time or that the ratings may not be lowered or withdrawn entirely by S&P if, in the judgment of S&P, circumstances so warrant. Any downward revision or withdrawal of either of such ratings may have an adverse effect on the market price of the 2018 Bonds. Such ratings reflect only the views of S&P and an explanation of the significance of such ratings may be obtained from S&P. Generally, rating agencies base their ratings on information and materials furnished to them (which may include information and material from the Agency which is not included in this Official Statement) and on investigations, studies and assumptions by the rating agencies.

Continuing Disclosure

The Agency has covenanted in a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”) for the benefit of the holders and Beneficial Owners of the 2018 Bonds to provide certain financial information and operating data relating to the Agency by March 1 following the end of the Agency’s fiscal year (currently its fiscal year ends on June 30) (the “Annual Report”), commencing with the report for fiscal year ending June 30, 2018, and to provide notices of the occurrence of certain enumerated events.

The Annual Report and the notices of enumerated events will be filed by the Agency with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System for municipal securities disclosures, maintained on the Internet at <http://emma.msrb.org/>. The specific nature of the information to be contained in the Annual Report and the notices of enumerated events are set forth in Appendix H. These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”).

The City and its related governmental entities – specifically those entities (such as the Former Agency and the Agency) for whom City staff is responsible for undertaking compliance with continuing disclosure undertaking – have previously entered into disclosure undertakings under Rule 15c2-12 in connection with the issuance of long-term obligations.

[Within the last five years, the City and its related entities, including the Agency, have on occasion failed to comply in certain material respects with its previous continuing disclosure undertakings pursuant to Rule 15c2-12, including, but not limited to, the failure to timely file annual reports for some of the City’s and Agency’s outstanding debt obligations, the failure to include certain operating information in connection with some of the City’s and Agency’s annual reports, the failure to properly file certain annual reports for all outstanding CUSIPs, and the failure to timely file certain notices of rating changes. In connection with such annual reports, the City and Agency did not file notices of a failure to provide annual financial information on or before the date specified in its prior continuing disclosure undertakings. The City and Agency have since posted remedial filings and are now current with respect to all of their material filing obligations that accrued during the past five years. The Agency has engaged Urban Futures, Inc. to act as Dissemination Agent with respect to the Agency’s continuing disclosure undertakings.] [to be confirmed prior to posting]

Miscellaneous

All of the preceding summaries of the Indenture, the Bond Law, the Dissolution Act, the Redevelopment Law, other applicable legislation, the Redevelopment Plan 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 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 the City Manager, as the Executive Director of the Agency, has been duly authorized by the Agency.

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF
POMONA

By: _____
Executive Director

APPENDIX A
FISCAL CONSULTANT'S REPORT

APPENDIX B

SUMMARY OF THE INDENTURE

The following is a brief summary of certain provisions of the Indenture of Trust (the “Indenture”) authorizing the 2018 Bonds that are not otherwise described in the text of this Official Statement. Such summary is not intended to be definitive, and reference is made to the actual Indenture (copies of which may be obtained from the Trustee) for the complete terms thereof.

[TO COME]

APPENDIX C

FORM OF BOND COUNSEL OPINION

Upon issuance of the 2018 Bonds, Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, proposes to render its final approving opinion in substantially the following form:

_____, 2018

Successor Agency to the Redevelopment Agency of the City of Pomona
505 South Garey Avenue
Pomona, California

Re: \$_____ Successor Agency to the Redevelopment Agency of the City of Pomona
2018 Tax Allocation Refunding Bonds, Series BI (Federally Taxable)

Dear Honorable Members of the Successor Agency:

We have examined the Constitution and the laws of the State of California, a certified record of the proceedings of the Successor Agency to the Redevelopment Agency of the City of Pomona (the "Agency") taken in connection with the authorization and issuance by the Agency of the above-referenced Bonds (the "Bonds") and such other information and documents as we consider necessary to render this opinion. In rendering this opinion, we have relied upon certain representations of fact and certifications made by the Agency, the Trustee, the Underwriter of the Bonds and others. We have not undertaken to verify through independent investigation the accuracy of the representations and certifications relied upon by us.

The Bonds have been issued by the Agency pursuant to the Constitution and laws of the State of California (the "State"), including Article 11 of Chapter 3 (Commencing with Section 53580) of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"), 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 of California (as amended from time to time, the "Dissolution Act"), Resolution No. SA 2018-8 adopted by the Agency on June 18, 2018 and Resolution No. OB 2018-9 adopted by the Oversight Board of the Agency on June 21, 2018, and in accordance with an Indenture of Trust, dated as of _____, 2018 (the "Indenture"), by and between the Agency and Zions Bank, a division of ZB, National Association, as trustee. Capitalized terms not defined herein shall have the meanings ascribed to those terms in the Indenture.

Based upon our examination of the foregoing, and in reliance thereon and on all matters of fact as we deem relevant under the circumstances, and upon consideration of applicable laws, we are of the opinion that:

(1) The Bonds have been duly and validly authorized by the Agency and are legal, valid and binding limited obligations of the Agency, enforceable in accordance with their terms and the terms of the Indenture.

(2) The Indenture has been duly executed and delivered by the Agency. The Indenture creates a valid pledge of the Pledged Tax Revenues and the amounts on deposit in certain funds and accounts established under the Indenture to secure the Bonds, as and to the extent provided in the Indenture.

(3) Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is not excluded from gross income for federal income tax purposes.

(4) Interest (and original issue discount) on the Bonds is exempt from State of California personal income tax.

Except as expressly set forth in paragraphs (3) and (4) above we express no opinion regarding any tax consequences with respect to the Bonds. Potential purchasers should consult their independent tax advisors with respect to the tax consequences relating to the Bonds and the taxpayer's particular circumstances.

With respect to the opinions expressed herein, the rights and obligations under the Indenture and the 2018 Bonds are subject to bankruptcy, insolvency, moratorium and other laws affecting the enforcement of creditors' rights, to the application of equitable principles if equitable remedies are sought, to the limitations on legal remedies against public agencies in the State of California and to limitations on rights of indemnity by principles of public policy.

Our opinion is limited to matters governed by the laws of the State of California and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Our engagement as Bond Counsel terminates upon the issuance of the Bonds and we have not undertaken to determine, or to inform any person, whether any such actions or events are taken (or not taken) or do occur (or do not occur).

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement relating to the Bonds or other offering material relating to the Bonds and expressly disclaim any duty to advise the owners of the Bonds with respect to matters contained in the Official Statement.

Respectfully submitted,

APPENDIX D

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix concerning The Depository Trust Company (“DTC”), New York, New York, and DTC’s book-entry system has been obtained from DTC and the Agency takes no responsibility for the completeness or accuracy thereof. The 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”), New York, NY, 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 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.

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

APPENDIX E

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR
FISCAL YEAR ENDED JUNE 30, 2017

APPENDIX F

STATE DEPARTMENT OF FINANCE LETTER

APPENDIX G

FORM OF CONTINUING DISCLOSURE CERTIFICATE

Upon the issuance of the 2018 Bonds, the Agency proposes to enter into a Continuing Disclosure Certificate in substantially the following form:

This CONTINUING DISCLOSURE CERTIFICATE (this “Disclosure Certificate”) is executed and delivered by the Successor Agency to the Redevelopment Agency of the City of Pomona (the “Successor Agency”) in connection with the execution and delivery of the above-referenced bonds (the “Bonds”). The Bonds are being executed and delivered pursuant to an Indenture of Trust, dated as of _____, 2018, by and between the Successor Agency and Zions Bank, a division of ZB, National Association, as trustee (the “Indenture”).

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 2018 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 each March 1, commencing March 1, 2019, or the date that is nine months after the end of the Successor Agency’s fiscal year if the Successor Agency’s fiscal year is changed (the Successor Agency’s fiscal year currently ends June 30).

“*Dissemination Agent*” means Urban Futures, Incorporated, 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 2018 Bonds.

“*Participating Underwriter*” means B.C. Ziegler and Company, the original underwriter of the 2018 Bonds required to comply with the Rule in connection with offering of the 2018 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 1, 2019 with the report for the 2017-18 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 a timely manner and 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 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) Description of issuance by the Successor Agency of any debt payable from or secured by a pledge of Pledged Tax Revenues in the Project Area (as defined in the Official Statement) in the most recently completed fiscal year only (including details as to date, amount, term, rating, insurance).

(ii) The assessed value of property in the Project Area (but without any obligation to report values for amendment areas separately) for the current fiscal year only in the form of Table 1 in the Official Statement.

(iii) The ten largest property taxpayers in the Project Area for the current fiscal year only in the form of Table 3 to the Official Statement.

(iv) The property tax levy and collections in the Project Area for the most recently-completed fiscal year only in the form of Table 5 in the Official Statement.

(v) The coverage ratio provided by Pledged Tax Revenues in the Project Area with respect to debt service on the Bonds and any Parity Debt for the current fiscal year only, in the form of Table 9 in the Official Statement without any requirement to update any projected Pledged Tax Revenues set forth in Table 9.

(c) 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.

(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 2018 Bonds. If such termination occurs prior to the final maturity of the 2018 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 Urban Futures, Incorporated. 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 2018 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 2018 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 2018 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 2018 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 POMONA

By: _____

Name:

Title: Executive Director

AGREED AND ACCEPTED:

URBAN FUTURES, INCORPORATED,
as Dissemination Agent

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 Pomona

Name of Issue: Successor Agency to the Redevelopment Agency of the City of Pomona
2018 Tax Allocation Refunding Bonds, Series BI (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 Zions Bank, a division of ZB, National Association, as trustee. The Successor Agency anticipates that the Annual Report will be filed by _____.

Dated: _____

DISSEMINATION AGENT:

URBAN FUTURES, INCORPORATED

By: _____
Its: _____