

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2015

NEW ISSUES – BOOK-ENTRY ONLY

STANDARD & POOR’S RATINGS:

Insured Series 2015 Bonds (Insured Rating): “___”
 Series 2015A Bonds (Uninsured/Underlying Rating): “___”
 Series 2015B Bonds (Uninsured/Underlying Rating): “___”

See “RATINGS” herein.

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2015A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Series 2015A Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel is also of the opinion that interest on the Series 2015 Bonds is exempt from State of California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2015 Bonds. See “TAX MATTERS” herein.



COUNTY OF LOS ANGELES REDEVELOPMENT REFUNDING AUTHORITY
 Tax Allocation Revenue Refunding Bonds

\$ _____*
Series 2015A (Tax-Exempt)
 Successor Agency to the Long Beach
 Redevelopment Agency
 Project Areas

\$ _____*
Series 2015B (Federally Taxable)
 Successor Agency to the Long Beach
 Redevelopment Agency
 Project Areas

Dated: Date of Delivery

Due: As Shown on the Inside Cover Pages

The County of Los Angeles Redevelopment Refunding Authority (the “Authority”) will issue its Tax Allocation Revenue Refunding Bonds, Series 2015A (Tax-Exempt) (the “Series 2015A Bonds”) and its Tax Allocation Revenue Refunding Bonds, Series 2015B (Federally Taxable) (the “Series 2015B Bonds”) and, together with the Series 2015A Bonds, the “Series 2015 Bonds” or, individually, a “Series”) pursuant to a Trust Agreement, dated as of _____ 1, 2015 (the “Trust Agreement”), by and between the Authority and U.S. Bank National Association, as trustee (the “Trustee”). Concurrently with the issuance of the Series 2015 Bonds, the Successor Agency to the Long Beach Redevelopment Agency (the “Agency Participant”), will issue two individual series of tax allocation refunding bonds (each a “Local Obligation” and, together, the “Local Obligations”) for its Project Areas (the “Project Areas”) pursuant to an Indenture of Trust, dated as of _____ 1, 2015 (the “Agency Indenture”), by and between the Agency Participant and U.S. Bank National Association (the “Agency Trustee”), the proceeds of which will be used to refund all or portion of certain bonds and indebtedness of the Agency Participant as more fully described herein. Proceeds of each Series of the Series 2015 Bonds will be used to purchase the related Local Obligations.

Each Series of the Series 2015 Bonds will be special, limited obligations of the Authority, payable from and secured by Revenues (as defined herein) of the Authority, consisting primarily of payments on the Local Obligations to be purchased by the Authority under the Trust Agreement and received by the Authority from the Agency Participant. Each series of Local Obligations will be payable from and secured by designated property tax revenues (formerly tax increment revenues) related to the Project Areas of the Agency Participant, which will include moneys deposited, from time to time, in the related Redevelopment Property Tax Trust Fund for the benefit of the Agency Participant as provided in the California Health and Safety Code as more fully described herein. Collectively, such designated property tax (subject to certain statutory and contractual deductions specified in the Agency Indenture) as pledged under the Agency Indenture is referred to herein as “Tax Revenues.” Each Series of Local Obligations is payable from Tax Revenues on a parity with each other. Debt service on the Local Obligations will be subordinate to the payment of debt service on the Senior Bonds (as described herein). Payments on the Local Obligations to be purchased by the Authority under the Trust Agreement are calculated to be sufficient to permit the Authority to pay the principal of, premium (if any) and interest on the related Series of Series 2015 Bonds when due. The Local Obligations will be registered in the name of the Trustee under the Trust Agreement and payments on the Local Obligations will be paid to the Trustee. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS.”

The Series 2015 Bonds will be issued in Authorized Denominations of \$5,000 and any integral multiple thereof. The Series 2015 Bonds will be delivered in fully-registered form only, and when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Series 2015 Bonds. Ownership interests in the Series 2015 Bonds may be purchased in book-entry form only. Principal of and interest and redemption premium (if any) on the Series 2015 Bonds will be paid by the Trustee to DTC or its nominee, which will in turn remit such payments to its Participants (defined herein) for subsequent disbursement to the Owners of the Series 2015 Bonds. See APPENDIX H – “BOOK-ENTRY ONLY SYSTEM” attached hereto.

The Series 2015 Bonds will be subject to redemption prior to maturity, as described herein. See “THE SERIES 2015 BONDS – Redemption” herein.

* Preliminary, subject to change.

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

The scheduled payment of principal of and interest on the Insured Series 2015 Bonds (as shown on the inside cover pages herein) when due will be guaranteed pursuant to an insurance policy to be issued concurrently with the delivery of the Series 2015 Bonds by [INSURER]. [The reserve accounts for both of the Local Obligations will be secured by a Debt Service Reserve Insurance Policy as described herein.]

THE SERIES 2015 BONDS WILL BE SPECIAL LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE FROM AND SECURED AS TO THE PAYMENT OF THE PRINCIPAL THEREOF AND THE REDEMPTION PREMIUM, IF ANY, AND THE INTEREST THEREON IN ACCORDANCE WITH THEIR TERMS AND THE TERMS OF THE TRUST AGREEMENT, SOLELY FROM THE TRUST ESTATE ESTABLISHED UNDER THE TRUST AGREEMENT. THE SERIES 2015 BONDS SHALL NOT CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY OR ANY OF ITS MEMBERS, AND UNDER NO CIRCUMSTANCES SHALL THE AUTHORITY BE OBLIGATED TO PAY PRINCIPAL OF OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON ANY SERIES OF SERIES 2015 BONDS EXCEPT FROM THE TRUST ESTATE. NEITHER THE STATE NOR ANY PUBLIC AGENCY (OTHER THAN THE AUTHORITY) NOR ANY MEMBER OF THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OF OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2015 BONDS, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY PUBLIC AGENCY THEREOF OR ANY MEMBER OF THE AUTHORITY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2015 BONDS. THE PAYMENT OF THE PRINCIPAL OF OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2015 BONDS DOES NOT CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE STATE OR ANY PUBLIC AGENCY (OTHER THAN THE AUTHORITY) OR ANY MEMBER OF THE AUTHORITY.

This cover page contains information for quick reference only. It is not a summary of this issue. Potential purchasers must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Series 2015 Bonds are offered when, as and if issued, subject to the approval as to their legality by Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Bond Counsel to the Authority. Certain legal matters will be passed upon for the Authority by County Counsel as Counsel to the Authority. Certain legal matters will be passed upon for the Agency Participant by general counsel of the Agency Participant. Certain legal matters will be passed upon for the Underwriters by their counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California. It is anticipated that the Series 2015 Bonds will be available for delivery through the facilities of DTC in New York, New York on or about _____, 2015.

[Stifel Logo]

[Citigroup Logo]

Dated: _____, 2015

MATURITY SCHEDULE

COUNTY OF LOS ANGELES REDEVELOPMENT REFUNDING AUTHORITY

\$ _____*

Tax Allocation Revenue Refunding Bonds

Series 2015A (Tax-Exempt)

Successor Agency to the Long Beach Redevelopment Agency

Project Areas

(Base CUSIP[†]: _____)

<i>Due (August 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>CUSIP[†]</i>	<i>Due (August 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>CUSIP[†]</i>
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* Preliminary, subject to change.

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[^] Insured Series 2015 Bonds.

\$ _____*

Tax Allocation Revenue Refunding Bonds
Series 2015B (Federally Taxable)
Successor Agency to the Long Beach Redevelopment Agency
Project Areas

(Base CUSIP[†]: _____)

<i>Due</i> <i>(August 1)</i>	<i>Principal</i> <i>Amount</i>	<i>Interest</i> <i>Rate</i>	<i>Yield</i>	<i>CUSIP</i> [†]	<i>Due</i> <i>(August 1)</i>	<i>Principal</i> <i>Amount</i>	<i>Interest</i> <i>Rate</i>	<i>Yield</i>	<i>CUSIP</i> [†]
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* Preliminary, subject to change.

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[^] Insured Series 2015 Bonds.



COUNTY OF LOS ANGELES

County of Los Angeles Redevelopment Refunding Authority
Tax Allocation Revenue Refunding Bonds, Series 2015A and 2015B

Board of Directors / County Board of Supervisors

Michael D. Antonovich
Fifth District, Mayor

Hilda L. Solis
First District

Mark Ridley-Thomas
Second District

Sheila Kuehl
Third District

Don Knabe
Fourth District

Patrick Ogawa
*Acting Executive Officer-Clerk
Board of Supervisors*

County Officials

Sachi A. Hamai
Interim Chief Executive Officer

Mark J. Saladino
County Counsel

Joseph Kelly
Treasurer and Tax Collector

John Naimo
Auditor-Controller

Keyser Marston Associates Inc.
Fiscal Consultant

KNN Public Finance, a division of Zions First National Bank
Financial Advisor

U.S. Bank National Association
Trustee

Grant Thornton LLP
Escrow Verification Agent

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the County of Los Angeles, California (the "County"), the County of Los Angeles Redevelopment Refunding Authority (the "Authority") or the Successor Agency to the Long Beach Redevelopment Agency (the "Agency Participant"). This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2015 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale. This Official Statement is not to be construed as a contract with the purchasers of the Series 2015 Bonds. Statements contained in this Official Statement which involve estimates, projections, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts.

The information set forth in this Official Statement has been obtained from the Authority, the County, the Agency Participant, and other sources that are believed by the Authority, the County and the Agency Participant to be reliable. The information and expressions of opinion herein are subject to change without notice and neither delivery of this Official Statement nor any sale of the Series 2015 Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Agency Participant, the County or the Authority since the date hereof. All summaries of the documents and laws are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions. Preparation of this Official Statement and its distribution have been duly authorized and approved by the Authority and the Agency Participant. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2015 BONDS, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2015 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2015 BONDS TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGES HEREOF AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used, such as "plan," "expect," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events or circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and actual results; those differences could be material. Neither the Authority nor the Agency Participant plans to issue any updates or revisions to those forward-looking statements if or when their expectations, or events, conditions or circumstances on which such statements are based, occur. All statements other than statements of historical facts included in this Official Statement, including Appendix A, including without limitation the statements included in such Appendix under the captions "THE PROJECT AREAS" and "SECURITY FOR THE REFUNDING BONDS" regarding the financial position, capital resources and status of the project area are forward-looking statements. Although the Agency Participant believes that the expectations reflected in its forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. Important factors which could cause actual results to differ materially from expectations of the Agency Participant (collectively, the "Cautionary Statements") are disclosed under the captions "LIMITATIONS ON TAX REVENUES" and "RISK FACTORS" and in Appendix A under the caption "SPECIAL RISK FACTORS." All forward-looking statements attributable to the Agency Participant are expressly qualified in their entirety by the Cautionary Statements.

[Insurer] (“_____”) makes no representation regarding the Insured Series 2015 Bonds (as shown on the inside cover pages herein) or the advisability of investing in the Insured Series 2015 Bonds. In addition, _____ has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding _____ supplied by _____ and presented under the heading “BOND INSURANCE” and in APPENDIX I – “SPECIMEN MUNICIPAL BOND INSURANCE POLICY.”

The County, the City of Long Beach and the Agency Participant described in this Official Statement each maintain their own website. However, the information presented on such websites is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Series 2015 Bonds.

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OFFICIAL STATEMENT

**COUNTY OF LOS ANGELES REDEVELOPMENT REFUNDING AUTHORITY
Tax Allocation Revenue Refunding Bonds**

\$ _____*
Series 2015A (Tax-Exempt)
*Successor Agency to the Long Beach
Redevelopment Agency
Project Areas*

\$ _____*
Series 2015B (Federally Taxable)
*Successor Agency to the Long Beach
Redevelopment Agency
Project Areas*

INTRODUCTION

This introduction contains only a brief summary of certain terms of the Series 2015 Bonds being offered, and a brief description of this Official Statement. All statements contained in this introduction are qualified in their entirety by reference to the entire Official Statement. References to, and summaries of, provisions of the Constitution and laws of the State of California (the “State”) and any documents referred to herein do not purport to be complete and such references are qualified in their entirety by reference to the complete provisions. All capitalized terms used in the forepart of this Official Statement and not otherwise defined herein have the respective meanings assigned to them in the Trust Agreement. See APPENDIX D – “SUMMARY OF TRUST AGREEMENT” attached hereto. For information regarding the Agency Participant and the terms of the Agency Indenture for the Local Obligations (each as defined below), see APPENDIX A.

General

This Official Statement, including the cover page, the inside cover pages and the appendices attached hereto (the “Official Statement”), provides certain information concerning the sale and issuance by the County of Los Angeles Redevelopment Refunding Authority (the “Authority”) of its Tax Allocation Revenue Refunding Bonds, Series 2015A (Tax-Exempt) (the “Series 2015A Bonds”) and its Tax Allocation Revenue Refunding Bonds, Series 2015B (Federally Taxable) (the “Series 2015B Bonds”) and, together with the Series 2015A Bonds, the “Series 2015 Bonds” or, individually, a “Series”). Each Series of the Series 2015 Bonds will be issued pursuant to a Trust Agreement dated as of _____ 1, 2015 (the “Trust Agreement”), by and between the Authority and U.S. Bank National Association, as trustee (the “Trustee”) and the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 (commencing with Section 6584) of Chapter 5, Division 7, Title 1 of the California Government Code, as amended from time to time.

For over 50 years, State law provided for the creation of redevelopment agencies and redevelopment commissions in accordance with the Community Redevelopment Law (Part 1 of Division 24 of the California Health and Safety Code and referred to herein as the “Law”). Once created, each was authorized to transact business and exercise its powers, all under and pursuant to the Law, including the power to issue bonds and incur indebtedness for any of its corporate purposes. As part of an effort to address structural deficits in the State’s general fund budgets for its fiscal years 2011-12 and 2012-13, the State Legislature and Governor serially enacted Assembly Bill X1 26 (“AB 26”) and Assembly Bill 1484 (“AB 1484”) as trailer bills necessary to implement provisions of the State’s budget acts for such years.

* Preliminary, subject to change.

In general, this legislation dissolved redevelopment agencies (“Former RDAs”) and provided for the assumption of defined enforceable obligations by successor agencies and other designated authorities to such Former RDAs (the “Successor Agencies”) under limited powers and authority. AB 1484 was enacted on June 27, 2012 as part of the Fiscal Year 2012-13 State of California budget bill. AB 1484 modified and supplemented provisions of AB 26, including provisions related to the refunding of outstanding former redevelopment agency bonds and other indebtedness, and the expenditure of remaining bond proceeds derived from redevelopment agency bonds issued on or before December 31, 2010. With respect to outstanding bonds and indebtedness, AB 1484 authorizes successor agencies to refund outstanding bonds or other indebtedness provided that (i) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness 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 (ii) the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the bonds or other indebtedness as described herein, to establish customary debt service reserves, and to pay related costs of issuance. See “THE REFUNDING PLAN” in Appendix A for information with respect to the refunding plan.

The County Refunding Program

The County of Los Angeles (the “County”) has developed a program (the “County Refunding Program”) and caused the formation of the Authority to assist Successor Agencies within the County to refund tax increment obligations pursuant to AB 1484 in order to provide debt service savings and to increase property tax revenues available for distribution to affected taxing entities. Concurrently with the issuance of the Series 2015 Bonds, the Successor Agency to the Long Beach Redevelopment Agency (the “Agency Participant”) will issue two individual series of tax allocation refunding bonds (each a “Local Obligation” and, together, the “Local Obligations”) pursuant to an Indenture of Trust dated as of _____ 1, 2015 (the “Agency Indenture”), by and between the Agency Participant and U.S Bank National Association (the “Agency Trustee”), the proceeds of which will be used to refund certain bonds relating to the Agency Participant’s Project Areas (the “Project Areas”), as more fully described herein. Proceeds of each Series of the Series 2015 Bonds will be used to purchase the Local Obligations.

Concurrently with the issuance of the Series 2015 Bonds, and from time to time, the Authority may issue other tax allocation revenue refunding bonds, each under a separate trust agreement and offering document, for the purpose of assisting Successor Agencies within the County, which may include the Agency Participant, to refund tax increment obligations pursuant to AB 1484 by purchasing tax allocation refunding bonds issued by such Successor Agencies. There is no cross-collateralization among any of such tax allocation revenue refunding bonds issued by the Authority.

For detailed information regarding the Agency Participant and the terms of the Agency Indenture for the Local Obligations, see “SECURITY FOR THE REFUNDING BONDS” in Appendix A.

Each Series of the Series 2015 Bonds will be special, limited obligations of the Authority, payable from and secured by Revenues (as defined herein) of the Authority, consisting primarily of payments on the Local Obligations to be purchased by the Authority under the Trust Agreement and received by the Authority from the Agency Participant. The Local Obligations consist of the: (i) Successor Agency to the Redevelopment Agency of the City of Long Beach Tax Allocation Refunding Bonds, Series 2015A (the “Series A Bonds”), and (ii) Successor Agency to the Redevelopment Agency of the City of Long Beach Tax Allocation Refunding Bonds, Series 2015B (Federally Taxable) (the “Series B Bonds”). The Series 2015A Bonds will be secured solely by the payments made on the Series A Bonds and the Series 2015B Bonds will be secured solely by the payments made on the Series B Bonds.

The Series A Bonds are being issued to refund certain of the Former RDA's outstanding obligations consisting of: (i) a portion of the 2005 Tax Allocation Bonds (Central Long Beach Redevelopment Project), (ii) a portion of the 2002 Subordinate Tax Allocation Bonds (Downtown Redevelopment Project), (iii) all of the 2005 Tax Allocation Bonds (Los Altos Redevelopment Project), (iv) a portion of the 2002 Tax Allocation Bonds (North Long Beach Redevelopment Project), (v) a portion of the 2005 Tax Allocation Bonds (North Long Beach Redevelopment Project), (vi) all of the 2005 Subordinate Tax Allocation Bonds (Poly High Redevelopment Project), (vii) all of the 2002 Tax Allocation Bonds (West Beach Redevelopment Project), (viii) all of the 2005 Subordinate Tax Allocation Bonds (West Beach Redevelopment Project) and (ix) a portion of the West Long Beach Industrial Redevelopment Project Tax Allocation Refunding Bonds 2002 Series A (collectively, the "Series A Refunded Bonds"). The Series A Refunded Bonds are currently outstanding in the aggregate principal amount of \$94,024,649.40.

The Series B Bonds are being issued to refund certain of the Former RDA's outstanding obligations consisting of: (i) all of the 2005 Tax Allocation Bonds (Housing Projects), (ii) the remaining portion of the 2005 Tax Allocation Bonds (Central Long Beach Redevelopment Project) and (iii) the remaining portion of the 2005 Tax Allocation Bonds (North Long Beach Redevelopment Project) (collectively, the "Series B Refunded Bonds," and with the Series A Refunded Bonds, the "Refunded Bonds"). The Series B Refunded Bonds are currently outstanding in the aggregate principal amount of \$90,215,000.00.

Each series of Local Obligations will be payable from and secured by designated property tax revenues (formerly tax increment revenues) related to the Project Areas as specified in the Agency Indenture, which will include moneys deposited, from time to time, in the related Redevelopment Property Tax Trust Fund ("RPTTF") attributable to the Agency Participant and the Project Areas, as provided in California Health and Safety Code section 34183, as more fully described herein. The Agency Indenture specifies the property tax revenues pledged. Collectively, such designated property tax (subject to certain statutory and contractual deductions specified in the Agency Indenture) as pledged under the Agency Indenture is referred to herein as "Tax Revenues."

Under the Agency Indenture, Tax Revenues is defined to mean: "all taxes annually allocated within the Plan Limit and paid to the Agency Participant pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Law, Section 16 of Article XVI of the Constitution of the State and other applicable state laws and as provided in the Redevelopment Plan available and deposited in the RPTTF, subject to the prior application and lien in favor of the Senior Bonds, payable with respect to Pass-Through Agreements or in accordance with Section 33607.5 or Section 33607.7 or Section 33676 of the Law.

If, and to the extent, that the provisions of Section 34172 or paragraph (2) of subdivision (a) of Section 34183 are invalidated by a final judicial decision, then Tax Revenues shall include all tax revenues allocated to the payment of indebtedness pursuant to California Health and Safety Code Section 33670 or such other section as may be in effect at the time providing for the allocation of tax increment revenues in accordance with Article XVI, Section 16 of the California Constitution. Other bonds of the Agency Participant currently have, and future bonds and obligations will have, a parity claim on moneys deposited into the RPTTF so long as the requirements of the Dissolution Act have been satisfied.

Each Series of Local Obligations is payable from Tax Revenues on a parity with each other. Debt service on the Local Obligations will be subordinate to the payment of debt service on the Former RDA's: (i) Downtown Redevelopment Project Tax Allocation Refunding Bonds, Series 1992A; (ii) West Long Beach Industrial Redevelopment Project Tax Allocation Refunding Bonds, Series 1992; (iii) Downtown

Redevelopment Project Tax Allocation Refunding Bonds 2002 Series B; (iv) the remaining portion of the 2002 Subordinate Tax Allocation Bonds, (Downtown Redevelopment Project), (v) the remaining portion of the 2002 Tax Allocation Bonds, (North Long Beach Redevelopment Project), (vi) Taxable Recovery Zone Economic Development Bonds, 2010 Series A (North Long Beach Redevelopment Project; (vii) Taxable Build America Bonds, 2010 Series B (North Long Beach Redevelopment Project, and (viii) the unrefunded portion of the West Long Beach Industrial Redevelopment Project Tax Allocation Refunding Bonds 2002 Series A (collectively, the “Senior Bonds”). The Senior Bonds are currently outstanding in the aggregate principal amount of \$101,870,000.00. Payments on the Local Obligations to be purchased by the Authority under the Trust Agreement are calculated to be sufficient to permit the Authority to pay the principal of, premium (if any) and interest on the related Series of Series 2015 Bonds when due. The Local Obligations will be registered in the name of the Trustee and Local Obligation payments will be paid to the Trustee under the Trust Agreement. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS” herein.

This Official Statement describes two Series of Series 2015 Bonds, each secured by and issued under the Trust Agreement and secured by and payable from discrete Revenues and a discrete Trust Estate (each as defined herein). The general terms of the Trust Agreement are discussed summarily herein except for certain Series specific terms for security, payment, redemption and taxable status, which are detailed specifically, and this Official Statement must be considered in that context by potential purchasers in making an investment decision. Such terms, and terms with respect to the Trustee, and terms for default and remedies should be considered on a Series specific basis and statements herein considered in such contexts, both general and Series specific. Series specific references, including those where the context reasonably suggests Series specific interpretation or application, are specific to such Series. There is no cross-collateralization among the Series of Series 2015 Bonds or the Local Obligations.

The County Intercept

In order to assist the Agency Participant, the County Auditor-Controller and the County Treasurer and Tax Collector have accepted the irrevocable direction of the Agency Participant to transfer on or about each January 2 and June 1 to an account of the Agency Participant, held by the Agency Trustee under the Agency Indenture, all amounts set forth in any duly approved ROPS with respect to principal and interest payments due on the Local Obligations and any senior obligations, including the Senior Bonds, and any deficiency in the reserve account for the Local Obligations. Such transfers to the Agency Trustee shall be made after the payment of unsubordinated pass-through obligations to local taxing entities, if any, as provided in Section 34183(a) of the California Health and Safety Code. The Authority has covenanted to take such actions as may be reasonable and necessary to compel the County Auditor-Controller and the County Treasurer and Tax Collector to comply with the irrevocable direction of the Agency Participant to make such transfers. However, no assurance can be given that a court would order the County Auditor-Controller and the County Treasurer and Tax Collector to continue to make such transfers if either or both refused to do so. The Agency Participant remains obligated under the Agency Indenture to take all actions required under the Dissolution Act to include on its ROPS for each six-month period (or twelve-month period if then applicable under the Dissolution Law (see “RISK FACTORS – State Budget” for a discussion of the Governor’s proposal to transition successor agencies to an annual ROPS process instead of a biannual process)) all payments expected to be made to the Agency Trustee in order to satisfy the requirements of the Agency Indenture, including any amounts required to pay principal and interest payments due on the Local Obligations, any deficiency in the reserve account for the Local Obligations to the debt service reserve requirement, and any Compliance Costs (as defined in this Official Statement).

Terms of the Series 2015 Bonds

The Series 2015 Bonds will be issued in Authorized Denominations of \$5,000 and any integral multiple thereof. The Series 2015 Bonds will be dated the date of original delivery thereof and will bear interest payable semiannually on February 1 and August 1, commencing on August 1, 2015. Principal on the Series 2015 Bonds will be due on August 1, as shown on the inside cover.

The Series 2015 Bonds will be issued in fully-registered form only, and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Series 2015 Bonds. Ownership interests in the Series 2015 Bonds may be purchased in book-entry form only. Principal of and interest on the Series 2015 Bonds will be paid by the Trustee to DTC or its nominee, which will in turn remit such payments to its Participants (defined herein) for subsequent disbursement to the Owners of the Series 2015 Bonds. See APPENDIX H – “BOOK-ENTRY ONLY SYSTEM” attached hereto.

The Series 2015 Bonds will be subject to redemption prior to maturity, as described herein. See “THE SERIES 2015 BONDS – Redemption” herein.

Security and Sources of Payment for the Series 2015 Bonds

The Series 2015 Bonds will be special limited obligations of the Authority, payable from and secured as to the payment of the principal, redemption premium (if any) and interest thereon in accordance with their terms and the terms of the Trust Agreement, solely from (i) the Revenues (as defined below); (ii) the amounts in the funds and accounts established under and as specified in the Trust Agreement (except amounts in the Rebate Fund and the Expense Account held in connection with the Series 2015A Bonds), and (iii) the Local Obligations purchased from proceeds of the related Series of Series 2015 Bonds (collectively, the “Trust Estate”). Under the Trust Agreement, “Revenues” is defined to mean all amounts received by the Trustee as the payment of interest or redemption premium on, or the equivalent thereof, and the payment or return of principal of, or the equivalent thereof, all Local Obligations purchased from proceeds of such Series of Series 2015 Bonds, whether as a result of scheduled payments or redemptions or remedial proceedings taken in the event of a default thereon, and all investment earnings on any moneys held in the funds or accounts established under the Trust Agreement, except the Rebate Fund and the Expense Account held in connection with the Series 2015A Bonds.

The Series 2015 Bonds shall not constitute a charge against the general credit of the Authority or any of its members, and under no circumstances shall the Authority be obligated to pay principal of, premium (if any) and interest on any Series of Series 2015 Bonds except from the Trust Estate. Neither the State nor any public agency (other than the Authority) nor any member of the Authority is obligated to pay the principal of, premium (if any) and interest on the Series 2015 Bonds, and neither the faith and credit nor the taxing power of the State or any public agency thereof or any member of the Authority is pledged to the payment of the principal of, premium (if any) and interest on the Series 2015 Bonds. The payment of the principal of, premium (if any) and interest on the Series 2015 Bonds does not constitute a debt, liability or obligation of the State or any public agency (other than the Authority) or any member of the Authority. See APPENDIX D – “SUMMARY OF TRUST AGREEMENT” attached hereto.

Each series of Local Obligations will be special limited obligations of the Agency Participant and is payable, as to principal, redemption premium (if any) and interest thereon, exclusively from the Tax Revenues under, and to the extent described in, the Agency Indenture, and the Agency Participant is not obligated to pay such principal of, premium (if any) and interest on the Local Obligations except from such Tax Revenues. See Appendix A for a description of the lien of Tax Revenues for the Project Areas,

including a description of any superior claims and liens on such Tax Revenues. Each series of Local Obligations will be payable as set forth in the Agency Indenture, is not a debt of the City of Long Beach, the County, the State or any other political subdivision of the State, and neither said city, the State, the County nor any of the State's other political subdivisions is liable therefor, nor in any event shall a series of Local Obligations be payable out of any funds or properties other than those of the Agency Participant pledged therefor as provided in the Agency Indenture.

The Series 2015A Bonds will be secured solely by the payments made on the Series A Bonds and the Series 2015B Bonds will be secured solely by the payments made on the Series B Bonds. All of the obligations of the Agency Participant and the Project Areas with respect to the Local Obligations are not general obligations of the Agency Participant or Former RDA, but are limited obligations of the Agency Participant and the Project Areas, payable solely from the Tax Revenues under, and to the extent described in, the Agency Indenture and the funds pledged therefor under the Agency Indenture, as applicable.

For information regarding the Agency Participant and the Agency Indenture, see Appendix A under the caption "SECURITY FOR THE REFUNDING BONDS."

Reserve Account under Agency Indenture

Upon issuance of each series of Local Obligations, the amount on deposit in the reserve account established under the Agency Indenture will be equal to the debt service reserve requirement for such series of Local Obligations. For information regarding the reserve account relating to the Agency Indenture and the Project Areas, see Appendix A under the heading "Reserve Account" under the caption "SECURITY FOR THE REFUNDING BONDS."

Municipal Bond Insurance and Debt Service Reserve Policy

The scheduled payment of principal of and interest on the insured Series 2015 Bonds (as shown on the inside cover pages herein, the "Insured Series 2015 Bonds") when due will be guaranteed pursuant to an insurance policy to be issued concurrently with the delivery of the Series 2015 Bonds by [INSURER] ("_____"). [_____ will also issue a debt service reserve fund policy for the Local Obligations as described herein.] See "BOND INSURANCE" herein, Appendix A under the heading "Reserve Account" under the caption "SECURITY FOR THE REFUNDING BONDS" and APPENDIX I – "SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

Additional Bonds

The Trust Agreement does not authorize the issuance of additional bonds or parity debt. There is limited authority under the Agency Indenture for the Agency Participant to issue additional bonds. The Dissolution Act in its current form does not permit a successor agency issuing bonds or incurring other indebtedness for purposes other than refunding existing enforceable obligations or outstanding bonds of the agency resulting in savings. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS" herein and Appendix A under the heading "Parity Debt Limited to Refunding Bonds" under the caption "SECURITY FOR THE REFUNDING BONDS."

The County

The County is located in the southern coastal portion of the State and covers 4,084 square miles. The County was established under an act of the State Legislature on February 18, 1850. It is the most populous county in the nation and is more populous than 43 states. The economy of the County is

diversified and includes manufacturing, technology, world trade, financial services, motion picture and television production, and tourism.

The Authority

The Authority was formed pursuant to a Joint Exercise of Powers Agreement, dated August 6, 2013 (the “JPA Agreement”), by and between the County and the Los Angeles County Public Works Financing Authority, a joint exercise of powers authority formed pursuant to a Joint Exercise of Powers Agreement, dated May 18, 1993, as amended by a Certificate of Amendment dated April 26, 1994 and a Certificate of Amendment dated October 22, 1996, to purchase certain local tax allocation obligations issued by successor agencies to former community redevelopment agencies within the County as described in Section 34173 of the California Health and Safety Code, as amended, and other purposes, including refunding any of its then-outstanding bonds.

Continuing Disclosure

The Agency Participant will covenant and agree for the benefit of Owners and any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Series 2015 Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) (the “Beneficial Owners”) to provide certain financial information and operating data relating to the Agency Participant by not later than 180 days after the end of the Agency Participant’s fiscal year (presently September 30) in each year commencing with its report for the 2014-15 Fiscal Year. The Authority will covenant and agree to provide notices of the occurrence of certain enumerated events. See “CONTINUING DISCLOSURE” and APPENDIX G – “FORM OF CONTINUING DISCLOSURE AGREEMENT.” For information regarding the Agency Participant and the Continuing Disclosure Agreement, see Appendix A under the heading “Continuing Disclosure” under the initial captions describing the Agency Participant.

The Authority as Dissemination Agent

The Authority has agreed to assist the Agency Participant in the preparation of annual updates of the information contained in the tables included in this Official Statement with respect to property tax revenues, collections, principal taxpayers, and, if applicable, plan limit calculations. The Agency Participant will agree to be responsible for preparing the audited financial statements required under the Continuing Disclosure Agreement. The Authority will act as Dissemination Agent (the “Dissemination Agent”) and will file the annual reports, including audited financial statements, and notices with the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market Access system (“EMMA”), including notices of enumerated events. In carrying out the duties of Dissemination Agent, the Authority will adhere to the continuing disclosure procedures approved by the County Treasurer and Tax Collector.

REFUNDING OF AGENCY OBLIGATIONS

Proceeds of each Series of the Series 2015 Bonds will be used by the Authority to purchase the Local Obligations. The Local Obligations are being issued to (i) refund the Refunded Bonds, (ii) fund a deposit to, or purchase a surety for deposit to, a reserve account under the Agency Indenture for the benefit of the related Series of Series 2015 Bonds, and (iii) pay costs of issuance of the Local Obligations and the related Series of Series 2015 Bonds. The Refunded Bonds were originally issued to finance or refinance improvements for the benefit of the Project Areas. For information regarding the Agency Participant and the refunding plan, see Appendix A under the caption “THE REFUNDING PLAN.”

The following tables detail the principal amount of each Local Obligation, final maturity of each Local Obligation, and the principal amount of Refunded Bonds to be refunded.

<i>Series 2015A Bonds</i>			
<i>Local Obligation</i>	<i>Local Obligation Amount</i>	<i>Refunded Bond Amount⁽¹⁾</i>	<i>Final Maturity</i>
Series A Bonds	\$ _____ *	\$ _____	_____

<i>Series 2015B Bonds</i>			
<i>Local Obligation</i>	<i>Local Obligation Amount</i>	<i>Refunded Bond Amount⁽¹⁾</i>	<i>Final Maturity</i>
Series B Bonds	\$ _____ *	\$ _____	_____

* Preliminary, subject to change.
 (1) Amount at the prepayment date.

On the date of issuance of the Series 2015 Bonds and the Local Obligations, a portion of the proceeds will be transferred, pursuant to irrevocable escrow instructions (each an “Escrow Instruction”), to a prior trustee (each, a “Prior Trustee”) for each respective series of Refunded Bonds for deposit into Redemption Funds previously established for each of the Refunded Bonds. The amount deposited pursuant to each Escrow Instruction, together with other available moneys, will be held uninvested, or invested in certain Federal Securities, and irrevocably pledged for the payment of the related Refunded Bonds on the first date for which redemption can be duly noticed. See Appendix A with respect to the refunding plan under the caption “THE REFUNDING PLAN.”

The amounts held by the Prior Trustee for the respective Refunded Bonds in the Redemption Funds are pledged solely to the payment of amounts due and payable by the Agency Participant under the respective Refunded Bonds. The funds irrevocably deposited in the Redemption Funds for the Refunded Bonds will not be available for the payment of debt service on the Local Obligations or the Series 2015 Bonds.

See “ESTIMATED SOURCES AND USES OF PROCEEDS OF THE SERIES 2015 BONDS” below. See also “VERIFICATION OF MATHEMATICAL ACCURACY” below.

ESTIMATED SOURCES AND USES OF PROCEEDS OF THE SERIES 2015 BONDS

The proceeds of the Series 2015 Bonds are expected to be applied approximately as set forth below. Costs of issuance, which includes legal fees, printing costs, rating agency fees, underwriters' discount, and other miscellaneous expenses will be paid from proceeds of the Local Obligations.

	<i>Series 2015A Bonds</i>	<i>Series 2015B Bonds</i>	<i>Total</i>
Sources of Funds:			
Principal Amount of Series 2015 Bonds			
Original Issue [Premium/Discount]			
Less Underwriters' Discount			
Amounts released from prior obligations ⁽¹⁾			
TOTAL SOURCES	_____	_____	_____

Uses of Funds:			
Purchase of Local Obligations ⁽²⁾			
TOTAL USES	_____	_____	_____

⁽¹⁾ Includes amounts released from indentures securing certain Refunded Bonds including unspent bond proceeds and existing balances in the debt service funds in excess of required reserves.

⁽²⁾ For more information, see the sources and uses of funds for each of the Local Obligations in the following two tables.

The proceeds of the Series 2015A Bonds are expected to be applied approximately as set forth below. Underwriters' discount and costs of issuance, which includes legal fees, printing costs, rating agency fees, underwriters' discount, and other miscellaneous expenses will be paid from proceeds of the Local Obligations.

	<i>Series A Bonds</i>
Sources of Funds:	
Principal Amount of Series 2015A Bonds	
Original Issue [Premium/Discount]	
Less Original Underwriters' Discount	
Amounts released from prior obligations ⁽¹⁾	
TOTAL SOURCES	_____
Uses of Funds:	
Deposit to Redemption Fund	
Share of Costs of Issuance ⁽²⁾	
TOTAL USES	_____

⁽¹⁾ Includes amounts released from indentures securing the Series A Refunded Bonds including unspent bond proceeds and existing balances in the debt service funds in excess of required reserves.

⁽²⁾ Includes cost of bond insurance and share of debt service reserve fund policy, trustee and prior trustee fees, rating agency fees, bond counsel fees, financial advisor fees, printing costs and other miscellaneous expenses.

The proceeds of the Series 2015B Bonds are expected to be applied approximately as set forth below. Underwriters' discount and costs of issuance, which includes legal fees, printing costs, rating agency fees, underwriters' discount, and other miscellaneous expenses will be paid from proceeds of the Local Obligations.

***Series B
Bonds***

Sources of Funds:

Principal Amount of Series 2015B Bonds	
Less Original Underwriters' Discount	
Amounts released from prior obligations ⁽¹⁾	
TOTAL SOURCES	

Uses of Funds:

Deposit to Redemption Funds	
Share of Costs of Issuance ⁽²⁾	
TOTAL USES	

⁽¹⁾ Includes amounts released from the indentures securing the Series B Refunded Bonds including existing balances in the debt service funds in excess of required reserves.

⁽²⁾ Includes share of debt service reserve fund policy, trustee and prior trustee fees, rating agency fees, bond counsel fees, financial advisor fees, printing costs and other miscellaneous expenses.

DEBT SERVICE SCHEDULES

The following table sets forth the debt service schedules and aggregate debt service for the Series 2015A Bonds and the Series 2015B Bonds, assuming no prepayments or redemptions. Each series of Local Obligations has its own payment schedule which, in the aggregate, has been sized to equal debt service on the related Series of Series 2015 Bonds.

<i>Bond Year Ending (August 1)</i>	<i>Series 2015A Bonds</i>			<i>Series 2015B Bonds</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>

Totals

Source: The Underwriters.

DEBT SERVICE COVERAGE FROM LOCAL OBLIGATIONS

The following tables set forth the debt service schedules and aggregate debt service for the Series 2015A Bonds and the Series 2015B Bonds, assuming no prepayments or redemptions other than sinking fund redemption.

Debt Service Coverage Table - Series 2015A Bonds *

<i>Year Ending (August 1)</i>	<i>Series A Debt Service</i>	<i>Total Series 2015A Bonds Debt Service</i>	<i>Debt Service Coverage</i>
			100%
			100
			100
			100
			100
			100
			100
			100
			100
			100
			100
			100
			100
			100

* Preliminary, subject to change.
Source: The Underwriters.

Debt Service Coverage Table - Series 2015B Bonds *

<i>Year Ending (August 1)</i>	<i>Series B Debt Service</i>	<i>Total Series 2015B Bonds Debt Service</i>	<i>Debt Service Coverage</i>
			100%
			100
			100

* Preliminary, subject to change.
Source: The Underwriters.

As can be seen in the tables above, each series of Local Obligations has its own payment schedule which, in the aggregate, equals debt service on the related Series of Series 2015 Bonds. Keyser Marston Associates Inc., Los Angeles, California (the “Fiscal Consultant”) has been retained to estimate the incremental taxable value for the Project Areas as set forth in the Fiscal Consultant’s Report appearing in Appendix B. See Appendix A under the caption “THE PROJECT AREAS – Estimated Debt Service Coverage” for projections of tax increment revenues and debt service coverage on the Local Obligations.

To estimate the revenues available to pay debt service on the Local Obligations, the Fiscal Consultant has made certain assumptions with regard to the assessed valuations in the Project Areas, future tax rates and percentage of taxes collected. The Agency Participant believes these assumptions to be reasonable, but to the extent that the assessed valuation, the tax rates or the percentage of taxes collected are less than such assumptions, the Tax Revenues available to pay debt service on its Local Obligations will likely be less than those projected. No assurance can be given that the aggregate coverage projections with respect to such Local Obligations as shown in Appendix A will be met.

THE SERIES 2015 BONDS

The following is a summary of certain provisions of the Series 2015 Bonds. Reference is made to the Series 2015 Bonds for the complete text thereof and to the Trust Agreement for a more detailed description of such provisions. The discussion herein is qualified by such reference. See APPENDIX D – “SUMMARY OF TRUST AGREEMENT” attached hereto.

Authority for Issuance

Each Series of the Series 2015 Bonds will be special, limited obligations of the Authority payable from and secured by Revenues which will consist primarily of payments made on the Local Obligations to be purchased by the Authority under the Trust Agreement. The Local Obligations will be purchased by the Authority pursuant to the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 (commencing with Section 6584) of Chapter 5, Division 7, Title 1 of the California Government Code, as amended from time to time (the “Marks-Roos Law”). The Series 2015 Bonds are being issued pursuant to the provisions of the Marks-Roos Law, a Resolution adopted by the Authority and the Trust Agreement. The Local Obligations will be registered in the name of the Trustee and will be pledged under the Trust Agreement to secure payment of the Series 2015 Bonds.

General

The Series 2015 Bonds will be issued in Authorized Denominations of \$5,000 and any integral multiple thereof. The Series 2015 Bonds will be dated the date of original delivery thereof and will bear interest payable semiannually on February 1 and August 1, commencing on August 1, 2015. Principal on the Series 2015 Bonds will be due on August 1, as shown on the inside cover.

The Series 2015 Bonds will be delivered in fully-registered form only, and when delivered, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the Series 2015 Bonds. Ownership interests in the Series 2015 Bonds may be purchased in book-entry form only. Principal of and interest and premium (if any) on the Series 2015 Bonds will be paid by the Trustee to DTC or its nominee, which will in turn remit such payments to its Direct Participants (defined herein) for subsequent disbursement to the Owners of the Series 2015 Bonds. See APPENDIX H – “BOOK-ENTRY ONLY SYSTEM” attached hereto.

The principal of, premium (if any) and interest on the Series 2015 Bonds will be payable by check in lawful money of the United States of America. The Series 2015 Bonds will be issued as fully registered bonds in Authorized Denominations and will be numbered as the Authority will determine. The Series 2015 Bonds will bear interest from their date of initial delivery. Payment of the interest on any Series 2015 Bond will be made to the Person whose name appears on the Bond Register as the Owner thereof as of the Record Date, such interest to be paid by check mailed by first class mail on the Interest Payment Date to the Owner at the address which appears on the Bond Register as of the Record Date for that purpose; except that in the case of an Owner of one million dollars (\$1,000,000) or more in aggregate principal amount of Bonds, upon written request of such Owner to the Trustee under the Trust Agreement, in form satisfactory to the Trustee, received not later than the Record Date, such interest will be paid on the Interest Payment Date in immediately available funds by wire transfer. The principal and redemption premium (if any) on the Series 2015 Bonds will be payable at the Principal Corporate Trust Office of the Trustee upon presentation and surrender of such Series 2015 Bonds. Notwithstanding the foregoing, so long as DTC or its nominee is the registered owner of the Series 2015 Bonds, interest payments will be made as described in APPENDIX H – “BOOK-ENTRY ONLY SYSTEM” attached hereto.

Redemption

Mandatory Redemption from Optional Local Obligation Prepayments for Series 2015A Bonds.

The Series 2015A Bonds maturing on and after August 1, ____ will be subject to mandatory redemption on or after August 1, ____, in whole or in part on any date, from and to the extent of any Prepayments with respect to the Series A Bonds, at a redemption price equal to the principal amount of the Series 2015A Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption. For a summary of terms of redemption of the Local Obligations, see Appendix A under “THE REFUNDING BONDS – Redemption of the Refunding Bonds.”

Mandatory Redemption from Optional Local Obligation Prepayments for Series 2015B Bonds.

The Series 2015B Bonds maturing on and after August 1, ____ will be subject to mandatory redemption on or after August 1, ____, in whole or in part on any date, from and to the extent of any Prepayments with respect to the Series B Bonds, at a redemption price equal to the principal amount of the Series 2015B Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption. For a summary of terms of redemption of the Local Obligations, see Appendix A under “THE REFUNDING BONDS – Redemption of the Refunding Bonds.”

Mandatory Redemption of Series 2015A Bonds from Sinking Fund Installments. The Series 2015A Bonds maturing on August 1, ____ are subject to mandatory redemption in part by lot on August 1 in each year commencing August 1, ____, at the principal amount thereof plus accrued interest thereon to the date fixed for redemption in accordance with the following schedule:

Series 2015A Term Bonds Maturing on August 1, ____

Redemption Date

Principal Amount

*

* Stated Maturity

Mandatory Redemption of Series 2015B Bonds from Sinking Fund Installments. The Series 2015B Bonds maturing on August 1, ____ are subject to mandatory redemption in part by lot on August 1 in each year commencing August 1, ____, at the principal amount thereof plus accrued interest thereon to the date fixed for redemption in accordance with the following schedule:

Series 2015B Term Bonds Maturing on August 1, 20__

Redemption Date

Principal Amount

*

* Stated Maturity

General Terms for Mandatory Redemption from Optional Local Obligation Prepayments. The Agency Indenture provides, in order to effect such optional redemption of the respective Series of Series 2015 Bonds, that the Agency Participant will deliver to the Agency Trustee (i) a Written Request of the Agency Participant specifying (A) the maturity or maturities, and the principal amount or amounts (or portion thereof), of the Series 2015 Bonds to be mandatorily redeemed from such Prepayment (the “Callable Authority Bonds”), (B) the date on which such Callable Authority Bonds are to be mandatorily redeemed from such Prepayment (which redemption date will be a date on which such Callable Authority Bonds are subject to mandatory redemption from optional Local Obligation prepayments (the

“Prepayments”) pursuant to the Trust Agreement, (C) the amount of each mandatory sinking fund installment for the Series 2015 Bonds to be Outstanding after the date of such mandatory redemption from such Prepayments, and (D) the amount of the Prepayment (or redemption price) necessary to cause such mandatory redemption of such Callable Authority Bonds, and (ii) a Cash Flow Certificate of an Independent Financial Consultant (A) demonstrating that, if such Prepayment is allocated and applied to the redemption of the respective Local Obligations as provided in the paragraph immediately below, the debt service on the respective Local Obligations, together with the debt service payable on all other Local Obligations (as defined in the Trust Agreement), payable on each Interest Payment Date after such redemption date will be sufficient, but not materially more than sufficient, to pay debt service on the Series 2015 Bonds to be Outstanding on such Interest Payment Date, (B) specifying the principal amount, as of such redemption date, of the respective Local Obligations, or portion thereof, to the optional redemption of which such Prepayment is to be allocated and applied as provided in the paragraph immediately below, (C) specifying the amount of the redemption premium, if any, to be paid in connection with such optional redemption of the respective Local Obligations, or portion thereof, to which such Prepayment is to be allocated and applied as provided in the paragraph immediately below, and (D) specifying the principal amount, and the amount of each mandatory sinking fund installment, as of such redemption date, of each respective Local Obligations that will remain Outstanding if such Prepayment is allocated and applied to the redemption of the respective Local Obligations on such redemption date as provided in the paragraph immediately below, which Written Request of the Agency Participant and Cash Flow Certificate of such Independent Financial Consultant will be delivered to the Agency Trustee at least 35 days prior to such redemption date, or such later date as will be acceptable to the Agency Trustee.

No later than three (3) Business Days preceding the date specified in a Written Request of the Agency Participant delivered pursuant to the paragraph immediately above as the date on which Callable Authority Bonds are to be mandatorily redeemed from optional Local Agency Prepayments pursuant to the Trust Agreement, the Agency Participant will deliver to the Agency Trustee an amount equal to the amount of the Prepayment specified in such Written Request of the Agency Participant and, on such redemption date, the Agency Trustee will pay such amount to the Trustee under the Trust Agreement, on behalf of the owners of such Callable Authority Bonds. Upon the payment by the Agency Trustee to the Trustee under the Trust Agreement of such amount representing such Prepayment (i) the Local Obligations, or portion thereof, debt service on which would have, after such redemption date, been applied to the payment of debt service on such Callable Authority Bonds will, as of such redemption date, be deemed to have been optionally redeemed pursuant to the Agency Indenture, and will be considered to have been optionally redeemed pursuant to the Agency Indenture, in an amount equal to the principal amount of the Local Obligations, or portion thereof, as of such redemption date, and (ii) the remainder of (A) such Prepayment, less (B) accrued interest, if any, thereon and such principal amount of such respective Local Obligations, or portion thereof, as of such redemption date, will be deemed to be, and will be considered to be, the redemption premium paid in connection with such optional redemption of such respective Local Obligations, or portion thereof.

The Authority will give the Trustee written notice of the redemption of Series 2015 Bonds from optional Local Agency Prepayments not less than 35 days prior to the applicable redemption date, unless a later date is agreed to by the Trustee. Such written notice will be accompanied by the Written Request of the Agency Participant (as defined in the Agency Indenture) required to be delivered pursuant to, and the Cash Flow Certificate of an Independent Financial Consultant required to be filed pursuant to, the Agency Indenture, and no such redemption of Series 2015 Bonds will occur unless such written notice is so accompanied by such Written Request of the Agency Participant and such Cash Flow Certificate of an Independent Financial Consultant. In the event that the Agency Trustee will mail notice of the redemption of any Local Obligations that will produce Prepayments with respect to Series 2015 Bonds, the Trustee will concurrently mail notice of the redemption of Series 2015 Bonds from optional Local

Agency Prepayments, such redemption to occur on the date fixed for such redemption of such Local Obligations. On the date of such redemption of the Local Obligations, the proceeds of such redemption will be applied by the Trustee to pay the redemption price of Series 2015 Bonds from optional Local Agency Prepayments.

Mandatory Redemption as a Result of Acceleration. The related Series of Series 2015 Bonds may be subject to mandatory redemption, in whole or in part on any date, from and to the extent of any amounts received with respect to any Local Obligations relating to such Series of Series 2015 Bonds as a result of the acceleration of amounts due on such Local Obligations upon an event of default under the Agency Indenture, at a redemption price equal to the principal amount of the related Series of Series 2015 Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption. Whenever less than all of the Series 2015 Bonds of a Series are to be redeemed as a result of acceleration, the Trustee will, on or prior to the redemption date, receive a Cash Flow Certificate specifying the maturity or maturities of such Series 2015 Bonds to be redeemed and showing that the remaining payments of principal of and interest on the Local Obligations, together with other Revenues available under the Trust Agreement, will be sufficient to pay on a timely basis the principal of and the interest on the related Series of Series 2015 Bonds not so redeemed when due.

Notice of Redemption. In the case of any redemption of Series 2015 Bonds, the Trustee will give notice under the Trust Agreement that the Series 2015 Bonds, identified by CUSIP numbers, serial numbers and maturity date, have been called for redemption and, in the case of Series 2015 Bonds to be redeemed in part only, the portion of the principal amount thereof that has been called for redemption (or if all the Outstanding Series 2015 Bonds are to be redeemed, so stating, in which event such serial numbers may be omitted), that they will be due and payable on the date fixed for redemption (specifying such date) upon surrender thereof at the Principal Corporate Trust Office, at the redemption price (specifying such price), together with any accrued interest to such date, and that all interest on such Series of Series 2015 Bonds, or portions thereof, so to be redeemed will cease to accrue on and after such date and that from and after such date such Series 2015 Bond or such portion will no longer be entitled to any lien, benefit or security under the Trust Agreement, and the Owner thereof will have no rights in respect of such redeemed Series 2015 Bond or such portion except to receive payment from such moneys of such redemption price plus accrued interest to the date fixed for redemption.

Such notice will be mailed by first class mail, postage prepaid, at least twenty (20) but not more than sixty (60) days before the date fixed for redemption, to the Security Depository, the MSRB and the Owners of such Series 2015 Bonds, or portions thereof, so called for redemption, at their respective addresses as the same will last appear on the Bond Register. No notice of redemption need be given to the Owner of a Series 2015 Bond to be called for redemption if such Owner waives notice thereof in writing, and such waiver is filed with the Trustee prior to the redemption date. Neither the failure of an Owner to receive notice of redemption of Series 2015 Bonds under the Trust Agreement nor any error in such notice will affect the validity of the proceedings for the redemption of Series 2015 Bonds.

Any notice of redemption may be expressly conditional and may be rescinded by Written Order given to the Trustee under the Trust Agreement not later than the date fixed for redemption. Upon receipt of such Written Order, the Trustee will promptly mail notice of such rescission to the same parties that were mailed the original notice of redemption.

Selection of Series 2015 Bonds for Redemption. Whenever less than all the Outstanding Series 2015 Bonds of any one maturity are to be redeemed on any one date, the Trustee will select the particular Series 2015 Bonds to be redeemed by lot and in selecting the Series 2015 Bonds for redemption the Trustee will treat each Series 2015 Bond of a denomination of more than five thousand dollars (\$5,000) as representing that number of Series 2015 Bonds of five thousand dollars (\$5,000) denomination which is

obtained by dividing the principal amount of such Series 2015 Bond by five thousand dollars (\$5,000), and the portion of any Series 2015 Bond of a denomination of more than five thousand dollars (\$5,000) to be redeemed will be redeemed in an Authorized Denomination. The Trustee will promptly notify the Authority in writing of the numbers of the Series 2015 Bonds so selected for redemption in whole or in part on such date.

Payment of Redeemed Series 2015 Bonds. If notice of redemption has been given as summarized above, or waived, each as provided in the Trust Agreement, the Series 2015 Bonds or portions thereof called for redemption will be due and payable on the date fixed for redemption at the redemption price thereof, together with accrued interest to the date fixed for redemption, upon presentation and surrender of the Series 2015 Bonds to be redeemed at the office specified in the notice of redemption. If there will be less than the full principal amount of a Series 2015 Bond called for redemption, the Authority will execute and deliver and the Trustee will authenticate, upon surrender of such Series 2015 Bond, and without charge to the Owner thereof, Series 2015 Bonds of like interest rate and maturity in an aggregate principal amount equal to the unredeemed portion of the principal amount of the Series 2015 Bonds so surrendered in such Authorized Denominations as will be specified by the Owner.

If any Series 2015 Bond or any portion thereof will have been duly called for redemption and payment of the redemption price, together with unpaid interest accrued to the date fixed for redemption, will have been made or provided for by the Authority, then interest on such Series 2015 Bond or such portion will cease to accrue from such date, and from and after such date such Series 2015 Bond or such portion will no longer be entitled to any lien, benefit or security under the Trust Agreement, and the Owner thereof will have no rights in respect of such Series 2015 Bond or such portion except to receive payment of such redemption price, and unpaid interest accrued to the date fixed for redemption.

Purchase in Lieu of Redemption. In lieu of redemption of any Series 2015 Bond, amounts on deposit in the Principal Fund or in the Redemption Fund may also be used and withdrawn by the Trustee at any time prior to selection of Series 2015 Bonds for redemption having taken place with respect to such amounts, upon a Written Order of the Authority for the purchase of such Series 2015 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 Fund) as the Authority may in its discretion determine, but not in excess of the redemption price thereof plus accrued interest to the purchase date. All Series 2015 Bonds so purchased will be delivered to the Trustee under the Trust Agreement for cancellation.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS

Special Obligations

The Series 2015 Bonds will be special limited obligations of the Authority, payable from and secured as to the payment of the principal, redemption premium (if any) and interest thereon in accordance with their terms and the terms of the Trust Agreement, solely from the Trust Estate, which will consist primarily of principal and interest payments on the Local Obligations to be purchased by the Authority under the Trust Agreement and to be owned by the Authority as set forth in the Agency Indenture. The Series 2015 Bonds shall not constitute a charge against the general credit of the Authority or any of its members, and under no circumstances shall the Authority be obligated to pay principal of, premium (if any) and interest on any Series of Series 2015 Bonds except from the Trust Estate. Neither the State nor any public agency (other than the Authority) nor any member of the Authority is obligated to pay the principal of, premium (if any) and interest on the Series 2015 Bonds, and neither the faith and credit nor the taxing power of the State or any public agency thereof or any member of the Authority is pledged to the payment of the principal of, premium (if any) and interest on the Series 2015 Bonds. The

payment of the principal of, premium (if any) and interest on the Series 2015 Bonds does not constitute a debt, liability or obligation of the State or any public agency (other than the Authority) or any member of the Authority.

Each series of Local Obligations will be special limited obligations of the Agency Participant and are payable, as to principal, redemption premium (if any) and interest thereon, exclusively from the Tax Revenues, and funds on deposit in certain funds and accounts established under and as specified in the Agency Indenture, and the Agency Participant is not obligated to pay such principal of and interest on the Local Obligations except from such Tax Revenues. Each Series of Local Obligations is payable from Tax Revenues on a parity with each other. Debt service on the Local Obligations will be subordinate to the payment of debt service on the Senior Bonds. Each series of Local Obligations will be payable as set forth in the Agency Indenture, is not a debt of the City of Long Beach, the County, the State or any other political subdivision of the State, and neither said city, the State, the County nor any of the State's other political subdivisions is liable therefor, nor in any event shall a series of Local Obligations be payable out of any funds or properties other than those of the Agency Participant pledged therefor as provided in the Agency Indenture.

Each Local Obligation has its own payment schedule which, in the aggregate, has been sized to pay debt service on the Series 2015 Bonds. The Series 2015A Bonds will be secured solely by the payments made on the Series A Bonds and the Series 2015B Bonds will be secured solely by the payments made on the Series B Bonds. All of the obligations of the Agency Participant with respect to the Local Obligations are not general obligations of the Agency Participant or Former RDA, but are limited obligations of the Agency Participant and the Project Areas, payable solely from the Tax Revenues under, and to the extent described in, the Agency Indenture and the funds pledged therefor under the Agency Indenture.

In order to assist the Agency Participant, the County has accepted the irrevocable direction of the Agency Participant to transfer on or about each January 2 and June 1, commencing June 1, 2015, to an account of the Agency Participant, held by the Agency Trustee under the Agency Indenture, all amounts set forth in any duly approved ROPS with respect to principal and interest payments due on the Local Obligations and any senior obligations, including the Senior Bonds, and any deficiency in the reserve account for the Local Obligations. Such transfers to the Agency Trustee shall be made after the payment of unsubordinated pass-through obligations to local taxing entities, if any, as provided in Section 34183(a) of the California Health and Safety Code. The Authority has covenanted to take such actions as may be reasonable and necessary to compel the County to comply with the irrevocable direction of the Agency Participant to make such transfers. However, no assurance can be given that a court would order the County to continue to make such transfers if the County refused to do so. The Agency Participant remains obligated under the Agency Indenture to take all actions required under the Dissolution Act to include on its Recognized Obligation Payment Schedule for each six-month period (or twelve-month period if then applicable under the Dissolution Law (see "RISK FACTORS – State Budget" for a discussion of the Governor's proposal to transition successor agencies to an annual ROPS process instead of a biannual process)) all payments expected to be made to each Agency Trustee in order to satisfy the requirements of the Agency Indenture, including any amounts required to pay principal and interest payments due on the Local Obligations, deficiency in the reserve account for the Local Obligations to the debt service reserve requirement, and any Compliance Costs. See Appendix A under the caption "SECURITY FOR THE REFUNDING BONDS" for a discussion of the specific claim and lien on Tax Revenues for the Agency Participant and the Project Areas.

Upon the issuance of each series of Local Obligations, the amount on deposit in the reserve account established under the Agency Indenture will be equal to the debt service reserve requirement for such series of Local Obligations. No deposit need be made in any such reserve account so long as there

will be on deposit therein a sum equal to the debt service reserve requirement. For information regarding the Agency Participant's reserve account, which may be cash funded or secured by a debt service reserve surety and secured on a stand-alone basis or in common with other parity bonds issued by the Agency Participant, see Appendix A under the heading "Reserve Account" under the caption "SECURITY FOR THE REFUNDING BONDS."

Tax Revenues

Under California law, the rate of *ad valorem* property taxes which may be levied with respect to property within a project area is generally limited to 1% of the "full cash" assessed value. In this Official Statement and in Appendix A such taxes are referred to as the "general levy" and are allocated to the State, the County, the City of Long Beach, and all other taxing entities having jurisdiction over all or a portion of the Project Areas. The assessed values of property within such project area, as last equalized prior to adoption of the redevelopment plan, is the "base year" assessed values (the "Base Year").

Pursuant to subdivision (b) of Section 33670 of the Law and Section 16 of Article XVI of the Constitution of the State and as provided in the related redevelopment plan, taxes levied upon taxable property in the respective redevelopment project area each year by or for the benefit of the State, any city, county, city and county, district, or other public corporation (herein sometimes collectively called "taxing agencies") after the effective date of the ordinance approving such related redevelopment plan, or the respective effective dates of ordinances approving amendments to such related redevelopment plan that added territory to the respective redevelopment 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 respective redevelopment 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 related redevelopment plan, or the respective effective dates of ordinances approving amendments to the related redevelopment plan that added territory to the respective redevelopment 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 Respective Former RDA:* 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 will be allocated to, and when collected will be paid into, the fund of that taxing agency, that portion of the levied taxes each year in excess of such amount, annually allocated within the Plan Limit following the Delivery Date, when collected will be paid into a special fund of the former redevelopment agency. Section 34172 of the Dissolution Act provides that, for purposes of Section 16 of Article XVI of the State Constitution, the RPTTF attributable to the Agency Participant and the Project Areas will be deemed to be a special fund of the Agency Participant to pay the debt service on indebtedness incurred by the former redevelopment agencies.

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

Taxes are due in two equal installments. Installments of taxes levied upon secured property become delinquent after December 10 and April 10. Taxes on unsecured property are due July 1 and become delinquent August 31. As of February 1, 2012, the allocation of tax increment revenue was dictated by the legislation adopted as AB 26. Revenue to successor agencies is now made on January 2 and June 1 of each fiscal year. All tax increment revenue is accumulated by the County Auditor-Controller in the RPTTF for allocation on these two dates. The tax increment revenue available for allocation on January 2 consists of revenues collected after June 1 of the previous fiscal year and for collections in November and December of the current fiscal year. The tax increment revenues available for allocation on June 1 include revenues collected from January 2 to June 1 of the current fiscal year.

From the amounts accumulated in the RPTTF for each allocation date, the County Auditor-Controller is to deduct its own administrative charges and is to calculate and deduct amounts (if not subordinated) owed to taxing entities for tax sharing agreements entered into pursuant to Section 33401 of the Law and for statutory tax sharing obligations required by Sections 33607.5 and 33607.7 of the Law that have not been subordinated to debt obligations, including debt service. The amount remaining after these reductions, if any, will be available for payment by the Agency Participant of debt obligations on a valid ROPS of the former redevelopment agency.

Prior to receiving revenues on January 2 and June 1, the Agency Participant must adopt a ROPS that lists the debt obligations of the former redevelopment agency that must be paid during the upcoming six month periods of January 1 through June 30 and July 1 through December 31 (or the upcoming twelve month period of January 1 through December 31 if then applicable under the Dissolution Law). There is provision in the legislation for the Agency Participant to request additional amounts in one ROPS period to allow it to make payments that may be beyond the revenues available in the upcoming allocation cycle. The ROPS must be approved by an Oversight Board that is established in the legislation with membership consisting of representatives from various taxing entities. The ROPS must also receive approval from the State Department of Finance (the "DOF").

The Agency Participant is entitled to receive tax revenues to cover the administrative costs of winding down the business of the former redevelopment agency. This amount is set by the legislation at a minimum \$250,000 per year and a maximum that is 3% of the RPTTF allocated to the successor agency for each fiscal year. To the extent that revenues are insufficient to pay all of the approved ROPS obligations, the Agency Participant's administrative cost allowance will be reduced or eliminated.

As to the Agency Participant, if there are RPTTF amounts remaining after reductions for county administrative charges, pass-through obligations, ROPS obligations and the Agency Participant's administrative cost allowance, these remainder amounts are referred to as Residual Revenue. Residual Revenue for each ROPS cycle is proportionately allocated to the taxing entities and to the Educational Revenue and Augmentation Fund ("ERAF").

The Agency Participant has no power to levy and collect taxes, and any provision of law limiting property taxes or allocating additional sources of income to taxing agencies and having the effect of reducing the property tax rate must necessarily reduce the amount of tax increment revenues and, accordingly, Tax Revenues that would otherwise be available to pay debt service on the Local Obligations. Likewise, broadened property tax exemptions could have a similar effect (see "LIMITATIONS ON TAX REVENUES" and "RISK FACTORS" below).

Conversely, any increase in the present tax rate or assessed valuation, or any reduction or elimination of present property tax exemptions, or the satisfaction of enforceable obligations, would increase the Tax Revenues available to pay debt service on the Local Obligations (see "LIMITATIONS

ON TAX REVENUES” and “RISK FACTORS” for discussion of the Constitutional constraints of increasing tax rates and assessed valuation).

The Dissolution Act requires the County Auditor-Controller to determine the amount of property taxes that would have been allocated to the Former RDA had the Former RDA not been dissolved pursuant to the operation of AB 26, using current assessed values on the last equalized roll on August 20, and to deposit that amount in the RPTTF for the Agency Participant established and held by the County Auditor-Controller pursuant to the Dissolution Act. The Dissolution Act further provides that any bonds authorized under its terms to be issued by the Agency Participant will be considered indebtedness incurred by the dissolved RDA, with the same legal effect as if the bonds had been issued prior to effective date of AB 26, in full conformity with the applicable provision of the Law that existed prior to that date, and debt service will be included in the Agency Participant’s ROPS. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS – Recognized Obligation Payment Schedule.”

The Dissolution Act further provides that bonds authorized under its terms to be issued by the Agency Participant will be secured by a pledge of, and lien on, and will be repaid from moneys deposited from time to time in the RPTTF attributable to the Agency Participant and the Project Areas, and that property tax revenues pledged to any bonds authorized under the Dissolution Act, such as the Local Obligations, are taxes allocated to the Agency Participant pursuant to the provisions of the Law and the State Constitution which provided for the allocation of tax increment revenues under the Law, as described in the foregoing paragraph.

See Appendix A under the caption “SECURITY FOR THE REFUNDING BONDS” for a discussion of the specific claim and lien on Tax Revenues for the Agency Participant and the Project Areas. The Agency Participant has no power to levy property taxes and must look specifically to the allocation of taxes as described above.

In accordance with the Dissolution Act, the Local Obligations will be payable from and secured by Tax Revenues which will generally include, moneys deposited, from time to time, in the RPTTF attributable to the Agency Participant and the Project Areas, as provided in paragraph (2) of subdivision (a) of the California Health and Safety Code Section 34183. Each Local Obligation will be payable from and secured by Tax Revenues subject to senior obligations, and any deficiency in the reserve account for the Local Obligations, certain deductions for unsubordinated pass-through payments to taxing entities, if any, and for debt service on bonds issued on a basis senior to the Series 2015 Bonds, including the Senior Bonds, and County collection charges. See Appendix A for a description of the lien of Tax Revenues for the Project Areas. The Agency Participant is not obligated to pay such principal of, premium (if any) and interest on the Local Obligations except from such Tax Revenues. See Appendix A for a description of the lien of Tax Revenues for the Project Areas, including a description of any superior claims and liens on such Tax Revenues. As provided in the Agency Indenture, if, and to the extent, that the provisions of Section 34172 or paragraph (2) of subdivision (a) of Section 34183 are invalidated by a final judicial decision, then Tax Revenues will include all tax revenues allocated to the payment of indebtedness pursuant to the California Health and Safety Code Section 33670 or such other section as may be in effect at the time providing for the allocation of tax increment revenues in accordance with Article XVI, Section 16 of the California Constitution, which prior to the adoption of the Dissolution Act were required to be deposited into the Former RDA’s low and moderate income housing fund pursuant to Sections 33334.2, 33334.3 and 33334.6 of the Law.

The Dissolution Act eliminates the characterization of certain tax increment revenues as Housing Set-Aside. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS – Housing Set-Aside.” All of the Local Obligations include a pledge of, or offset for a pledge of, any

Housing Set-Aside. Accordingly, the Local Obligations will be payable from, and secured by, Tax Revenues, including amounts constituting the former Housing Set-Aside.

Taxes levied on the property within the Project Areas 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 Areas, to the extent they constitute Gross Tax Revenues, as further described in Appendix A, will be deposited in the RPTTF for transfer by the County Auditor-Controller to the Agency Participant's Redevelopment Obligation Retirement Fund on January 2 and June 1 of each year to the extent required for payments listed in the Agency Participant's ROPS in accordance with the requirements of the Dissolution Act (see "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS – Recognized Obligation Payment Schedule"). Monies deposited by the County Auditor-Controller into the Agency Participant's Redevelopment Obligation Retirement Fund will be transferred by the County pursuant to an irrevocable direction of the Agency Participant directing the County to transfer to the Debt Service Fund or similar fund established under the Agency Indenture and administered by the Agency Trustee in accordance with the Agency Indenture.

The Agency Participant has no power to levy and collect taxes, and various factors beyond its control could affect the amount of Tax Revenues available in any six-month period (or twelve-month period if then applicable under the Dissolution Law) to pay the principal of and interest on indebtedness including, without limitation, the Local Obligations (see "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS – Tax Allocation Financing" and "– Recognized Obligation Payment Schedule" and "RISK FACTORS" in the forepart of this Official Statement). See also "LIMITATIONS ON TAX REVENUES" in the forepart of this Official Statement and "SPECIAL RISK FACTORS" in Appendix A.

Tax increment revenues are computed based upon the annual incremental assessed value of the Project Areas multiplied by a tax rate determined by the County Auditor-Controller. The tax rates which are applied to incremental taxable values consist of two components: the General Tax Rate of \$1.00 per \$100 of taxable values and the Override Tax Rate which is levied to pay voter approved indebtedness. The basic levy tax rate may not exceed 1% (\$1.00 of \$100 taxable value) in accordance with Article XIII A. An amendment to the Constitution prohibits redevelopment agencies from receiving taxes generated by new Override Tax Rates, which are reflective of debt approved after December 31, 1988. Based upon the County Auditor-Controller's reliance to use the basic one percent tax rate in calculating the RPTTF allocation, a one percent levy is used in the revenue projections herein and in the Fiscal Consultant's Report. See Appendix A under the caption "THE PROJECT AREAS – Projected Tax Revenues" for a discussion of the tax rate assumptions utilized by the Fiscal Consultant in projecting Gross Tax Revenues for the Project Areas.

Section 34183(a)(1) of the Redevelopment Law requires the Auditor Controller to allocate all revenues attributable to tax rates levied to make annual repayments of the principal and interest on any bonded indebtedness for the acquisition or improvement of real property to the taxing entity levying the tax rate. Under the County's interpretation of this Section, revenues derived from over-ride tax rates levied for pension related obligations have been determined to not be for "annual repayments of the principal and interest on any bonded indebtedness for the acquisition or improvements of real property." As a result, tax increment revenues derived from over-ride tax rates levied for pension related obligations within the Project Areas are included in the revenues distributed from the RPTTF.

In Los Angeles County, there are thirteen cities that levy over-ride tax rates in order to fund pension fund obligations. However, the Agency Participant is not related to any of these 13 cities.

Tax Allocation Financing

Prior to the enactment of AB 26, the 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 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 designated property tax allocated to a redevelopment agency were authorized to be pledged to the payment of agency obligations.

The Dissolution Act authorizes refunding bonds, including the Local Obligations, to be secured by a pledge of monies deposited from time to time in a RPTTF attributable to such Successor Agency and project area 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 Law to the redevelopment agency and formerly authorized under the 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 Agency Indenture, Tax Revenues consist of the amounts deposited from time to time in the RPTTF attributable to the Agency Participant and the Project Areas established pursuant to and as provided in the Dissolution Act, subject to certain deductions for unsubordinated pass-through payments to taxing entities, unsubordinated contractual obligations to third parties and County collection charges. See Appendix A under the captions describing Pass-Through Agreements and Statutory Pass-Through Amounts under the caption “SECURITY FOR THE REFUNDING BONDS” for a discussion of the specific claim and lien on Tax Revenues for the Agency Participant and the Project Areas. Successor agencies have no power to levy property taxes and must look specifically to the allocation of taxes as described above. See “LIMITATIONS ON TAX REVENUES” and “RISK FACTORS” in the forepart of this Official Statement. See also “SPECIAL RISK FACTORS” in Appendix A.

The 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 as described in Appendix A under the caption “SECURITY FOR THE REFUNDING BONDS – Statutory Pass-Through Amounts.” Negotiated agreements for this purpose are generally described as pass-through or tax sharing agreements (“Pass-Through Agreements” in the forepart of this Official Statement). Additionally, Section 33607.5 and 33607.7 of the 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” in the forepart of this Official Statement). The Dissolution Act requires the county auditor-controller to distribute from the RPTTF amounts required to be distributed under the Pass-Through Agreements and for Statutory Pass-Through Amounts to the taxing entities for each six-month period (or twelve-month period if then applicable under the Dissolution Law) before amounts are distributed by the county auditor-controller from the RPTTF to the Agency Participant’s Redevelopment Obligation Retirement Fund each January 2 and June 1, unless (i) pass-through payment obligations have previously been made subordinate to debt service payments for the bonded indebtedness of the dissolved agency, as succeeded by the Agency Participant, (ii) the Agency Participant has reported, no later than the December 1 and May 1 preceding the January 2 or June 1 distribution date, that the total amount available from the RPTTF allocation to the Agency Participant’s Redevelopment Obligation Retirement Fund, from other funds transferred from the dissolved agency, and from funds that have or will become available through asset sales and all redevelopment operations is insufficient to fund each of the Agency Participant’s enforceable obligations, pass-through payments, and each of the Agency Participant’s administrative cost allowance

for the applicable six-month period (or twelve-month period if then applicable under the Dissolution Law), and (iii) the State Controller has concurred with the Agency Participant that there are insufficient funds for such purposes for the applicable six-month period (or twelve-month period if then applicable under the Dissolution Law).

If the requirements stated in clauses (i) through (iii) of the foregoing paragraph have been met, the Dissolution Act provides for certain modifications in the distributions otherwise calculated to be distributed for such six-month period (or twelve-month period if then applicable under the Dissolution Law). To provide for calculated shortages to be paid to the Agency Participant for enforceable obligations, the amount of the deficiency will first be deducted from the residual amount otherwise calculated to be distributed to the taxing entities under the Dissolution Act after payment of the Agency Participant's enforceable obligations, pass-through payments, and the Agency Participant's administrative cost allowance. If such residual amount is exhausted, the amount of the remaining deficiency will be deducted from amounts available for distribution to the Agency Participant for administrative costs for the applicable six-month period (or twelve-month period if then applicable under the Dissolution Law) in order to fund the enforceable obligations. Finally, funds required for servicing bond debt may be deducted from the amounts remaining to be distributed to taxing entities under Pass-Through Agreements and for Statutory Tax Sharing Amounts, if such amounts have been subordinated to the payment of debt service on such bonded indebtedness, and if that amount is exhausted, from amounts available for distribution for administrative, but only after the amounts described in the previous two sentences and the amounts available for distribution for administrative costs have been exhausted.

The Dissolution Act provides for a procedure by which the Agency Participant may make Statutory Tax Sharing Amounts subordinate to the Local Obligations. In accordance therewith, the Agency Participant has not undertaken the procedure required to subordinate all Statutory Tax Sharing Amounts to the payment of debt service on the Local Obligations. See Appendix A under the captions describing Pass-Through Agreements and Statutory Pass-Through Amounts under the caption "SECURITY FOR THE REFUNDING BONDS."

The Agency Participant cannot guarantee that this process prescribed by the Dissolution Act of administering the tax increment revenues and the subordinations provided in the Law and the Pass-Through Agreements will effectively result in adequate tax increment revenues for the payment of principal of and redemption premium (if any) and interest on the Local Obligations when due. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS – Recognized Obligation Payment Schedule." See also Appendix A under the captions describing Pass-Through Agreements and Statutory Pass-Through Amounts under the caption "SECURITY FOR THE REFUNDING BONDS" for additional information regarding the Pass-Through Agreements and the Statutory Tax Sharing Amounts applicable to the Agency Participant and the revenues derived from the Project Areas.

Successor agencies have no power to levy property taxes and must look specifically to the allocation of taxes as described above. See "LIMITATIONS ON TAX REVENUES" and "RISK FACTORS" in the forepart of this Official Statement.

Housing Set-Aside

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

Impact of Dissolution Act. The Dissolution Act eliminates the characterization of certain tax increment revenues as Housing Set-Aside. All of the Local Obligations include a pledge of, or offset for a pledge of, any Housing Set-Aside. Accordingly, the Local Obligations will be payable from, and secured by, Tax Revenues, including amounts constituting the former Housing Set-Aside. See also, “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS – Housing Set-Aside.”

Recognized Obligation Payment Schedule

Before each six-month period (or twelve-month period if then applicable under the Dissolution Law), 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 ROPS 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. As defined in the Dissolution Act, “enforceable obligation” includes bonds, including the required debt service, reserve set-asides, and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds of the former redevelopment agency, 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 ROPS 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 six-month period (or twelve-month period if then applicable under the Dissolution Law).

The Dissolution Act provides that, commencing on the date the first ROPS is valid, only those payments listed in the ROPS may be made by the successor agency from the funds specified in the ROPS.

The ROPS must be submitted by the Agency Participant, after approval by the Oversight Board, to the county administrative officer, the county auditor-controller, the DOF, and the State Controller no later than 90 days before the date of the next January 2 or June 1 property tax distribution. If successor agency does not submit an Oversight Board-approved ROPS by such deadlines, the successor agency will be subject to a civil penalty equal to \$10,000 per day for every day the schedule is not submitted to the DOF. Additionally, the Agency Participant’s administrative cost allowance is reduced by 25% if the successor agency does not submit an Oversight Board-approved ROPS by the 80th day before the date of the next January 2 or June 1 property tax distribution, as applicable, with respect to the ROPS for subsequent six-month periods (or twelve-month periods if then applicable under the Dissolution Law).

The Dissolution Act requires the DOF to make a determination of the enforceable obligations and the amounts and funding sources of the enforceable obligations no later than 45 days after the ROPS is submitted. Within 5 business days of the determination by the DOF, successor agencies may request additional review by the department and an opportunity to meet and confer on disputed items, if any. The DOF will notify successor agencies and the county auditor-controller as to the outcome of its review at least 15 days before the January 2 or June 1 date of property tax distribution, as applicable. Additionally, the county auditor-controller may review a submitted ROPS 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 successor agencies, the Oversight Board, and the DOF at least 60 days prior to the January 2 or June 1 date of property tax distribution, as applicable.

In connection with the allocation and distribution by the county auditor-controller of property tax revenues deposited in the RPTTF, 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 in the upcoming six-month period (or twelve-month period if then applicable under the Dissolution Law), and provide those estimates to the entities receiving the distributions and the DOF 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 Participant determines and reports, no later than December 1 or May 1, as applicable (*i.e.*, by May 1, 2015 with respect to the ROPS for July 1, 2015 through December 31, 2015), that the total amount available from the RPTTF allocation to the Agency Participant's Redevelopment Obligation Retirement Fund, from other funds transferred from a dissolved 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, for the Agency Participant's enforceable obligations listed on the ROPS, and for the Agency Participant's administrative cost allowance, the county auditor-controller must notify the State Controller and the DOF no later than 10 days from the date of the Agency Participant's notification. If the State Controller concurs that there are insufficient funds to pay required debt service, the Dissolution Act provides for certain adjustments to be made to the estimated distributions.

The Dissolution Act provides that any bonds authorized under its terms to be issued by a successor agency will be considered indebtedness incurred by the related dissolved Former RDA, with the same legal effect as if the bonds had been issued prior to effective date of AB 26, in full conformity with the applicable provision of the Law that existed prior to that date, and debt service will be included in the Agency Participant's ROPS. 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 ROPS is final and conclusive, and reflects the department'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 ROPS will be limited to confirming that they are required by the prior enforceable obligation.

The Agency Participant has covenanted under the Agency Indenture to take all actions required under the Dissolution Act to include on the respective ROPS for each six-month period (or twelve-month period if then applicable under the Dissolution Law) all payments to the Agency Trustee to satisfy the requirements of the Agency Indenture and the Local Obligations, any deficiency in the reserve account established pursuant to the Local Obligations, any amounts required under an indenture or fiscal agent agreement securing parity indebtedness to replenish the reserve account established thereunder, if any, to its required level and any Compliance Costs related thereto.

The Agency Participant has further covenanted under the Agency Indenture to comply with all other requirements of the Dissolution Act. Without limiting the generality of the foregoing, the Agency Participant covenants and agrees to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Agency Participant with its covenants under the Agency Indenture. Further, the Agency Participant will take all actions required under the Dissolution Act to include scheduled debt service on the Local Obligations, as well as any amounts required under the Agency Indenture including to replenish the reserve account in ROPS for each six-month period (or twelve-month period if then applicable under the Dissolution Law) so as to enable the County Auditor-Controller to distribute from the RPTTF to the Agency Participant's Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required for the Agency Participant to pay the principal of, premium (if any) and interest on, the Local Obligations coming due in the respective six-month period (or twelve-month period if then applicable under the Dissolution Law). These actions will include, without limitation, placing on the periodic ROPS for approval by the Oversight Board and the DOF, to the extent necessary, the amounts to be held by the Agency Participant as a reserve until the next six-month period (or twelve-month period if then applicable under the Dissolution Law), as contemplated

by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act, that are necessary to provide for the payment of the principal of, premium (if any), and interest under the Agency Indenture, when the next property tax allocation is projected to be insufficient to pay all obligations due under the Agency Indenture for the next payment due in the following six-month period (or twelve-month period if then applicable under the Dissolution Law).

Local Obligations and the Agency Indenture

Subject only to the provisions of the Agency Indenture (including any obligations of the Agency Participant payable on a basis senior to or on a parity with the lien of its Local Obligations under the Agency Indenture, including the Senior Bonds) permitting the application thereof for the purposes and on the terms and conditions set forth in the Agency Indenture, all of the Tax Revenues and all amounts on deposit from time to time in the funds and accounts established under the Agency Indenture (other than the Rebate Fund and Expense Account held in connection with the Series 2015A Bonds) will be pledged to the payment of the principal of and interest on the Outstanding Series 2015 Bonds as provided in the Agency Indenture. The Agency Participant will irrevocably grant to the Agency Trustee for the benefit of the Owners of the Outstanding Series 2015 Bonds (subject to any obligations of the Agency Participant payable on a basis senior to or on a parity with the lien of its Local Obligations under the Agency Indenture, including the Senior Bonds) a first charge and lien on, and a security interest in, and will pledge and assign, the Tax Revenues, whether held by the Agency Participant, the County Auditor-Controller, the County Treasurer and Tax Collector or the Agency Trustee, and all amounts in the funds and accounts established under the Agency Indenture (other than the Rebate Fund and Expense Account held in connection with the Series 2015B Bonds) with respect to the Local Obligations.

Pursuant to the laws of the State, including California Health and Safety Code Sections 34183 and 34170.5(b), the County Auditor-Controller is obligated to deposit the Tax Revenues into the RPTTF attributable to the Agency Participant and the Project Areas. The Agency Participant shall take all steps to ensure that the County Auditor-Controller (1) deposits the Tax Revenues into the RPTTF, (2) allocates funds for the principal and interest payments due on the Outstanding Series 2015 Bonds, any deficiency in the related reserve account pursuant to each valid ROPS in accordance with the Dissolution Act and as provided in the Agency Indenture and any deficiency in the related reserve account pursuant to each valid ROPS in accordance with the Dissolution Act and as provided in the Agency Indenture, and any Compliance Costs, and (3) make the transfers to the Agency Trustee required thereunder.

In order to assist the Agency Participant, the County has accepted the irrevocable direction of the Agency Participant to transfer on or about each January 2 and June 1 to an account of the Agency Participant, held by the Agency Trustee under the Agency Indenture, all amounts set forth in any duly approved ROPS with respect to principal and interest payments due on the Local Obligations and any senior and parity obligations, including the Senior Bonds, and any deficiency in the reserve account for the Local Obligations and parity obligations related thereto. The Authority has covenanted to take such actions as may be reasonable and necessary to compel the County to comply with the irrevocable direction of the Agency Participant to make such transfers. However, no assurance can be given that a court would order the County to continue to make such transfers if the County refused to do so. The Agency Participant remains obligated under the Agency Indenture to take all actions required under the Dissolution Act to include on its Recognized Obligation Payment Schedule for each six-month period (or twelve-month period if then applicable under the Dissolution Law) all payments expected to be made to the Agency Trustee in order to satisfy the requirements of the Agency Indenture, including any amounts required to pay principal and interest payments due on the Local Obligations, the Senior Bonds parity obligations, any deficiency in the reserve account for the Local Obligations, the Senior Bonds and parity obligations to the debt service reserve requirement, and any Compliance Costs (as defined in this Official Statement).

As to each of the Local Obligations, in accordance with the Dissolution Act, the Agency Participant may pledge to the refunding bonds or other indebtedness the revenues pledged to the bonds or other indebtedness being refunded, and that pledge, when made in connection with the issuance of such refunding bonds or other indebtedness, shall have the same lien priority as the pledge of the bonds or other obligations to be refunded, and shall be valid, binding, and enforceable in accordance with its terms. The Agency Participant has repeated such prior pledges in connection with the issuance of the Local Obligations.

As provided in the Agency Indenture, the Agency Participant will take all actions required under the Dissolution Act to include on its ROPS for each six-month period (the second of which may include only claims for insufficient receipts under the January 1 ROPS), or twelve-month period if then applicable under the Dissolution Law, all payments expected to be made to the Agency Trustee in order to satisfy the requirements of the Agency Indenture, including any amounts required to pay principal and interest payments due on the Local Obligations, parity obligations, any deficiency in the reserve account for the Local Obligations and parity obligations to the debt service reserve requirement, and any Compliance Costs (as defined in this Official Statement). The Agency Participant shall include in its ROPS the amounts described below to be transmitted to the Agency Trustee for the applicable six month period (or twelve month period if then applicable under the Dissolution Law). See Appendix A under the caption "SECURITY FOR THE REFUNDING BONDS." The Agency Participant shall submit an Oversight Board-approved ROPS to the County Auditor-Controller and the DOF (with a copy to the Authority) at least ninety (90) days prior to the January 2 RPTTF distribution and at least ninety (90) days prior to the June 1 RPTTF distribution, as applicable.

Further, in accordance with California Health and Safety Code Section 34183(b) on or before each May 1 and December 1, the Agency Participant shall determine and report to the County Auditor-Controller and the Authority any insufficiencies in the RPTTF to fund payments in accordance with the Agency Indenture, and cooperate with the County Auditor-Controller for its distribution of funds in accordance with California Health and Safety Code Section 34183.

All Tax Revenues received by the Agency Participant (1) during the period commencing on June 2 of the prior calendar year and ending January 2 of the then current calendar year in excess of the amount required, as provided in this section, to be deposited under the Agency Indenture on January 2, and (2) during the period commencing on January 3 of the then current calendar year and ending June 1 of such calendar year in excess of the amount required, as provided in this section, to be deposited under the Agency Indenture on June 1, shall, immediately following the deposit with the Trustee of the amounts required to be so deposited as provided in this section on each such date, be released from the pledge, security interest and lien under the Agency Indenture for the security of the Outstanding Series 2015 Bonds, and may be applied by the Agency Participant for any lawful purpose of the Agency Participant, including but not limited to the payment of subordinate debt, or the payment of any amounts due and owing to the United States of America pursuant to the Agency Indenture. Prior to the payment in full of the principal of, premium (if any) and interest on the Outstanding Series 2015 Bonds and the payment in full of all other amounts payable under the Agency Indenture and under any Supplemental Indentures, the Agency Participant shall not have any beneficial right or interest in the moneys on deposit under the Agency Indenture, except as may be provided in the Agency Indenture and in any Supplemental Indenture.

Reserve Account

Upon the issuance of each series of Local Obligations, a reserve surety or cash will be deposited into the reserve account established under the Agency Indenture in an amount equal to the debt service reserve requirement for the Local Obligations. For information regarding the reserve account relating to

the Agency Indenture and the Project Areas, see Appendix A under the heading “Reserve Account” under the caption “SECURITY FOR THE REFUNDING BONDS.”

Defaults and Remedies

In addition to the terms specifying the pledge and security for payment of the Local Obligations, the Agency Indenture specifies events of default which generally include payment defaults and certain covenant defaults with respect to the related bonds and the commencement by the Agency Participant of bankruptcy proceedings. Upon such event, and in general terms, the Agency Trustee may, or at the Written Request of the Authority, as owner of the Local Obligations, shall, subject to terms for indemnification of the Agency Trustee, take legal action to protect and enforce any of the rights vested in the Agency Trustee or the Authority, as owner of the Local Obligations, whether for the specific enforcement of any covenant or agreement or for the enforcement of any other legal or equitable right, including any one or more of the remedies set forth in the Agency Indenture.

In some instances, the provider of a policy of municipal bond insurance, or reserve fund surety policy, for the Local Obligations shall be deemed to be the sole bondowner for purposes of direction of remedies and consent rights.

No delay or omission of the Agency Trustee or of any Owner to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default, or an acquiescence therein; and every power and remedy given by the provisions of the Agency Indenture to the Agency Trustee and to the Authority, as owner of the Local Obligations, may be exercised from time to time and as often as may be deemed expedient.

Any moneys received by the Agency Trustee pursuant to the provisions of the Agency Indenture shall, after payment of all fees and expenses of the Agency Trustee, and the reasonable fees and expenses of its outside counsel, if any, incurred in connection with the performance of the Agency Trustee’s duties under the Agency Indenture, be applied to the payment of the Authority, as owner of the unpaid principal, interest and redemption premium, if any, and any of the Local Obligations which shall have become due.

Copies of the Local Obligations and the Agency Indenture may be obtained upon request from the Agency Trustee, U.S. Bank National Association at: 633 West Fifth Street, 24th Floor, Los Angeles, California 90071, Attention: Corporate Trust Administration.

Municipal Bond Insurance and Debt Service Reserve Policies

The scheduled payment of principal of and interest on the Insured Series 2015 Bonds when due will be guaranteed pursuant to an insurance policy to be issued concurrently with the delivery of the Series 2015 Bonds by _____. [_____ will also issue a debt service reserve fund policy for the Local Obligations as described herein.] See “BOND INSURANCE,” Appendix A under the heading “Reserve Account” under the caption “SECURITY FOR THE REFUNDING BONDS” and APPENDIX I – “SPECIMEN MUNICIPAL BOND INSURANCE POLICY.”

Approval by Oversight Board and Department of Finance

Before the issuance of refunding bonds under the Dissolution Act, a Successor Agency must obtain the approval of the Oversight Board, by resolution. Such Oversight Board resolution (as with all Oversight Board resolutions) does not become effective unless it has been approved, or deemed approved, by the DOF. The issuance of the Local Obligations by the Agency Participant has been approved by the

Oversight Board. Additionally, on _____, 2015 the DOF issued a determination letter with respect to the Oversight Board's resolution (the "DOF Letter") indicating the DOF's approval of the Oversight Board's approval of the issuance of the Local Obligations over which it had jurisdiction. The DOF Letter conditioned such approval on the understanding that the Series 2015 Bonds will meet the limitations in Health and Safety Code Section 34177.5. See APPENDIX F – "STATE DEPARTMENT OF FINANCE LETTER."

Pursuant to Health and Safety Code Section 34177.5(f), once the DOF has given its approval to the Oversight Board resolution approving the issuance of the Local Obligations, the scheduled payments on the Local Obligations must be listed on the Successor Agency's ROPS (see "Recognized Obligation Payment Schedule" above) and will not be subject to further review and approval by the DOF or the State Controller. Furthermore, pursuant to Health and Safety Code Section 34177.5(f), once the Local Obligations are issued with an Oversight Board's approval, such Oversight Board will not be permitted to unilaterally approve any amendments to or early termination of the bonds, indebtedness, or enforceable obligation.

The Dissolution Act also provides that, notwithstanding any other State law, an action to challenge the issuance of bonds under the Dissolution Act must be brought within 30 days after the date on which the Oversight Board adopts the resolution approving the issuance of the bonds by the Successor Agency. More than 30 days have expired between the adoption of the Oversight Board resolution approving the issuance of the Local Obligations and the date of this Official Statement. During this interim, none of the Authority, the County or the Agency Participant has received notice of any action challenging the issuance of the Local Obligations.

Due Diligence Reviews

Pursuant to the Dissolution Act, the Agency Participant was required to retain an independent accountant to conduct two reviews, known as due diligence reviews (each, a "DDR"): one for the Housing Fund and the other for all of the other funds and accounts (the "Other Funds"). The purpose of the DDRs was to determine the unobligated balance (the "Unobligated Balance"), if any, of the Housing Fund and the Other Funds, as of June 30, 2012, so that such Unobligated Balance would be distributed to the taxing agencies. Pursuant to the specific procedure for determining the Unobligated Balances set forth in the Dissolution Act, legally restricted funds (including bond proceeds), value of assets that are not cash or cash equivalents (such as land and equipment) and amounts that are needed to satisfy obligations listed on an approved ROPS were excluded from the Unobligated Balance.

With respect to each DDR, the Agency Participant was required to and did submit such DDR, after review and approval by the Oversight Board, to the DOF. The DOF issued determination letters confirming the Unobligated Balances from the Housing Fund and the Other Funds to be remitted to the County Auditor-Controller. The Agency Participant issued payments to the County Auditor-Controller for the required amounts.

Because the Agency Participant has made the remittances required by the DOF's final determination concerning the DDRs, as well as certain other amounts previously required to be remitted pursuant to the Dissolution Act, the DOF issued a "Finding of Completion" to the Agency Participant. Upon receipt of such Finding of Completion, the Agency Participant in receipt of such determination is authorized to proceed with actions permitted under certain provisions of the Dissolution Act, such as the disposition of real property assets following Oversight Board and DOF approval of a Long Range Property Management Plan.

Additional Bonds

The Trust Agreement does not authorize the issuance of additional bonds or parity debt. There is limited authority under the Agency Indenture for the Agency Participant to issue additional bonds. The Dissolution Act in its current form does not permit a successor agency issuing bonds or incurring other indebtedness for purposes other than refunding existing enforceable obligations or outstanding bonds of the agency resulting in savings. See “SECURITY FOR THE REFUNDING BONDS – Parity Debt Limited to Refunding Bonds” in Appendix A for a description of the conditions precedent for the issuance of indebtedness on a parity basis with the Local Obligations.

Covenants of the Agency Participant

The following is a general description of covenants and terms that will be included in Agency Indenture. This description is intended to be general and a summary statement of terms which necessarily vary.

Punctual Payment. The Agency Participant will agree under the Agency Indenture to punctually pay the principal of, premium (if any) and interest on the Local Obligations in conformity with the terms of the Local Obligations and of the Agency Indenture and will faithfully satisfy, observe and perform all conditions, covenants and requirements of the Local Obligations and of the Agency Indenture.

Against Encumbrances. The Agency Participant will agree under the Agency Indenture to not mortgage or otherwise encumber, pledge or place any charge upon any of the Tax Revenues from the Project Areas, except as provided in the Agency Indenture, and will not issue any obligation or security superior to or on a parity with then Outstanding Series 2015 Bonds payable in whole or in part from the Tax Revenues (other than additional bonds or other parity indebtedness in accordance with the Agency Indenture).

Payment of Claims. Subject to the terms of the Dissolution Act, the Agency Participant will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the properties owned by the Agency Participant or upon the Tax Revenues or any part thereof, or upon any funds in the hands of the Trustee, or which might impair the security of the Local Obligations; provided that the Agency Indenture will not be required to make any such payments so long as the Agency Participant in good faith will contest the validity of any such claims.

Protection of Security and Rights of Owners. The Agency Participant will agree under the Agency Indenture to preserve and protect the security of the Local Obligations and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any Series 2015 Bonds by the Agency Participant, such Series 2015 Bonds will be incontestable by the Agency Participant.

Amendment of Redevelopment Plan. Plan amendments are limited by the terms of the Dissolution Act and generally require the report of an independent consultant which demonstrates that Tax Revenues will not be materially reduced by such proposed amendment.

Tax Revenues. The Agency Participant will agree under the Agency Indenture to comply with applicable requirements of the Law to ensure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary ROPS. The Agency Participant will represent and agree under the Agency Indenture that the pledge, payment and setting aside of Tax Revenues as provided for in the Agency Indenture is not subject to any limitation contained in Article XIII B of the Constitution of the State of California.

The Agency Participant will further agree under the Agency Indenture that, for so long as the receipt of Tax Revenues is subject to a limit under the Law, it will annually review the total amount of Tax Revenues remaining available to be received by the Agency Participant under the Redevelopment Plan's cumulative tax increment limitation, as well as future cumulative Annual Debt Service. The expiration date of the Redevelopment Plan is as described in Appendix A under the caption "THE REDEVELOPMENT PLAN – Financial Limitations." For purposes of the projections in the forepart of this Official Statement (with respect to debt service coverage) and in Appendix A and in the Fiscal Consultant's Report appearing in Appendix B, it is assumed that all Redevelopment Plan limits will be enforced. For information regarding the Agency Participant and covenants with respect to such limitations under the Agency Indenture, see Appendix A under the description of project area plan limitations under the caption "THE REDEVELOPMENT PLAN." See also, Appendix A under the caption "THE PROJECT AREAS – Estimated Debt Service Coverage" for projections of debt service coverage on the Local Obligations.

Tax Covenants; Rebate Fund. As may be relevant to the Series 2015A Bonds, the Agency Participant will agree under the Agency Indenture to not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on any of the Series 2015A Bonds under Section 103 of the Code, and to pay from time to time its share of amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Series 2015A Bonds from time to time.

Compliance with the Dissolution Act. The Agency Participant has further covenanted under the Agency Indenture that it will comply with all requirements of the Dissolution Act. Without limiting the generality of the foregoing, the Agency Participant covenants and agrees to file all required statements and seek all necessary successor agency or oversight board approvals required under the Dissolution Act to assure compliance by the Agency Participant with its covenants under the Agency Indenture. Further, the Agency Participant will take all actions required under the Dissolution Act to include scheduled debt service on the Local Obligations, as well as any amounts required under the Agency Indenture including to replenish the reserve account in ROPS for each six-month period (or twelve-month period if then applicable under the Dissolution Law) so as to enable the County Auditor-Controller to distribute from the RPTTF to the Agency Participant's Redevelopment Obligation Retirement Fund on each January 2 and June 1 any additional amounts required for the Agency Participant to pay the principal of, premium (if any), and interest on, the Local Obligations coming due in the respective six-month period (or twelve-month period if then applicable under the Dissolution Law). These actions will include, without limitation, placing on the periodic ROPS for approval by the Oversight Board and the DOF, to the extent necessary, the amounts to be held by the Agency Participant as a reserve until the next six-month period (or twelve-month period if then applicable under the Dissolution Law), as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act, that are necessary to provide for the payment of the principal of, premium (if any) and interest due under the Agency Indenture when the next property tax allocation is projected to be insufficient to pay all obligations due under the Agency Indenture for the next payment due in the following six-month period (or twelve-month period if then applicable under the Dissolution Law).

Credits to Redevelopment Obligation Retirement Fund. The Agency Participant will agree under the Agency Indenture to credit all Tax Revenues withdrawn from the RPTTF by the County Auditor-Controller and remitted to the Agency Trustee for the payment of the Local Obligations to the Redevelopment Obligation Retirement Fund established pursuant to Section 34170.5 of the California Health and Safety Code.

Limited Obligations of the Agency Participant

The Local Obligations are not a debt of the County, the City of Long Beach, the State or any of its political subdivisions, and neither the City referenced in this Official Statement, the State nor any of its political subdivisions, other than the Agency Participant, is liable in any way for the Local Obligations. The principal of, premium (if any) and interest on the Local Obligations are payable solely from the Tax Revenues under, and to the extent described in, the Agency Indenture and the funds pledged therefor under the Agency Indenture, as applicable. The Local Obligations are limited obligations of the Agency Participant and the Project Areas payable solely from and secured by the Tax Revenues to be derived from the Project Areas, and from the amounts on deposit in certain funds as further described in Appendix A. Payment of the principal of, premium (if any) and interest on the Local Obligations is subordinate to payment of principal of, premium (if any) and interest on the Senior Bonds. The Agency Participant will covenant and agree under the Agency Indenture to not issue obligations with a lien on Tax Revenues on a basis senior to or on a parity with the lien of its Local Obligations (except for refunding bonds) in accordance with the Agency Indenture. The Local Obligations are issued pursuant to the Agency Indenture.

BOND INSURANCE

The scheduled payment of principal of and interest on the Insured Series 2015 Bonds (as shown on the inside cover pages herein) when due will be guaranteed pursuant to an insurance policy to be issued concurrently with the delivery of the Series 2015 Bonds by _____ (the "Policy"). The following disclosure has been provided by _____ as issuer of such Policy.

[TO COME]

LIMITATIONS ON TAX REVENUES

Property Tax and Spending Limitations

Article XIII A of the California Constitution. Section 1(a) of Article XIII A of the California Constitution limits the maximum *ad valorem* tax on real property to one percent of full cash value, to be collected by the counties and apportioned according to law. Section 2 of Article XIII A defines "full cash value" to mean "the county assessor's valuation of real property as shown on the 1975/76 tax bill under full cash value or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or reduction in the consumer price index or comparable data for the area under taxing jurisdiction or reduced in the event of declining property value caused by substantial damage, destruction or other factors. Legislation enacted by the California Legislature to implement Article XIII A provides that notwithstanding any other law, local agencies may not levy any *ad valorem* property tax except to pay debt service on indebtedness approved by the voters as described above.

In the general elections of 1986, 1988, and 1990, the voters of the State approved various measures which further amended Article XIII A. One such amendment generally provides that the purchase or transfer of (i) real property between spouses or (ii) the principal residence and the first \$1,000,000 of the full cash value of other real property between parents and children, do not constitute a "purchase" or "change of ownership" triggering reassessment under Article XIII A. This amendment will reduce the tax increment of the Agency Participant. Other amendments permitted the Legislature to allow persons over 55 who sell their residence and on or after November 5, 1986, to buy or build another of equal or lesser value within two years in the same county, to transfer the old residence's assessed value to

the new residence, and permitted the Legislature to authorize each county under certain circumstances to adopt an ordinance making such transfers or assessed value applicable to situations in which the replacement dwelling purchased or constructed after November 8, 1988, is located within that county and the original property is located in another county within California.

In the June 1990 election, the voters of the State approved additional amendments to Article XIII A permitting the State Legislature to extend the replacement dwelling provisions applicable to persons over 55 to severely disabled homeowners for replacement dwellings purchased or newly constructed on or after June 5, 1990, and to exclude from the definition of “new construction” triggering reassessment improvements to certain dwellings for the purpose of making the dwelling more accessible to severely disabled persons. In the November 1990 election, the voters approved the amendment of Article XIII A to permit the State Legislature to exclude from the definition of “new construction” seismic retrofitting improvements or improvements utilizing earthquake hazard mitigation technologies constructed or installed in existing buildings after November 6, 1990.

Both the California Supreme Court and the United States Supreme Court have upheld the constitutionality of Article XIII A.

Article XIII B of the California Constitution. On November 6, 1979, California voters approved Proposition 4, the Gann Initiative, which added Article XIII B to the California Constitution. The principal effect of Article XIII B is to limit the annual appropriations of the State and any city, county, school district, authority or other political subdivision of the State to the level of appropriations for the prior fiscal year, as adjusted for changes in the cost of living, population and services rendered by the government entity.

Appropriations subject to Article XIII B include generally the proceeds of taxes levied by the State or other entity of local government, exclusive of certain State subventions, refunds of taxes, benefit payments from retirement, unemployment insurance and disability insurance funds.

Effective September 30, 1980, the California Legislature added Section 33678 to the Law which provides that the allocation of taxes to a redevelopment agency for the purpose of paying principal of, or interest on, loans, advances, or indebtedness will not be deemed the receipt by the agency of proceeds of taxes levied by or on behalf of the agency within the meaning of Article XIII B or any statutory provision enacted in implementation thereof, including Section 33678 of the Law. The constitutionality of Section 33678 has been upheld by the Second and Fourth District Courts of Appeal in two decisions: *Bell Community Redevelopment Agency v. Woosely* and *Brown v. Community Redevelopment Agency of the City of Santa Ana*. On the basis of these decisions, the Agency Participant has not adopted an appropriations limit.

Proposition 218. On November 5, 1996, the voters of the State approved Proposition 218, the “Right to Vote on Taxes Act.” Proposition 218 added Articles XIII C and XIII D to the State Constitution, which contain a number of provisions affecting the ability of the public agencies to levy and collect both existing and future taxes, assessments, fees and charges.

Article XIII C removes limitations on the initiative power in matters of local taxes, special taxes, assessments, fees and charges. While the matter is not free from doubt, it is likely that a court would hold that the initiative power cannot be used to reduce or repeal the levy of property taxes or to materially affect the collection and pledge of Tax Revenues.

The interpretation and application of the initiative provisions of Proposition 218 will ultimately be determined by the courts with respect to a number of the matters discussed above, and while it is not

possible at this time to predict with certainty the outcome of such determination, the Agency Participant does not believe that Proposition 218 will materially affect its ability to pay the principal of or interest on the Local Obligations.

Implementing Legislation

Legislation enacted by the California 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 Appendix A and in the Fiscal Consultant's Report appearing in Appendix B is shown at 100% of assessed value and all general tax rates reflect the \$1.00 per \$100 of taxable value. Tax rates for bond debt service and pension liability are also applied to 100% of assessed value.

Future assessed valuation growth allowed under Article XIII A (new construction, change of ownership, 2% annual value growth) will be allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and school districts will share the growth of "base" revenue from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year. Neither the Authority nor the Agency Participant is able to predict the nature or magnitude of future revenue sources which may be provided by the State to replace lost property tax revenues. Article XIII A effectively prohibits the levying of any other *ad valorem* property tax above the 1% limit except for taxes to support indebtedness approved by the voters as described above.

Redevelopment Plan Limits

The Project Areas are subject to certain dates for the termination of the Redevelopment Plan or the deadline for the receipt of tax increment for the repayment of debt that may be relevant to the payment of debt service on the Series 2015 Bonds. The expiration date of the Redevelopment Plan is as described in Appendix A under the caption "THE REDEVELOPMENT PLAN – Financial Limitations." For purposes of the projections in the forepart of this Official Statement (with respect to debt service coverage) and in Appendix A and in the Fiscal Consultant's Report appearing in Appendix B, it is assumed that all Redevelopment Plan limits will be enforced.

There is a question on the applicability of tax increment limits as to time and amounts established under redevelopment plans after the adoption of AB 26 and AB 1484. Further, under AB 1484 and by application of the ROPS structure, a successor agency's receipt of revenues for purposes of interpretation of the project area plan limit is a matter of potential dispute. This is because while under the redevelopment plans and prior law, practitioners considered all revenues of a project area for purposes of interpretation of the project area plan limit, the current constraint on a successor agency's receipt of revenues limited by ROPS yields an odd result which may require clarifying legislation and one not considered by the Fiscal Consultant. The DOF, in a letter dated April 2, 2014, has expressed its view to certain Successor Agencies that tax increment limits are no longer applicable. However, each of these matters remains subject to further guidance from the DOF, legislation and interpretation by the courts. If the cumulative tax increment limit is deemed to no longer be applicable, covenants with respect to such limitations under the Agency Indenture will be terminated as inapplicable.

See "RISK FACTORS – State Budget" for a discussion of the Governor's proposal to eliminate plan limits.

Unitary Property

Assembly Bill 2890 (Statutes of 1986, Chapter 1457), which added Section 98.9 to the California Revenue and Taxation Code, provided that, commencing with the Fiscal Year 1988-89, assessed value derived from State-assessed unitary property (consisting mostly of operational property owned by utility companies) was 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.

Assembly Bill 454 (Statutes of 1987, Chapter 921) further modified the distribution of tax revenues derived from property assessed by the State Board of Equalization. Chapter 921 provided for the consolidation of all State-assessed property, except for regulated railroad property, into a single tax rate area in each county. Chapter 921 further provided for a new method of establishing tax rates on State-assessed property and distribution of property tax revenues derived from State-assessed property to taxing jurisdictions within each county as follows: for revenues generated from the 1% tax rate, each jurisdiction, including redevelopment project areas, will receive a percentage up to 102% of its prior year State-assessed unitary revenue; and if county-wide revenues generated for unitary property are greater than 102% of the previous year's unitary revenues, each jurisdiction will receive a percentage share of the excess unitary revenue generated from the application of the debt service tax rate to county-wide unitary taxable value, further, each jurisdiction will receive a percentage share of revenue based on the jurisdiction's annual debt service requirements and the percentage of property taxes received by each jurisdiction from unitary property taxes in accordance with a new formula. Railroads will continue to be assessed and revenues allocated to all tax rate areas where railroad property is sited.

The intent of Chapters 1457 and 921 was to provide redevelopment agencies with their appropriate share of revenue generated from the property assessed by the State Board of Equalization.

The Agency Participant has projected the amount of unitary revenues to be allocated for the fiscal year 2014-15 within the Project Areas. See Appendix A for such information. Neither the Authority nor the Agency Participant can predict the effect of any future litigation or settlement agreements on the amount of unitary tax revenues received or to be received nor the impact on unitary property tax revenues of any transfer of electrical transmission lines to tax-exempt agencies.

Assessed Value Appeals and Proposition 8 Adjustments

Pursuant to State law, property owners may apply for a reduction of their property tax assessment by filing a written appeal. After the applicant and the assessor have presented their arguments, the applicable local appeals board makes a final decision on the proper assessed value. The appeals board may rule in the assessor's favor, rule in the applicant's favor, or set its own opinion of the proper assessed value, which may be more or less than either the assessor's opinion or the applicant's opinion. Any reduction in the assessment ultimately granted applies to the year for which the application is made and may also affect the values in subsequent years. Refunds for taxpayer overpayment of property taxes may include refunds for overpayment of taxes in years after that which was appealed. Current year values may also be adjusted as a result of a successful appeal of prior year values. Any taxpayer payment of property taxes that is based on a value that is subsequently adjusted downward will require a refund for overpayment.

Appeals for reduction in the “base year” value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date. A base year assessment appeal has significant future revenue impacts because a reduced base year assessment will then reduce the compounded value of the property prospectively. Except for the two percent inflation factor, the value of the property cannot be increased until a change of ownership occurs or additional improvements are added.

Section 51 of the Revenue and Taxation Code permits a reduction (a “Proposition 8 Adjustment”) in the assessed value if the full cash value of the property has been reduced by damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. Reductions made under this code section may be initiated by the County Assessor or requested by the property owner. During the recent real estate market downturn which started in 2006 and appears to have ended in the past four years, the County Assessor’s Office initiated proactive reviews of single family homes, condominiums, townhomes, multifamily and commercial and industrial properties, which result in Proposition 8 Adjustments for many properties in the County.

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

The taxable value of unitary property may be contested by utility companies and railroads to the State Board of Equalization. Generally, the impact of utility appeals is on the statewide value of a utility determined by the State Board of Equalization. As a result, the successful appeal of a utility may not impact the taxable value of a project area but could impact a project area’s allocation of unitary property tax revenues.

Any assessment appeal that is pending or which may be filed in the future, if successful, will result in a reduction of the assessed value of the subject property. A reduction of assessed valuation due to appeals, if significant, and the resulting property tax refunds could adversely impact the amount of Tax Revenues available to pay debt. See additional discussion on assessment appeals in Appendix A and in the Fiscal Consultant’s Report appearing in Appendix B.

Additional Limitation on Tax Revenues

On November 8, 1988 the voters of the State approved Proposition 87, which amended Article XVI, Section 16 of the California 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 bonded indebtedness approved by the voters of the taxing entity after January 1, 1989 will be allocated to the taxing entity and not to the redevelopment agency. The Agency Participant does not project the receipt of any tax increment revenues as a result of general obligation bonds which may be approved on or after January 1, 1989.

RISK FACTORS

The following factors, along with all other information in this Official Statement, should be considered by potential investors in evaluating the Series 2015 Bonds and the credit quality of the Local Obligations. The following does not purport to be an exhaustive listing of risks and other considerations which may be relevant to investing in the Series 2015 Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks. For a discussion of certain matters that will or could cause reductions in the Tax Revenues available in future years, see "LIMITATIONS ON TAX REVENUES" in the forepart of this Official Statement. See also "SPECIAL RISK FACTORS" in Appendix A for a discussion of additional risk factors specific to the Agency Participant and the Project Areas.

Limited Special Obligations

The Series 2015 Bonds will be special obligations of the Authority, payable from and secured as to the payment of the principal, redemption premium (if any) and interest thereon in accordance with their terms and the terms of the Trust Agreement, solely from the Trust Estate, which will consist primarily of principal and interest payments on the Local Obligations to be purchased by the Authority under the Trust Agreement and to be owned by the Authority as set forth in the Agency Indenture. The Series 2015 Bonds shall not constitute a charge against the general credit of the Authority or any of its members, and under no circumstances shall the Authority be obligated to pay principal of, premium (if any) and interest on any Series of Series 2015 Bonds except from the Trust Estate. Neither the State nor any public agency (other than the Authority) nor any member of the Authority is obligated to pay the principal of, premium (if any) and interest on the Series 2015 Bonds, and neither the faith and credit nor the taxing power of the State or any public agency thereof or any member of the Authority is pledged to the payment of the principal of, premium (if any) and interest on the Series 2015 Bonds. The payment of the principal of, premium (if any) and interest on the Series 2015 Bonds does not constitute a debt, liability or obligation of the State or any public agency (other than the Authority) or any member of the Authority.

Risks of Real Estate Secured Investments Generally

The Owners and Beneficial Owners of the Series 2015 Bonds will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (a) adverse changes in local market conditions, such as changes in the market value of real property within and in the vicinity of the Project Areas, the supply of or demand for competitive properties in the Project Areas, and the market value of competitive properties in the event of sale or foreclosure, (b) changes in real estate tax rates and other operating expenses, governmental rules (including, without limitation, zoning laws and laws relating to endangered species and hazardous materials) and fiscal policies, and (c) natural disasters (including, without limitation, earthquakes, fires, droughts and floods), which may result in uninsured losses.

Tax Revenues

Tax Revenues, which secure the Local Obligations, are determined by the incremental assessed value of taxable property in the Project Areas, the current rate or rates at which property in the Project Areas is taxed, and the percentage of taxes collected in the Project Areas. Several types of events which are beyond the control of the Agency Participant could occur and cause a reduction in available Tax Revenues and, potentially, Revenues under the Trust Agreement. A reduction of taxable values of property in the Project Areas or a reduction of the rate of increase in taxable values of property in the Project Areas caused by economic or other factors beyond the Agency Participant's control (such as a relocation out of the Project Areas by one or more major property owners, successful appeals by property

owners for a reduction in a property's assessed value, a reduction in the rate of transfers of property, construction activity or other events that permit reassessment of property at lower values, or the destruction of property caused by natural or other disasters, including earthquakes) could occur, thereby causing a reduction in Tax Revenues and, potentially, Revenues under the Trust Agreement. This risk increases in proportion to the percent of total assessed value attributable to any single assessee in the Project Areas and in relation to the concentration of property in the Project Areas in terms of size or land use. Several of the Project Areas have a large concentration of ownership among the largest property taxpayers. See "THE PROJECT AREAS – General" and "SPECIAL RISK FACTORS – Concentration of Ownership" in Appendix A.

Any reduction in the tax rate applicable to property in the Project Areas, by reason of discontinuance of certain override tax levies in excess of the 1% basic levy, will reduce the Tax Revenues and, potentially, Revenues under the Trust Agreement. The tax rates which are applied to incremental taxable values consist of two components: the General Tax Rate of \$1.00 per \$100 of taxable values and the Override Tax Rate which is levied to pay voter approved indebtedness. The basic levy tax rate may not exceed 1% (\$1.00 of \$100 taxable value) in accordance with Article XIII A. An amendment to the Constitution prohibits redevelopment agencies from receiving taxes generated by new Override Tax Rates, which are reflective of debt approved after December 31, 1988. As mentioned in the Fiscal Consultant's Report, many issues involved in the dissolution of redevelopment agencies have yet to be resolved including the continuation of plan limits, override revenues and the treatment of ERAF. Additionally approximately 100 lawsuits have been filed on various aspects of AB 26 and AB 1484 which could impact the dissolution of redevelopment agencies. The projections herein could be impacted as a result of future court decisions.

The Fiscal Consultant has based certain projections herein on assumptions with regard to the Project Areas, including growth in assessed values and tax increment revenue growth. These projections assume that assessed value will increase by 1% in fiscal year 2015-16 and 2% thereafter. A 2% growth rate is the maximum inflationary growth rate permitted by law. For summary information regarding such projections and projected growth rate of the Agency Participant, see Appendix A under the caption "THE PROJECT AREAS" and the Fiscal Consultant's Report appearing in Appendix B. There can be no assurance, however that assessed values will increase as projected, if at all.

Any reduction in assessed value in the Project Areas, reduction in tax rates or reduction in taxes collected would reduce the Tax Revenues available to pay debt service on the Local Obligations. See "RISK FACTORS" and "LIMITATIONS ON TAX REVENUES – Property Tax Administrative Costs." See also Appendix A under the caption "THE PROJECT AREA" hereto for a summary of historical assessed valuation of property in the project area, current assessment appeals and historical delinquencies.

Successor Agency Powers and Resources Are Limited

Each Successor Agency was created pursuant to the Dissolution Act to wind down the affairs of a Former RDA. Its powers are limited to those granted under the Dissolution Act. It has no power to levy and collect property taxes. It does not have any legal authority to participate in redevelopment activities, except to complete work related to enforceable obligations, as defined in the Dissolution Act. Many Successor Agency actions are subject to the review or the directions of its Oversight Board and the DOF and, in some cases, the County Auditor-Controller and the State Controller. California Health and Safety Code Section 34173(e) states that that the liability of the Successor Agency, acting pursuant to the powers granted under the Dissolution Act, is limited to the extent of the total sum of property tax revenues it receives pursuant to the Dissolution Act and the value of assets transferred to it as a Successor Agency for the Former RDA.

Prior to dissolution, each Former RDA retained funds on hand, accumulated from prior years, that were available for use if short-term cash flow issues arose. In the event of a delay in the receipt of tax increment in any given year, such Former RDA could (though it was not obligated to) use such other available funds to make payments on debt obligations when due. Under the Dissolution Act, a Successor Agency is required to seek prior approval from its Oversight Board (and, therefore, the DOF because all Oversight Board actions are subject to DOF's review) in order to pay an enforceable obligation from a source of funds that is different than the one identified on the ROPS. As the result of procedures already completed under the Dissolution Act, such as the due diligence reviews (see "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS – Due Diligence Reviews"), the Successor Agency virtually has no alternative resources available to make payment on enforceable obligations if there is a significant delay with respect to scheduled RPTTF disbursements or if the amount from RPTTF disbursements is not sufficient for the required payment on the enforceable obligations.

The Dissolution Act expressly provides that a Former RDA's original sponsoring city and the Successor Agency are separate public entities. The liabilities of the Former RDA are not transferred to any respective Former RDA's original sponsoring city by the virtue of its election to serve as the Successor Agency. The liabilities of the Successor Agency are not the liabilities of the Former RDA's original sponsoring city.

Limited Application of Tax Revenues in Project Areas

Debt service payable on the Series 2015 Bonds has been calculated based on the assumption that the Agency Participant and the Project Areas will generate sufficient Tax Revenues to timely pay debt service on the Local Obligations with respect to the Project Areas and that the aggregate of the debt service on all Local Obligations will be available in an amount sufficient to timely pay debt service on the Series 2015 Bonds. Accordingly, if there should be a substantial decline in the amount of Tax Revenues available with respect to the Agency Participant or the Project Areas causing a default in the payment of the Local Obligations, and should the debt service reserve account established for the Local Obligations become depleted as a result of such default or defaults in the payment of the Local Obligations, the Authority may be unable to pay debt service on the Series 2015 Bonds.

Change in Law

In addition to the other limitations on Tax Revenues, the California electorate or Legislature could adopt a constitutional or legislative property tax decrease with the effect of reducing Tax Revenues payable to the Agency Participant. There is no assurance that the California electorate or Legislature will not at some future time approve additional limitations that could reduce the Tax Revenues and adversely affect the security of the Local Obligations.

Reduction in Inflationary Rate

As described in greater detail below, Article XIII A of the California Constitution 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 inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. Such measure is computed on a calendar year basis. See "LIMITATIONS ON TAX REVENUES" for a discussion of how this measure or other initiative measures adopted by the California electorate could reduce Tax Revenues and, potentially, Revenues under the Trust Agreement.

Levy and Collection

The Agency Participant has no independent power to levy and collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the Tax Revenues, and accordingly, could have an adverse impact on the ability of the Agency Participant to pay debt service on the Local Obligations. Likewise, the County has not implemented a Teeter Plan with respect to the collection and distribution of taxes and delinquencies in the payment of property taxes could have an adverse effect on the Agency Participant's ability to make timely debt service payments. See "Property Tax Collection Procedures" below.

Property Tax Collection Procedures

In California, property which is subject to *ad valorem* taxes is classified as "secured" or "unsecured." The "secured roll" is that part of the assessment roll containing state-assessed public utilities' property and property the taxes on which are a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. A tax levied on unsecured property does not become a lien against such unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens arising pursuant to State law on such secured property, regardless of the time of the creation of the other liens. Secured and unsecured properties are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property. Collections are the responsibility of the County Treasurer and Tax Collector.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. In addition property on the secured roll with respect to which taxes are due is delinquent on or about June 30 of the 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.

Historically, property taxes are levied for each fiscal year on taxable real and personal property situated in the taxing jurisdiction as of the preceding January 1. A bill enacted in 1983, SB 813 (Statutes of 1983, Chapter 498), however, provided for the supplemental assessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Thus, this legislation eliminated delays in the realization of increased property taxes from new assessments. As amended, SB 813 provided increased revenue to taxing jurisdictions to the extent that supplemental assessments of new construction or changes of ownership occur subsequent to the January 1 lien date.

Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent, if unpaid on the following August 31. A ten percent (10%) penalty is also attached to delinquent taxes in respect of property on the unsecured roll, and further, an additional penalty of 1.5% per month accrues with respect to such taxes beginning the first day of the third month following the delinquency date. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer, (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer, (3) filing a certificate of delinquency for record in the county recorder's office, in order to obtain a lien on certain property of the taxpayer, and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes in respect of 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.

The County has not implemented a Teeter Plan with respect to the collection and distribution of taxes. See Appendix A under the caption “THE PROJECT AREAS” hereto for a summary of historical assessed valuation of property in the Project Areas, current assessment appeals and historical delinquencies.

Natural Disasters; Seismic Hazards

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

There are several identified faults within close proximity to or within the boundaries of the Project Areas, including the Southern Segment of the San Andreas Fault that could potentially result in damage to buildings, roads, bridges, and property within the Project Areas in the event of an earthquake. For summary information regarding natural disasters and seismic hazards concerning the Project Areas, see Appendix A under the caption “SPECIAL RISK FACTORS – Natural Disasters; Seismic Hazards.” If an earthquake or other natural disaster were to substantially damage or destroy taxable property within the Project Areas, the assessed valuation of such property would be reduced. Such a reduction of assessed valuations could result in a reduction of the Tax Revenues that secure the Local Obligations.

Hazardous Substances

An environmental condition that may result in the reduction in the assessed value of parcels would be the discovery of hazardous substances that would limit the beneficial use of a property within the Project Areas. In general, the owners and operators of a property may be required by law to remedy conditions of the property relating to releases or threatened releases of hazardous substances. The Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or the “Superfund Act” is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the property within the Project Areas be affected by a hazardous substance, would be to reduce the marketability and value of the property by the costs of remedying the condition, since the purchaser, upon becoming an owner, will become obligated to remedy the condition just as is the seller.

Assessment Appeals

Property taxable values may be reduced as a result of a successful appeal of the taxable value determined by the County Assessor. An appeal may result in a reduction to the Assessor’s original taxable value and a tax refund to the applicant property owner. A reduction in taxable values within the Project Areas and the refund of taxes which may arise out of successful appeals by property owners will affect the amount of Tax Revenues, and, potentially, Revenues. The Agency Participant has in the past experienced reductions in Tax Revenues as a result of assessment appeals. The actual impact to tax increment is dependent upon the actual revised value of assessments resulting from values determined by the County Assessment Appeals Board or through litigation and the ultimate timing of successful appeals. See “THE PROJECT AREAS – Assessment Appeals” in Appendix A for a discussion of historical assessment appeals in the Project Areas.

Litigation

Certain litigation may affect the distribution of property tax revenues or other monies to the Agency Participant, which may affect the amounts available to pay debt service on the Series 2015 Bonds. See “LITIGATION” and APPENDIX A – “SUCCESSOR AGENCY TO THE LONG BEACH REDEVELOPMENT AGENCY – LITIGATION” herein.

Economic Risks

The Agency Participant’s ability to make payments on the Local Obligations will be partially dependent upon the economic strength of the Project Areas. If there is a decline in the general economy of the Project Areas, the owners of property may be less able or less willing to make timely payments of property taxes causing a delay or stoppage of tax increment revenues. In the event of decreased values, Tax Revenues and, potentially, Revenues may decline as a result.

State Budget

AB 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, as efforts to address structural deficits in the State general fund budget. In general terms, these bills implemented a framework to transfer cash assets 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 Tax Revenues.

On June 20, 2014, the Governor signed into law the State budget for fiscal year 2014-15 (the “2014-15 Budget”). The following information is drawn from the State Department of Finance’s summary of the 2014-15 Budget. The 2014-15 Budget is based on revenue projections previously included in the Governor’s May revision to the proposed budget for fiscal year 2014-15. For fiscal year 2013-14, the 2014-15 Budget projects total State general fund revenues of \$102.2 billion, and total State general fund expenditures of \$100.7 billion. The 2014-15 Budget projects that the State will end the 2013-14 fiscal year with a \$2.9 billion general fund surplus. For fiscal year 2014-15, the 2014-15 Budget projects total State general fund revenues of \$109.4 billion and total State general fund expenditures of \$108 billion, leaving the State with a projected general fund surplus for fiscal year 2014-15 of approximately \$2.1 billion. This projected reserve is a combination of \$449 million in the State’s general fund traditional reserve, and an authorized deposit of \$1.6 billion into the Budget Stabilization Account established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

On January 9, 2015, the Governor announced his proposed budget for fiscal year 2015-16 (the “Proposed Budget”). As part of the Proposed Budget, the Governor has proposed legislation that would:

- (i) Transition all successor agencies from a biannual ROPS process to an annual ROPS process beginning January 1, 2016 when the successor agencies transition to a countywide oversight board.
- (ii) Establish a “Last and Final” ROPS process beginning September 2015. The Last and Final ROPS will be available only to successor agencies that have a Finding of Completion, are in agreement with the Department of Finance on what items qualify for payment, and meet other specified conditions. If approved by the Department of

Finance, the Last and Final ROPS will be binding on all parties and the successor agency will no longer submit a ROPS to the Department of Finance or the oversight board. The county auditor-controller will remit the authorized funds to the successor agency in accordance with the approved Last and Final ROPS until each remaining enforceable obligation has been fully paid.

- (iii) Clarify that former tax increment caps and plan limits do not apply for the purposes of paying approved enforceable obligations.

The full text of each Assembly Bill cited above may be obtained from the “Official California Legislative Information” website maintained by the Legislative Counsel of the State of California pursuant to State law, at the following web link: <http://www.leginfo.ca.gov/bilinfo.html>. Information about the State budget and State spending is available at various State maintained websites. Text of the 2014-15 Budget, the Proposed Budget and other documents related to the State budget may be found at the website of the State Department of Finance, www.dof.ca.gov. A nonpartisan analysis of the budget is posted by the Legislative Analyst’s Office at www.lao.ca.gov. In addition, various State official statements, many of which contain a summary of the current and past State budgets may be found at the website of the State Treasurer, www.treasurer.ca.gov.

None of the websites or webpages referenced above is in any way incorporated into this Official Statement. They are cited for informational purposes only. Neither the Authority nor the Agency Participant can make any representation whatsoever as to the accuracy or completeness of any of the information on such websites.

Certain litigation is challenging some of the terms of the Dissolution Act, and it is anticipated that there will be additional future legislation in this area. The Agency Participant cannot predict what measures may be proposed or implemented for the current fiscal year or in the future.

Direct and Overlapping Indebtedness

The ability of land owners within the Project Areas to pay property tax installments as they come due could be affected by the existence of other taxes and assessments, imposed upon the land. In addition, other public agencies whose boundaries overlap those of the Project Areas could, without consent of the Agency Participant, and in certain cases without the consent of the owners of the land within the Project Areas, impose additional taxes or assessment liens on the property to finance public improvements. See “Bankruptcy and Foreclosure” below.

Bankruptcy and Foreclosure

The payment of property taxes by owners may be limited by bankruptcy, insolvency, or other laws generally affecting creditor’s rights or by the laws of the State relating to judicial foreclosure. The various legal opinions to be delivered concurrently with the issuance of the Series 2015 Bonds (including Bond Counsel’s approving legal opinion) will be qualified, as to the enforceability of the various legal instruments, by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Although bankruptcy proceedings would not cause the property tax obligation of a landowner to become extinguished, such bankruptcy could result in a delay in collection of Tax Revenues, and would increase the likelihood of a delay or default in payment of the principal of and interest on the Local Obligations.

Future Legislation and Initiatives

Article XIII A, Article XIII B and Proposition 218 were each adopted as measures that qualified for the ballot pursuant to California's initiative process. From time to time other initiative measures could be adopted, further affecting revenues of the Agency Participant or the Agency Participant's ability to expend revenues. In addition, there are currently a number of proposed legislative changes to the Dissolution Act which, if adopted, would also affect revenues of the Agency Participant or the Agency Participant's ability to expend revenues. The nature and impact of these measures cannot currently be anticipated.

TAX MATTERS

Series 2015A Bonds

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2015A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Series 2015A Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that interest on the Series 2015A Bonds is included in adjusted current earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX E – "FORM OF OPINIONS OF BOND COUNSEL."

To the extent the issue price of any maturity of the Series 2015A Bonds is less than the amount to be paid at maturity of such Series 2015A Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2015A Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Series 2015A Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Series 2015A Bonds is the first price at which a substantial amount of such maturity of the Series 2015A Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2015A Bonds accrues daily over the term to maturity of such Series 2015A Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Series 2015A Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series 2015A Bonds. Beneficial Owners of the Series 2015A Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2015A Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Series 2015A Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2015A Bonds is sold to the public.

Series 2015A Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of obligations, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of

amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2015A Bonds. The Authority and the Agency Participant have each made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2015A Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2015A Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2015A Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Series 2015A Bonds may adversely affect the value of, or the tax status of interest on, the Series 2015A Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Series 2015A Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Series 2015A Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2015A Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. For example, Representative Dave Camp, Chair of the House Ways and Means Committee released draft legislation that would subject interest on the Series 2015A Bonds to a federal income tax at an effective rate of 10% or more for individuals, trusts, and estates in the highest tax bracket, and the Obama Administration proposed legislation that would limit the exclusion from gross income of interest on the Series 2015A Bonds to some extent for high income individuals. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series 2015A Bonds. Prospective purchasers of the Series 2015A Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2015A Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Authority has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Series 2015A Bonds ends with the issuance of the Series 2015A Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority or the Beneficial Owners regarding the tax-exempt status of the Series 2015A Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Authority and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Authority legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2015A Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2015A Bonds, and may cause the Authority or Beneficial Owners to incur significant expense.

Series 2015B Bonds

The following discussion summarizes certain U.S. federal tax considerations generally applicable to holders of the Series 2015B Bonds that acquire their Series 2015B Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the IRS with respect to any of the U.S. federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with all U.S. federal income tax considerations applicable to categories of investors some of which may be subject to special taxing rules (regardless of whether or not such persons constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Series 2015B Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose "functional currency" is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences or (ii) the indirect effects on persons who hold equity interests in a holder. In addition, this summary generally is limited to investors that acquire their Series 2015B Bonds pursuant to this offering for the issue price that is applicable to such Series 2015B Bonds (i.e., the price at which a substantial amount of the Series 2015B Bonds are sold to the public) and who will hold their Series 2015B Bonds as "capital assets" within the meaning of Section 1221 of the Code.

As used herein, "U.S. Holder" means a beneficial owner of a Series 2015B Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, "Non-U.S. Holder" generally means a beneficial owner of a Series 2015B Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds Series 2015B Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Series 2015B Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Series 2015B Bonds (including their status as U.S. Holders or Non-U.S. Holders).

U.S. Holders

Interest. In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions and assuming compliance with certain covenants, interest on the Series 2015B Bonds is exempt from State of California personal income taxes. Interest on the Series 2015B Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or amount, accrual or receipt of interest on, the Series 2015B Bonds. A complete copy of the proposed form of opinion is set forth in APPENDIX E – “FORM OF OPINIONS OF BOND COUNSEL.”

Stated interest on the Series 2015B Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder’s method of accounting for U.S. Federal income tax purposes.

The Series 2015B Bonds are not expected to be treated as issued with original issue discount (“OID”) for U.S. federal income tax purposes because the stated redemption price at maturity of the Series 2015B Bonds is not expected to exceed their issue price, or because any such excess is expected to only be a *de minimis* amount (as determined for tax purposes).

Disposition of the Series 2015B Bonds. Unless a non-recognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the Authority) or other disposition of a Series 2015B Bond, will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Series 2015B Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Series 2015B Bond) and (ii) the U.S. Holder’s adjusted U.S. federal income tax basis in the Series 2015B Bond (generally, the purchase price paid by the Series 2015B Bond decreased by any amortized premium). Any such gain or loss generally will be capital gain or loss. In the case of a noncorporate U.S. Holder of the Series 2015B Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder’s holding period for the Series 2015B Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Tax on Net Investment Income. Certain non-corporate U.S. Holders of Series 2015B Bonds will be subject to a 3.8% tax on the lesser of (1) the U.S. Holder’s “net investment income” (in the case of individuals) or “undistributed net investment income” (in the case of estates and certain trusts) for the relevant taxable year and (2) the excess of the U.S. Holder’s “modified adjusted gross income” (in the case of individuals) or “adjusted gross income” (in the case of estates and certain trusts) for the taxable year over a certain threshold (which in the case of individuals will be between \$125,000 and \$250,000, depending on the individual’s circumstances). A U.S. Holder’s calculation of net investment income generally will include its interest income on the Series 2015B Bonds and its net gains from the disposition of the Series 2015B Bonds, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are a U.S. Holder that is an individual, estate or trust, you are urged to consult your tax advisors regarding the applicability of this tax to your income and gains in respect of your investment in the Series 2015B Bonds.

Information Reporting and Backup Withholding. Payments on the Series 2015B Bonds generally will be subject to U.S. information reporting and “backup withholding.” Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Series 2015B Bonds may be subject to backup withholding at the current rate of 28% with respect to “reportable

payments,” which include interest paid on the Series 2015B Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Series 2015B Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number (“TIN”) to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a “notified payee underreporting” described in Section 3406(c) of the Code or (iv) there has been a failure of the payee to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder’s federal income tax liability, if any, provided that the required information is timely furnished to the IRS.

Non-U.S. Holders

Interest. Subject to the discussions below under the headings “Information Reporting and Backup Withholding” and “FATCA,” payments of principal of, and interest on, any Series 2015B Bond to a Non-U.S. Holder, other than (1) a controlled foreign corporation, as such term is defined in the Code, which is related to the Authority through stock ownership and (2) a bank which acquires such Series 2015B Bond in consideration of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business, will not be subject to any U.S. withholding tax provided that the beneficial owner of the Series 2015B Bond provides a certification completed in compliance with applicable statutory and regulatory requirements, which requirements are discussed below under the heading “Information Reporting and Backup Withholding,” or an exemption is otherwise established.

Disposition of the Series 2015B Bonds. Subject to the discussions below under the headings “Information Reporting and Backup Withholding” and “FATCA,” any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement (including pursuant to an offer by the Authority) or other disposition of a Series 2015B Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement (including pursuant to an offer by the Authority) or other disposition and certain other conditions are met.

U.S. Federal Estate Tax. A Series 2015B Bond that is held by an individual who at the time of death is not a citizen or resident of the United States will not be subject to U.S. federal estate tax as a result of such individual’s death, provided that at the time of such individual’s death, payments of interest with respect to such Series 2015B Bond would not have been effectively connected with the conduct by such individual of a trade or business within the United States.

Information Reporting and Backup Withholding. Subject to the discussion below under the heading “FATCA,” under current U.S. Treasury Regulations, payment of principal and interest on any Series 2015B Bonds to a holder that is not a United States person will not be subject to any backup withholding tax requirements if the beneficial owner of the Series 2015B Bond or a financial institution holding the Series 2015B Bond on behalf of the beneficial owner in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a beneficial owner provides the certification, the certification must give the name and address of such owner, state that such owner is not a United States person, or, in the case of an individual, that such owner is neither a citizen nor a resident of the United States, and the owner must sign the certificate under penalties of perjury. If a financial institution, other than a financial institution that is a qualified intermediary, provides the certification, the certification must state that the financial institution has received from the beneficial owner the certification set forth in the preceding sentence, set forth the information contained in such certification, and include a copy of such certification, and an

authorized representative of the financial institution must sign the certificate under penalties of perjury. A financial institution generally will not be required to furnish to the IRS the names of the beneficial owners of the Series 2015B Bonds that are not United States persons and copies of such owners' certifications where the financial institution is a qualified intermediary that has entered into a withholding agreement with the IRS pursuant to applicable U.S. Treasury Regulations.

In the case of payments to a foreign partnership, foreign simple trust or foreign grantor trust, other than payments to a foreign partnership, foreign simple trust or foreign grantor trust that qualifies as a withholding foreign partnership or a withholding foreign trust within the meaning of applicable U.S. Treasury Regulations and payments to a foreign partnership, foreign simple trust or foreign grantor trust that are effectively connected with the conduct of a trade or business within the United States, the partners of the foreign partnership, the beneficiaries of the foreign simple trust or the persons treated as the owners of the foreign grantor trust, as the case may be, will be required to provide the certification discussed above in order to establish an exemption from withholding and backup withholding tax requirements. The current backup withholding tax rate is 28%.

In addition, if the foreign office of a foreign "broker," as defined in applicable U.S. Treasury regulations pays the proceeds of the sale of a Series 2015B Bond to the seller of the Series 2015B Bond, backup withholding and information reporting requirements will not apply to such payments provided that such broker derives less than 50% of its gross income for certain specified periods from the conduct of a trade or business within the United States, is not a controlled foreign corporation, as such term is defined in the Code, and is not a foreign partnership (1) one or more of the partners of which, at any time during its tax year, are U.S. persons (as defined in U.S. Treasury Regulations Section 1.1441-1(c)(2)) or (2) which, at any time during its tax year, is engaged in the conduct of a trade or business within the United States. Moreover, the payment by a foreign office of other brokers of the proceeds of the sale of a Series 2015B Bond will not be subject to backup withholding unless the payer has actual knowledge that the payee is a U.S. person. Principal and interest so paid by the U.S. office of a custodian, nominee or agent, or the payment by the U.S. Office of a broker of the proceeds of a sale of a Series 2015B Bond, is subject to backup withholding requirements unless the beneficial owner provides the nominee, custodian, agent or broker with an appropriate certification as to its non-U.S. status under penalties of perjury or otherwise establishes an exemption.

FATCA. Sections 1471 through 1474 of the Code, impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of U.S. source interest (including OID) and sales proceeds of debt obligations held by or through a foreign entity. Withholding under FATCA generally will apply to (i) payments of U.S. source interest (including OID) made after June 30, 2014, (ii) gross proceeds from the sale, exchange or retirement of debt obligations paid after December 31, 2016 and (iii) certain foreign "pass-thru" payments no earlier than January 1, 2017, but exempt from withholding any payments made on and proceeds realized from the disposition of obligations that are outstanding on July 1, 2014 and are not substantially modified after that date, which exemption should exclude the Series 2015B Bonds from the withholding provisions of FATCA.

Prospective investors should nonetheless consult their own tax advisors regarding FATCA and its effect on them.

Circular 230

Under 31 C.F.R. part 10, the regulations governing practice before the IRS (Circular 230), the Authority and its tax advisors are (or may be) required to inform prospective investors that:

- i. any advice contained herein is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer;
- ii. any such advice is written to support the promotion or marketing of the Series 2015B Bonds and the transactions described herein; and
- iii. each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

CONTINUING DISCLOSURE

In accordance with the Continuing Disclosure Agreement to be delivered concurrently with the delivery of the Series 2015 Bonds, the Agency Participant will covenant and agree for the benefit of Owners of the Series 2015 Bonds, with assistance from the Authority, to provide certain financial information and operating data relating to the Agency Participant by not later than 180 days after the end of the Agency Participant's fiscal year (presently September 30), in each year commencing with its report for the 2014-15 fiscal year (each an "Annual Report"). The Authority has also agreed to assist in providing notices of the occurrence of certain enumerated events on behalf of the Agency Participant. Such Annual Report and notices will be filed by the Agency Participant or the Authority, on behalf of the Agency Participant, with the MSRB through EMMA.

The Authority has agreed to assist the Agency Participant in the preparation of annual updates of the information contained in the tables included in this Official Statement with respect to property tax revenues, collections, principal taxpayers, and, if applicable, plan limit calculations, and has agreed to assist in filing notices of enumerated events. The Authority will act as Dissemination Agent and, unless otherwise filed by the Agency Participant, will file the Annual Reports, including audited financial statements, and notices with the MSRB through EMMA. In carrying out the duties of Dissemination Agent, the Authority will adhere to the continuing disclosure procedures approved by the County Treasurer and Tax Collector found at the Los Angeles County Treasurer and Tax Collector website (http://ttc.lacounty.gov/Proptax/Investor_Info.asp). The information contained in such website is not incorporated into this Official Statement.

These covenants have been made in order to assist the Underwriters in complying with Securities Exchange Commission Rule 15c2-12(b)(5) ("Rule 15c2-12"). The specific nature of the information to be contained in the Annual Report and the notices of enumerated events are set forth in APPENDIX G – "FORM OF CONTINUING DISCLOSURE AGREEMENT."

The compliance of the Agency Participant is described in Appendix A in the introductory section under the caption "Continuing Disclosure" and includes incomplete and or delinquent compliance. The Agency Participant has brought itself current with respect to its past failures to timely file. [CONFIRM]

CERTAIN LEGAL MATTERS

The validity of the Series 2015 Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority. Bond Counsel, as such, has not undertaken any responsibility for the accuracy, completeness or fairness of this Official Statement. A complete copy of the proposed form of opinion of Bond Counsel is contained in APPENDIX E – “FORM OF OPINIONS OF BOND COUNSEL” attached hereto. Certain legal matters will be passed upon for the Authority by County Counsel as Counsel to the Authority. Certain legal matters will be passed upon for the Agency Participant by designated general counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California.

FINANCIAL STATEMENTS

Audited annual financial statements for the City of Long Beach for the fiscal year ended June 30, 2014, were prepared by Simpson and Simpson, Certified Public Accountants. Excerpts of the Agency Participant’s audited annual financial statements for the fiscal year ended June 30, 2014, are attached hereto as Appendix C. The Agency Participant has not requested, and the auditor has not provided, any update or review of such audited financial statements in connection with the inclusion thereof in Appendix C to this Official Statement.

FINANCIAL ADVISOR

KNN Public Finance, a division of Zions First National Bank, Oakland California (the “Financial Advisor”) is serving as financial advisor to the Authority in connection with the execution and delivery of the Series 2015 Bonds. The Financial Advisor has not independently verified any of the data contained in this Official Statement or conducted a detailed investigation of the affairs of the Authority or the Agency Participant to determine the accuracy or completeness of this Official Statement. The Financial Advisor assumes no responsibility for the accuracy or completeness of any of the information contained in this Official Statement.

VERIFICATION OF MATHEMATICAL ACCURACY

Grant Thornton LLP, independent accountants, upon delivery of the Series 2015 Bonds, will deliver a report on the mathematical accuracy of certain computations, contained in schedules prepared by the Underwriters, relating to the sufficiency of moneys and securities deposited into the Redemption Funds to pay, when due, the principal, whether at maturity or upon prior prepayment, interest and redemption premium requirements of the Refunded Bonds.

The report of Grant Thornton LLP 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 data or information coming to its attention, subsequent to the date of its report.

LITIGATION

To the best knowledge of the Authority, there is no litigation pending (where service of process has been completed on the Authority) or threatened against the County or the Authority concerning the validity of the Series 2015 Bonds or challenging any action taken by the Authority in connection with the authorization of the Trust Agreement, the Bond Purchase Agreement, Local Obligations Purchase

Contract or any other document relating to the Series 2015 Bonds to which the Authority is or is to become a party or the performance by the Authority of any of its obligations under any of the foregoing.

There is no action, suit or proceeding pending or, to the knowledge of any of the Agency Participant, threatened, restraining or enjoining the execution or delivery of the Local Obligations or Agency Indenture, or in any way contesting or affecting the validity of the foregoing or any proceedings of the Agency Participant, its Oversight Board, or the City of Long Beach taken with respect to any of the foregoing. The Agency Participant is a defendant in actions for writs of mandamus, injunctive relief and related fees, and for alleged damages to persons and/or property and for other alleged liabilities arising out of matters usually incident to the operation of a former redevelopment agency (now a successor agency). However, the Agency Participant does not expect such pending or threatened litigation to result in a material adverse impact on the ability of the Agency Participant to make timely payments of debt service on its Local Obligations. See Appendix A under the caption "LITIGATION." The lawsuits described below relate to issues that may affect the distribution of property tax revenues or other monies to the Agency Participant under the Dissolution Act.

Prior to adoption of the Dissolution Act in 2011, redevelopment agencies were responsible for remitting the statutory pass-through payments to taxing agencies based on the allocation of moneys as provided by county auditor-controllers. Although the redevelopment agencies relied upon allocations provided by the County auditor controller, the redevelopment agencies were legally responsible for paying each taxing agency its allocated share. Following the adoption of the Dissolution Act, county auditor-controllers administer the allocation and payment of statutory pass-throughs directly.

In 2007, the Los Angeles Unified School District ("LAUSD") filed a lawsuit against the County and various cities, special districts and redevelopment agencies in the County, including the Agency Participant, alleging that the County Auditor-Controller and local redevelopment agencies improperly allocated and paid to cities, counties, and special districts an illegally inflated share of local property tax revenue. This lawsuit involves the method the County uses to calculate the allocation of Statutory Pass-Through Amounts among taxing agencies and does not challenge the total amount or calculation of the Statutory Pass-Through Amounts owed by redevelopment agencies.

In January 2011, the Los Angeles Community College District ("LACCD") filed a similar lawsuit against the County and various cities, special districts and redevelopment agencies in the County based on the same grounds. The court in the LACCD case determined the matter to be related to the LAUSD case and therefore the case has been placed on hold pending final resolution of LAUSD matter.

The trial court in the LAUSD litigation rendered judgment in favor of the County, cities, special districts and redevelopment agencies and, after the appellate court reversed such judgment and remanded the case back to the trial court, the trial court issued a statement of decision in favor of LAUSD on January 27, 2012, ruling that the amount of pass-through received by the County, cities and special districts had been illegally inflated, and requiring the respondents to file a return on the writ explaining how they would comply with the court's order to return the improperly withheld funds to LAUSD. LAUSD appealed on September 7, 2012 to a portion of the court's statement of decision, specifically challenging the court's determination that while ERAF revenue received by schools is to be factored when calculating their pass-through shares, the ERAF revenue they are credited with shall not include amounts diverted under Revenue & Taxation Code sections 97.68 (the "Triple Flip") and 97.70 (the "VLF Swap") since their respective enactment in 2004. The appellate court agreed with LAUSD, reversed the trial court's ruling concluding that: "The property tax revenue that LAUSD received from the ERAF's should be deemed to include its share of the ERAF revenue that was diverted by the Triple Flip and the VLF Swap legislation, thus avoiding either a decrease in LAUSD's pass-through payment allocation, or an increase in a city or county's pass-through payment allocation." The appellate court remanded to the

trial court on June 26, 2013. The County appealed, and the State Supreme Court denied the County's petition for review on this matter on October 2, 2013.

The County, LAUSD and other parties to the litigation are currently negotiating a methodology pursuant to which the Statutory Pass-Through Amounts could be allocated consistent with the appellate court decision. The County believes that a resolution with an approved calculation methodology is close to completion. LAUSD has sought return of Pass-Through Amounts to which it was entitled since 2004 in addition to correcting the allocation of pass-throughs in the future. LACCD, in its lawsuit, has sought the return of Pass-Through Amounts to which it was entitled from fiscal year 2007-08 through January 31, 2012. As discussed above, prior to the enactment of the Dissolution Act in 2011, redevelopment agencies were responsible for the payment of the Statutory Pass-Through Amounts based on allocations provided by county auditor-controllers. It is likely that the trial court could seek repayment of past due sums from the County, cities and special districts and/or from the redevelopment agencies who paid the wrong Statutory Pass-Through Amounts to the taxing agencies. The County and the school districts are also exploring the best way for the cities, special districts and former redevelopment agencies to repay the schools which filed these lawsuits. Additionally the trial court has determined that interest is owed on any past due amounts. It is unclear what liability, if any, the Agency Participant may have to LAUSD at this time or to other school districts within its boundaries. The next status conference is set for March 16, 2015.

If the Agency Participant is found liable, under the Dissolution Act, it is unclear whether any amounts owed by the Agency Participant as a result of the LAUSD case would be senior or subordinate to the payment of debt service on the Local Obligations. Notwithstanding the foregoing, due to the amount of residual tax increment revenues generated from the Project Area, neither of the Authority nor the Agency Participant expect the final judgment or similar resolution of either litigation to result in a material adverse impact on the ability of the Agency Participant to make timely payments of debt service on the Local Obligations when due. See Appendix A under the caption "THE PROJECT AREAS – Estimated Debt Service Coverage."

With respect to California successor agencies and the Dissolution Act in general, on August 1, 2012, Syncora Guarantee Inc. and Syncora Capital Assurance Inc. (collectively, "Syncora") filed a lawsuit against the State, the State Controller, the State Director of Finance, and the Auditor-Controller of San Bernardino County on his own behalf and as the representative of all other county auditors in the State (Superior Court of the State of California, County of Sacramento, Case No. 34-2012-80001215) (the "Syncora Lawsuit") challenging the terms of the Dissolution Act. Syncora are monoline financial guaranty insurers domiciled in the State of New York, and as such, provide credit enhancement on bonds issued by state and local governments and do not sell other kinds of insurance such as life, health, or property insurance. Syncora provided bond insurance and other related insurance policies for bonds issued by former California redevelopment agencies.

The Syncora Lawsuit was brought as a petition for writ of mandate, complaint for declaratory relief, inverse condemnation and injunctive relief. The injunctive relief sought included an injunction enjoining the respondents from implementing enforcing, and/or carrying out the Redistribution Provisions, ordering respondents to immediately return all money remitted by successor agencies to local taxing entities pursuant to the Redistribution Provisions, and ordering respondents to hold all future tax increment revenues in the RPTTF, or a similar fund, for the exclusive benefit of, and distribution to, the bondholders, until such a time when the bondholders are completely repaid. In August 2013, the court ordered Syncora's claims dismissed, without prejudice to refile, as premature claims for impairment of contract and an unconstitutional taking. The court noted that no redevelopment agency bonds are in default.

The original 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. Specifically, the complaint alleges that the security mechanism created by the irrevocable pledge of tax increment revenues to repay the redevelopment agency debts was a critical feature of the redevelopment bonds’ marketability. No assurance can be made that Syncora will not re-file its claim at a later date.

RATINGS

Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business, a part of McGraw Hill Financial (“Standard & Poor’s”) is expected to assign its municipal bond rating of “__” (stable outlook) to the Insured Series 2015 Bonds with the understanding that the Policy insuring the payment when due of the principal of and interest on the Insured Series 2015 Bonds will be issued concurrently with the delivery of the Insured Series 2015 Bonds by _____. Standard and Poor’s has assigned the uninsured Series 2015A Bonds (and underlying rating for Insured Series 2015A Bonds) its municipal bond rating of “__” and the Series 2015B Bonds (and underlying rating for Insured Series 2015B Bonds) its municipal bond rating of “__.” Such ratings reflect only the views of Standard & Poor’s, and do not constitute a recommendation to buy, sell or hold the any of the Series 2015 Bonds. Explanation of the significance of such ratings may be obtained only from Standard and Poor’s Ratings Services, 55 Water Street, New York, New York 10041. There is no assurance that any such ratings will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the ratings agency, if in the judgment of the rating agency circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series of Series 2015 Bonds to which such rating has been assigned.

UNDERWRITING

The Series 2015 Bonds are being purchased by Stifel Nicolaus & Company, Incorporated as representative of itself and Citigroup Global Markets Inc. (collectively, the “Underwriters”), pursuant to a Bond Purchase Agreement (the “Bond Purchase Agreement”) by and between the Authority and the Underwriters. The Underwriters have agreed to purchase the Series 2015A Bonds from the Authority at an aggregate purchase price of \$_____ (consisting of the aggregate principal amount of the Series 2015A Bonds of \$_____, plus/less original issue premium/discount of \$_____ and less underwriters’ discount of \$_____), pursuant to the terms of the Bond Purchase Agreement. The Underwriters have agreed to purchase the Series 2015B Bonds from the Authority at an aggregate purchase price of \$_____ (consisting of the aggregate principal amount of the Series 2015B Bonds of \$_____ less underwriters’ discount of \$_____), pursuant to the terms of the Bond Purchase Agreement. The Bond Purchase Agreement provides that the obligations of the Underwriters are subject to certain conditions precedent and that the Underwriters will be obligated to purchase all of the Series of Series 2015 Bonds offered under the Bond Purchase Agreement if any of such Series of Series 2015 Bonds offered thereunder are purchased.

The Underwriters may offer and sell the Series 2015 Bonds to certain dealers, institutional investors and others at prices lower than the public offering prices stated on the inside cover pages hereof and such public offering prices may be changed from time to time by the Underwriters.

Citigroup Global Markets Inc., an underwriter of the Series 2015 Bonds, has entered into a retail distribution agreement with UBS Financial Services Inc. (“UBSFS”). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors through the financial advisor network of UBSFS. As part of this arrangement, Citigroup Global Markets Inc. may compensate UBSFS for their selling efforts with respect to the Series 2015 Bonds.

ADDITIONAL INFORMATION

Included herein are brief summaries of certain documents and reports, which summaries do not purport to be complete or definitive, and reference is made to such documents and reports for full and complete statements of the contents thereof. Copies of the Trust Agreement, the Local Obligations and the Agency Indenture may be obtained upon request from the Trustee at: 633 West Fifth Street, 24th Floor, Los Angeles, California 90071, Attention: Corporate Trust Administration. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement among the Authority, the Agency Participant and the purchasers or Owners of any of the Series 2015 Bonds.

This Official Statement and its distribution have been duly authorized by the Authority and the Agency Participant.

**GLENN BYERS
ASSISTANT TREASURER AND TAX COLLECTOR
COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR
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APPENDIX A

**SUCCESSOR AGENCY TO THE LONG BEACH
REDEVELOPMENT AGENCY**

APPENDIX A

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH (COMBINED REDEVELOPMENT PROJECT AREAS)

The following information regarding the Successor Agency to the Redevelopment Agency of the City of Long Beach (the “Long Beach Successor”), the dissolved Redevelopment Agency of the City of Long Beach (the “Former Long Beach RDA”), seven redevelopment project areas of the Former Long Beach RDA (collectively referred to as the “Project Areas”), and the City of Long Beach (the “City”) is presented as additional and specific information with respect to the Successor Agency to the Redevelopment Agency of the City of Long Beach, Tax Allocation Refunding Bonds, Series 2015A (the “Series 2015A Bonds”) and the Successor Agency to the Redevelopment Agency of the City of Long Beach, Tax Allocation Refunding Bonds, Series 2015B (Federally Taxable) (the “Series 2015B Bonds”; and, together with the Series 2015A Bonds, the “Long Beach Refunding Bonds”) being purchased by the Authority, which are payable solely from Tax Revenues (as defined in this Appendix A) attributable to the Project Areas and all amounts on deposit from time to time in the funds and accounts (other than the Expense Account and the Rebate Fund) established under the Indenture of Trust, dated as of _____, 2015 (the “Long Beach Indenture”), by and between the Long Beach Successor and U.S. Bank National Association, as trustee (the “Agency Trustee”), relating to the Long Beach Refunding Bonds. The information set forth in this Appendix A has been obtained from the Long Beach Successor, the City, Keyser Marston Associates, Inc., as fiscal consultant (the “Fiscal Consultant”), and from other sources and is believed to be reliable but is not guaranteed as to accuracy or completeness. Appendix B attached to this Official Statement includes the Fiscal Consultant’s Report with respect to the Long Beach Successor. Terms defined in this Appendix A are in most instances specific to this Appendix A. Capitalized terms used in this Appendix A and not otherwise defined herein have the respective meanings assigned to them in the forepart of this Official Statement, in the Trust Agreement and in the Long Beach Indenture, as applicable. See APPENDIX D — “SUMMARY OF TRUST AGREEMENT” attached to this Official Statement.

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The information and expressions of opinions in this Appendix A are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Long Beach Successor since the date hereof. The taxing power of the City, the County of Los Angeles (the “County”), the State of California (the “State”) or any political subdivision thereof is not pledged to the payment of the Long Beach Refunding Bonds. See the information under the captions “THE REFUNDING BONDS” in this Appendix A and “THE SERIES 2015 BONDS” in the forepart of this Official Statement.

Brief descriptions of the Long Beach Refunding Bonds, the Long Beach Indenture, the Long Beach Successor, the Former Long Beach RDA, the City and the County are included in this Appendix A. Such descriptions and information do not purport to be comprehensive or definitive. All references in this Appendix A to the Long Beach Refunding Bonds, the Long Beach Indenture, the Law (as hereinafter defined), the Dissolution Act, the Constitution and the laws of the State as well as the proceedings of the Former Long Beach RDA and the Long Beach Successor are qualified in their entirety by reference to such documents. Copies of the proceedings of the Long Beach Successor referred to above, the Long Beach Indenture and other documents described in this Appendix A are available for inspection at the offices of the Long Beach Successor, at 333 West Ocean Boulevard, Long Beach, California 90802.

The City maintains a website. However, the information presented on that website is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Authority Bonds and/or the Long Beach Refunding Bonds.

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH

General

The Former Long Beach RDA was established pursuant to the provisions of the Community Redevelopment Law, being Part 1 of Division 24 of the California Health and Safety Code (the “Law”) by Ordinance No. C-4184 of the City Council of the City of Long Beach (the “Long Beach City Council”) adopted on October 17, 1961. Unlike most redevelopment agencies, the Former Long Beach RDA was governed by a separate seven-member governing board whose members were appointed by the Mayor and affirmed by the City Council. Assembly Bill x1 26 (“AB x1 26”) chaptered and effective on June 28, 2011, added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code, which laws were modified, in part, and determined constitutional by the California Supreme Court in the petition *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861 (“*Matosantos Decision*”), which laws and court opinion caused the dissolution of all redevelopment agencies and winding down of the affairs of former redevelopment agencies; thereafter, such laws were amended further by Assembly Bill 1484 (“AB 1484”) that was chaptered and effective on June 27, 2012, and such laws have been further amended by subsequent legislation (together AB x1 26, the *Matosantos Decision*, AB 1484, and subsequent amendments are referred to as the “Dissolution Act”).

On January 17, 2012, pursuant to Resolution No. RES-12-0009 and Section 34173 of the Dissolution Act, the Long Beach City Council elected to serve as successor agency to the Former Long Beach RDA and further elected to retain the housing assets and functions of the Former Long Beach RDA pursuant to Section 34176 of the Dissolution Act. The Long Beach Successor is governed by a ten-member Board of Directors (the “Board”) which consists of the members of the Long Beach City Council and the Mayor.

The City is a charter city and was incorporated in 1897. The City is located in southern Los Angeles County, California, adjacent to the Pacific Ocean and approximately 32 miles south of downtown Los Angeles. The City borders Orange County on the City’s southeast edge. The City has a boundary of approximately 52 square miles. The City operates under the Council-Manager form of government. The nine City Council members are elected by districts within the City, whereas the Mayor is elected at large. The Council members

and the Mayor are elected to four year alternating terms. The Mayor presides over the meetings and deliberates during the meetings, but has no vote; however, the Mayor may veto the actions of the City Council except for parliamentary on procedural motion. The Long Beach City Council appoints a City Manager to administer the daily affairs of the City and to implement policies established by the Long Beach City Council. The population of the City of Long Beach has increased approximately 23% from 1980 through 2014. The annual population estimate of the City of Long Beach in 2014 is approximately 470,292. The City has no obligation with respect to the Long Beach Refunding Bonds, the Long Beach Indenture, the Series 2015 Bonds or the Trust Agreement.

The Redevelopment Plans and the Project Areas

The Long Beach Refunding Bonds are principally payable from Tax Revenues (as defined in this Appendix A) attributable to the Project Areas. The Project Areas consist of seven separate redevelopment projects. See “THE REDEVELOPMENT PLANS” and “THE PROJECT AREAS” in this Appendix A for detailed information regarding the seven Redevelopment Plans (defined below under the heading “THE REDEVELOPMENT PLANS”), the amendments to the Redevelopment Plans, and the Project Areas.

No Other Project Areas

Other than the Project Areas, there are no active redevelopment project areas approved by the City and the Former Long Beach RDA within its area of operation.

Tax Revenues

The Long Beach Refunding Bonds will be secured by a pledge of “Tax Revenues” as provided under the Long Beach Indenture.

As defined in the Long Beach Indenture, the term “Tax Revenues” means all taxes annually allocated within the Plan Limit and paid to the Long Beach Successor pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Law, Section 16 of Article XVI of the Constitution of the State and other applicable state laws and as provided in the Redevelopment Plans available and deposited in the Redevelopment Property Tax Trust Fund (“RPTTF”), subject to the prior application and lien in favor of the Senior Bonds (defined below under the heading “— Senior Obligations”) or payable with respect to Statutory Pass-Through Amounts or 33676 Amounts (each as defined herein). If, and to the extent, that the provisions of Section 34172 or paragraph (2) of subdivision (a) of Section 34183 are invalidated by a final judicial decision, then Tax Revenues will include all tax revenues allocated to the payment of indebtedness pursuant to California Health and Safety Code Section 33670 or such other section as may be in effect at the time providing for the allocation of tax increment revenues in accordance with Article XVI, Section 16 of the California Constitution.

Pursuant to the Dissolution Act, former tax increment revenues generated in the Project Areas are no longer required to be deposited into the Housing Fund (defined below). Accordingly, such revenues are now available and pledged to the repayment of the Long Beach Refunding Bonds to the extent not pledged to Senior Bonds. See “SECURITY FOR THE REFUNDING BONDS — Low and Moderate Income Housing Fund.”

Purpose of Refunding

Proceeds of the Long Beach Refunding Bonds will be used (i) to refund a portion of the outstanding bonds of the Long Beach Successor relating to the Project Areas (the bonds being refunded are referred to in this Appendix A as the “Long Beach Refunded Bonds”), (ii) to acquire the Reserve Policy, and (iii) to pay the costs of issuing the Long Beach Refunding Bonds and of refunding the Long Beach Refunded Bonds, including the payment of premium with respect to bond insurance policies. See “THE REFUNDING PLAN”

in this Appendix A. The Long Beach Refunded Bonds were issued to finance and refinance certain improvements in, or benefiting, the Project Areas.

Security for the Refunding Bonds

Tax revenues generated from the incremental taxable value in the Project Areas were, prior to February 1, 2012, generally referred to as tax increment revenues. The Law provided that the tax increment revenues could be pledged by a redevelopment agency to the repayment of agency indebtedness. As used in this Appendix A and in the Fiscal Consultant's Report appearing in Appendix B, the former tax increment revenues, including unitary tax revenue and less County applied apportionment adjustments and reductions for amounts above the annual tax revenue limit are referred to as "Gross Revenues."

The Long Beach Refunding Bonds are payable from, and are secured by, the Tax Revenues, as defined above under the caption "— Tax Revenues" and amounts in certain funds and accounts held under the Long Beach Indenture. See "SECURITY FOR THE REFUNDING BONDS" in this Appendix A.

Senior Obligations

Assuming refunding of the Long Beach Refunded Bonds, payment of the principal of and interest on the Long Beach Refunding Bonds will be subordinate to:

1. Downtown Redevelopment Project Tax Allocation Refunding Bonds, Series 1992A, in the original principal amount of \$81,020,000, issued by the Former Long Beach RDA pursuant to an Indenture of Trust, dated as of December 1, 1992, between the Former Long Beach RDA and Agency Trustee, as successor trustee, of which \$11,625,000 is currently outstanding (the "1992 Downtown Agency Bonds"), attributable to the Downtown Project, issued for the purpose of sale to, and in connection with the issuance by, the Long Beach Financing Authority (the "LBFA") of \$126,245,000 aggregate principal amount of its Revenue Bonds Series 1992, of which \$16,865,000 is currently outstanding (the "1992 Authority Bonds");
2. West Long Beach Industrial Redevelopment Project Tax Allocation Refunding Bonds, Series 1992, in the original principal amount of \$36,470,000, issued by the Former Long Beach RDA pursuant to an Indenture of Trust, dated as of December 1, 1992, between the Former Long Beach RDA and Agency Trustee, as successor trustee, of which \$5,240,000 is currently outstanding (the "1992 Industrial Agency Bonds"), attributable to the Industrial Project, issued for the purpose of sale to, and in connection with the issuance by, the LBFA of the 1992 Authority Bonds;
3. Downtown Redevelopment Project Tax Allocation Refunding Bonds 2002 Series B, in the original principal amount of \$25,920,000, issued by the Former Long Beach RDA pursuant to an Indenture of Trust, dated as of December 1, 1992 as amended including by a Third Supplemental Indenture, dated as of November 1, 2002 (as amended, the "2002 Downtown Indenture"), each between the Former Long Beach RDA and Agency Trustee, as successor trustee, of which \$22,615,000 is currently outstanding (the "2002B Downtown Agency Bonds"), attributable to the Downtown Project, issued for the purpose of sale to, and in connection with the issuance by, the Long Beach Bond Finance Authority (the "LBBFA") of its Tax Allocation Revenue Bonds (Downtown and West Long Beach Industrial Redevelopment Project Areas) 2002 Series B, of which \$41,005,000 is currently outstanding (the "2002B LBBFA Bonds");
4. A portion of the West Long Beach Industrial Redevelopment Project Tax Allocation Refunding Bonds 2002 Series A (the "Non-Callable 2002 Industrial Agency Bonds"), in the original principal amount of \$21,860,000, issued by the Former Long Beach RDA pursuant to

an Indenture of Trust, dated as of December 1, 1992 as amended by a First Supplemental Indenture, dated as of November 1, 2002 (as amended, the “2002 Industrial Indenture”), each between the Former Long Beach RDA and U.S. Bank National Association, as successor trustee, of which \$18,390,000 is currently outstanding and \$6,335,000 of which is not subject to redemption (the “Non-Callable 2002 Industrial Agency Bonds”), attributable to the Industrial Project, issued for the purpose of sale to, and in connection with the issuance by, the LBBFA of \$47,780,000 aggregate principal amount of the 2002B LBBFA Bonds;

5. 2002 Subordinate Tax Allocation Bonds (Downtown Redevelopment Project), issued by the Former Long Beach RDA pursuant to an Indenture of Trust, dated as of May 1, 2002, between the Former Long Beach RDA and BNY Western Trust Company (now known as The Bank of New York Mellon Trust Company, N.A.), thereafter amended by a First Supplemental Indenture, dated as of February 1, 2006 (as amended, the “2002 Subordinate Downtown Indenture”), between the Former Long Beach RDA and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as successor trustee, of which \$6,850,000 is currently outstanding (the “Purchased 2002 Subordinate Downtown Agency Bonds”), attributable to the Downtown Project, of which an aggregate principal amount of \$7,450,000 was purchased by the LBBFA in connection with the issuance of \$35,045,000 aggregate principal amount of its Tax Allocation Revenue Bonds (Downtown and North Long Beach Redevelopment Project Areas) 2005 Series C, of which \$31,895,000 is currently outstanding (the “2005C LBBFA Bonds”);
6. 2002 Tax Allocation Bonds (North Long Beach Redevelopment Project), issued by the Former Long Beach RDA pursuant to an Indenture of Trust, dated as of May 1, 2002, between the Former Long Beach RDA and BNY Western Trust Company (now known as The Bank of New York Mellon Trust Company, N.A.), thereafter amended by a First Supplemental Indenture, dated as of February 1, 2005 and a Second Supplemental Indenture, dated as of February 1, 2006 (as amended, the “2002 North Indenture”), each between the Former Long Beach RDA and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as successor trustee, of which \$24,980,000 is currently outstanding (the “Purchased 2002 North Long Beach Agency Bonds”), attributable to the North Long Beach Redevelopment Project, of which an aggregate principal amount of \$26,983,000 was purchased by the LBBFA in connection with the issuance of the 2005C LBBFA Bonds;
7. Taxable Recovery Zone Economic Development Bonds, 2010 Series A (North Long Beach Redevelopment Project), in the original principal amount of \$22,235,000, issued by the Former Long Beach RDA pursuant to the 2002 North Indenture, as amended and supplemented by a Third Supplemental Indenture, dated as of May 1, 2010 (as amended, the “2010 North Indenture”), each between the Former Long Beach RDA and The Bank of New York Mellon Trust Company, N.A., as trustee, of which \$22,235,000 is currently outstanding (the “2010 North Long Beach Recovery Zone Bonds”), attributable to the North Project; and
8. Taxable Build America Bonds, 2010 Series B (North Long Beach Redevelopment Project), in the original principal amount of \$10,745,000, issued by the Former Long Beach RDA pursuant to the 2010 North Indenture, of which \$8,325,000 is currently outstanding (the “2010 North Long Beach Build America Bonds”), attributable to the North Project.

The 1992 Downtown Agency Bonds, 1992 Industrial Agency Bonds, 2002B Downtown Agency Bonds, Purchased 2002 Subordinate Downtown Agency Bonds, Purchased 2002 North Long Beach Agency Bonds, Non-Callable 2002 Industrial Agency Bonds, 2010 North Long Beach Recovery Zone Bonds and 2010 North Long Beach Build America Bonds are referred to collectively as the “Senior Bonds” in this Appendix.

The definition of Tax Revenues excludes revenues allocated to payment of principal and interest on the Senior Bonds.

Subordinate Obligations

The Long Beach Successor has certain other obligations that are payable from Tax Revenues on a basis subordinate to the Long Beach Refunding Bonds. See “SECURITY FOR THE REFUNDING BONDS — Other ROPS Obligations.”

Litigation

There is no action, suit or proceeding pending with respect to which the Long Beach Successor has actual knowledge or has been served with process or, to the knowledge of the Long Beach Successor officials, threatened, restraining or enjoining the execution or delivery of the Long Beach Refunding Bonds or the Long Beach Indenture, or in any way contesting or affecting the validity of the foregoing or any proceedings of the Long Beach Successor, its Oversight Board, or the City of Long Beach taken with respect to any of the foregoing. The Long Beach Successor is, from time to time, a defendant in actions for writs of mandamus, injunctive relief and related fees, and for alleged damages to persons and/or property and for other alleged liabilities arising out of matters usually incident to the operation of a redevelopment agency. The Long Beach Successor does not expect any such pending or threatened litigation to result in a material adverse impact on the ability of the Long Beach Successor to make timely payments of debt service on the Long Beach Refunding Bonds; however, certain litigation may affect the distribution of property tax revenues or other monies to the Long Beach Successor under the Dissolution Act. See “LITIGATION” in the forepart of this Official Statement for a discussion of the Long Beach Successor’s potential liability under lawsuits filed by the Los Angeles Unified School District, the Los Angeles Community College District, the Long Beach Unified School District and other litigation matters.

Financial Statements

The Long Beach Successor accounts for its financial transactions through a single Successor Agency Fund, not separately for each Project Area. Excerpts from the City’s comprehensive annual financial report, which incorporates information about the Long Beach Successor and the LBBFA, for the fiscal year ended September 30, 2013 were prepared by the certified public accounting firm of KPMG, LLP, and are attached to this Official Statement as part of Appendix C. The Long Beach Successor and LBBFA have not requested, and the auditor has not provided, any update or review of such excerpts of the comprehensive annual financial report included in Appendix C to this Official Statement.

Continuing Disclosure

The Long Beach Successor has covenanted to provide certain financial information and operating data by not later than one hundred eighty (180) days after the end of the Long Beach Successor’s fiscal year (presently September 30), in each year commencing with its report for fiscal year 2014-15 (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events as described in the forepart of this Official Statement under the caption “CONTINUING DISCLOSURE.” [Notwithstanding the foregoing, the annual reporting requirement for fiscal year 2013-14 shall be satisfied by filing a copy of this Official Statement and the fiscal year 2013-14 audited financial statements with EMMA.]

In the last five years, the Former Long Beach RDA, prior to its dissolution, and thereafter the Long Beach Successor, did on occasion fail to comply in certain material respects with their previous continuing disclosure undertakings pursuant to Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934, including, but not limited to, [the failure to timely file complete annual reports for some of the Former Long Beach RDA’s outstanding debt obligations and the failure to file notices of certain enumerated events.] However, the Long Beach Successor has brought itself current with respect to its past filings and has posted

the current ratings on all its outstanding debt obligations. Pursuant to the Continuing Disclosure Agreement between the Authority and the Long Beach Successor, the Authority will act as Dissemination Agent and file the annual reports and notices related to the Long Beach Refunding Bonds with the MSRB through EMMA.

THE REFUNDING PLAN

Net proceeds of the Long Beach Refunding Bonds will be used to refund the following obligations of the Long Beach Successor:

1. A portion of the 2002 Subordinate Tax Allocation Bonds (Downtown Redevelopment Project), in the original principal amount of \$26,820,000, issued by the Former Long Beach RDA pursuant to the 2002 Subordinate Downtown Indenture, a portion of which was purchased with proceeds of the 2005C LBBFA Bonds, as defined below, and of which \$11,705,718 is currently outstanding (the “Refunded 2002 Subordinate Downtown Agency Bonds”), attributable to the Downtown Project, held by and payable to the LBBFA in connection with its \$77,715,000 aggregate principal amount of its Tax Allocation Revenue Bonds (Downtown, North Long Beach, Poly High and West Beach Redevelopment Project Areas) 2002 Series A, of which \$18,600,000 is currently outstanding (the “2002A LBBFA Bonds”);
2. A portion of the 2002 Tax Allocation Bonds (North Long Beach Redevelopment Project), in the original principal amount of \$40,290,000, issued by the Former Long Beach RDA pursuant to the 2002 North Indenture, a portion of which was purchased with proceeds of the 2005C LBBFA Bonds, as defined below, and of which \$6,374,000 is currently outstanding (the “Refunded 2002 North Long Beach Agency Bonds”), attributable to the North Project, held by and payable to the LBBFA in connection with its 2002A LBBFA Bonds;
3. 2002 Tax Allocation Bonds (West Beach Redevelopment Project), in the original principal amount of \$8,895,000, issued by the Former Long Beach RDA pursuant to an Indenture of Trust, dated as of May 1, 2002 (the “2002 West Beach Indenture”), between the Former Long Beach RDA and BNY Western Trust Company (now known as The Bank of New York Mellon Trust Company, N.A.), as trustee, of which \$2,942,100 is currently outstanding (the “2002 West Beach Agency Bonds”), attributable to the West Beach Project, for the purpose of sale to, and in connection with the issuance by, the LBBFA of the 2002A LBBFA Bonds;
4. A portion of the West Long Beach Industrial Redevelopment Project Tax Allocation Refunding Bonds 2002 Series A (the “Refunded 2002 Industrial Agency Bonds”), in the original principal amount of \$21,860,000, issued by the Former Long Beach RDA pursuant to an Indenture of Trust, dated as of December 1, 1992 as amended by a First Supplemental Indenture, dated as of November 1, 2002 (as amended, the “2002 Industrial Indenture”), each between the Former Long Beach RDA and U.S. Bank National Association, as successor trustee, of which \$18,390,000 is currently outstanding and \$12,055,000 of which is subject to redemption (the “Refunded 2002 Industrial Agency Bonds”), attributable to the Industrial Project, issued for the purpose of sale to, and in connection with the issuance by, the LBBFA of \$47,780,000 aggregate principal amount of the 2002B LBBFA Bonds;
5. A portion of the 2005 Tax Allocation Bonds (Central Long Beach Redevelopment Project), in the original principal amount of \$56,930,000, issued by the Former Long Beach RDA pursuant to an Indenture of Trust, dated as of February 1, 2005 (the “2005 Central Indenture”), between the Former Long Beach RDA and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as trustee, of which \$49,895,000 is currently outstanding (the “2005 Central Agency Bonds”), attributable to the Central Project, issued for the purpose of sale to, and in connection with the

issuance by, the LBBFA of \$74,050,000 aggregate principal amount of its Revenue Bonds (Redevelopment, Housing and Gas Utility Financings) 2005 Series A-1 (Current Interest Bonds) of which \$63,825,000 is currently outstanding (the “2005A-1 LBBFA Bonds”) and \$114,985,000 aggregate initial principal amount of its Taxable Revenue Bonds (Redevelopment, Housing and Gas Utility Financings) 2005 Series B, of which \$90,125,000 is currently outstanding (the “2005B LBBFA Bonds”);

6. 2005 Tax Allocation Bonds (Los Altos Redevelopment Project), in the original principal amount of \$4,685,000, issued by the Former Long Beach RDA pursuant to an Indenture of Trust, dated as of February 1, 2005 (the “2005 Los Altos Indenture”), between the Former Long Beach RDA and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as trustee, of which \$2,135,000 is currently outstanding (the “2005 Los Altos Agency Bonds”), attributable to the Los Altos Project, issued for the purpose of sale to, and in connection with the issuance by, the LBBFA of the 2005A-1 LBBFA Bonds;
7. 2005 Subordinate Tax Allocation Bonds (Poly High Redevelopment Project), in the original principal amount of \$2,557,752.60, issued by the Former Long Beach RDA pursuant to an Indenture of Trust, dated as of February 1, 2005 (the “2005 Poly High Indenture”), by and between the Former Long Beach RDA and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as trustee, of which \$3,052,015.20 accreted amount is currently outstanding (the “2005 Subordinate Poly High Agency Bonds”), attributable to the Poly High Project, issued for the purpose of sale to, and in connection with the issuance by, the LBBFA of \$3,397,305.90 initial aggregate principal amount of its Revenue Bonds (Redevelopment, Housing and Gas Utility Financings) 2005 Series A-2 (Capital Appreciation Bonds) of which \$2,842,831.20 is currently outstanding (the “2005A-2 LBBFA Bonds”);
8. 2005 Subordinate Tax Allocation Bonds (West Beach Redevelopment Project), in the original principal amount of \$839,553.30, issued by the Former Long Beach RDA pursuant to an Indenture of Trust, dated as of February 1, 2005 (the “2005 Subordinate West Beach Indenture”), by and between the Former Long Beach RDA and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as trustee, of which \$1,291,068.32 accreted amount is currently outstanding (the “2005 Subordinate West Beach Agency Bonds”), attributable to the West Beach Project, issued for the purpose of sale to, and in connection with the issuance by, the LBBFA of the 2005A-2 LBBFA Bonds;
9. 2005 Tax Allocation Bonds (Housing Projects), in the original principal amount of \$55,665,000, issued by the Former Long Beach RDA pursuant to an Indenture of Trust, dated as of February 1, 2005 (the “2005 Housing Indenture”), between the Former Long Beach RDA and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as trustee, of which \$48,830,000 is currently outstanding (the “2005 Housing Bonds”), issued for the purpose of sale to, and in connection with the issuance by, the LBBFA of the 2005B LBBFA Bonds; and
10. A portion of the 2005 Tax Allocation Bonds (North Long Beach Redevelopment Project), in the original principal amount of \$64,080,000, issued by the Former Long Beach RDA pursuant to an Indenture of Trust, dated as of May 1, 2002, as amended and supplemented by the First Supplemental Indenture of Trust, dated as of February 1, 2005 (as amended, the “2005 North Long Beach Indenture”), each between the Former Long Beach RDA and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as trustee, of which \$53,180,000 is currently outstanding (the “2005

North Long Beach Agency Bonds”), attributable to the North Project, issued for the purpose of sale to, and in connection with the issuance by, the LBBFA of the 2005A-1 LBBFA Bonds and 2005B LBBFA Bonds.

The Refunded 2002 Subordinate Downtown Agency Bonds, the Refunded 2002 North Long Beach Agency Bonds, the 2002 West Beach Agency Bonds, the Refunded 2002 Industrial Agency Bonds, the 2005 Central Agency Bonds, the 2005 Los Altos Agency Bonds, 2005 Subordinate Poly High Agency Bonds, 2005 Subordinate West Beach Agency Bonds, the 2005 Housing Bonds and the 2005 North Long Beach Agency Bonds are referred to collectively in this Appendix A as the “Refunded Bonds.” The Refunded Bonds and the 2002A LBBFA Bonds, the refunded portion of the 2002B LBBFA Bonds, the 2005A-1 LBBFA Bonds, and the 2005B LBBFA Bonds are referred to collectively in this Appendix A as the “Refunded Obligations.”

The Long Beach Successor is issuing the Long Beach Refunding Bonds to provide moneys (together with other available funds of the Long Beach Successor) necessary to refund and defease the Refunded Bonds in whole. On the date of issuance of the Long Beach Refunding Bonds, a portion of the proceeds will be transferred, pursuant to irrevocable escrow instructions (each an “Escrow Instruction”), to a prior trustee (each, a “Prior Trustee”) for each respective series of Refunded Bonds for deposit into Redemption Funds previously established for each of the Refunded Bonds.

The proceeds of the sale of the Series 2015A Bonds (net of amounts applied to pay costs of issuance [and deposits into the Redevelopment Fund]) will be deposited with the Agency Trustee and will be held in trust and set aside or transferred by the Agency Trustee as follows:

- (a) The Agency Trustee will transfer \$_____ to the trustee for the Refunded 2002 Subordinate Downtown Agency Bonds; and
- (b) The Agency Trustee will transfer \$_____ to the trustee for the Refunded 2002 North Long Beach Agency Bonds; and
- (c) The Agency Trustee will transfer \$_____ to the trustee for the 2002 West Beach Agency Bonds; and
- (d) The Agency Trustee will transfer \$_____ to the trustee for the Refunded 2002 Industrial Agency Bonds; and
- (e) The Agency Trustee will transfer \$_____ to the trustee for the 2005 North Long Beach Agency Bonds; and
- (f) The Agency Trustee will transfer \$_____ to the trustee for the 2005 Central Agency Bonds; and
- (g) The Agency Trustee will transfer \$_____ to the trustee for the 2005 Los Altos Agency Bonds; and
- (h) The Agency Trustee will transfer \$_____ to the trustee for the 2005 Subordinate Poly High Agency Bonds; and
- (i) The Agency Trustee will transfer \$_____ to the trustee for the 2005 Subordinate West Beach Agency Bonds; and
- (j) The Agency Trustee will transfer \$_____ to the trustee for the 2005 Housing Bonds.

The proceeds of the sale of the Series 2015B Bonds (net of amounts applied to pay costs of issuance [and deposits into the Redevelopment Fund]) will be deposited with the Agency Trustee and will be held in trust and set aside or transferred by the Agency Trustee as follows:

- (a) The Agency Trustee will transfer \$_____ to the trustee for the 2002 Subordinate Downtown Agency Bonds; and
- (b) The Agency Trustee will transfer \$_____ to the trustee for the 2002 North Long Beach Agency Bonds; and
- (c) The Agency Trustee will transfer \$_____ to the trustee for the 2002 West Beach Agency Bonds; and
- (d) The Agency Trustee will transfer \$_____ to the trustee for the 2002 Industrial Agency Bonds; and
- (e) The Agency Trustee will transfer \$_____ to the trustee for the 2005 North Long Beach Agency Bonds; and
- (f) The Agency Trustee will transfer \$_____ to the trustee for the 2005 Central Agency Bonds; and
- (g) The Agency Trustee will transfer \$_____ to the trustee for the 2005 Los Altos Agency Bonds; and
- (h) The Agency Trustee will transfer \$_____ to the trustee for the 2005 Poly High Agency Bonds; and
- (i) The Agency Trustee will transfer \$_____ to the trustee for the 2005 Subordinate West Beach Agency Bonds; and
- (j) The Agency Trustee will transfer \$_____ to the trustee for the 2005 Housing Bonds.

The Long Beach Successor will apply \$_____ currently on deposit under the indentures in connection with the Long Beach Refunded Bonds to the corresponding Redemption Funds. Proceeds deposited into the Redemption Funds will be held uninvested, or invested in certain Federal Securities, by the Prior Trustee pursuant to the Escrow Instructions and applied as follows: (a) \$_____ will be applied to pay interest on the 2002A LBBFA Bonds on _____ 1, 2015, and the redemption price of the 2002A LBBFA Bonds on _____, 2015, (b) \$_____ will be applied to pay interest on the 2002B LBBFA Bonds on _____ 1, 2015, and the redemption price of the 2002B LBBFA Bonds on _____, 2015, (c) \$_____ will be applied to pay interest on the 2005A-1 LBBFA Bonds on _____ 1, 2015, and the redemption price of the 2005A-1 LBBFA Bonds on _____, 2015, and (d) \$_____ will be applied to pay interest on the 2005B LBBFA Bonds on _____ 1, 2015, and the redemption price of the 2005B LBBFA Bonds on _____, 2015. The 2002A LBBFA Bonds are redeemable as set forth above at a redemption price equal to 100% of their principal amount as specified in the Escrow Agreement (2002A), plus accrued interest. The portion of the 2002B LBBFA Bonds being redeemed are redeemable as set forth above at a redemption price equal to 100% of their principal amount as specified in the Escrow Agreement (2002B), plus accrued interest. The 2005A-1 LBBFA Bonds and the 2005B LBBFA Bonds are redeemable as set forth above at a redemption price equal to 102% of their principal amount as specified in the Escrow Agreement (2005A), plus accrued interest. The 2005A-2 LBBFA Bonds are being advance refunded as set forth above and as specified in the applicable Escrow Instructions, as follows: _____.

See “VERIFICATION OF MATHEMATICAL ACCURACY” in the forepart of this Official Statement. Upon deposit of such proceeds and other moneys into the Escrow Fund, the Long Beach Refunded Obligations will no longer be deemed outstanding.

The amounts held by the Prior Trustee for the respective Refunded Bonds in the Redemption Funds are pledged solely to the payment of amounts due and payable by the Long Beach Successor under the respective Refunded Bonds. The funds irrevocably deposited in the Redemption Funds for the Refunded Bonds will not be available for the payment of debt service on the Long Beach Refunding Bonds or the Series 2015 Bonds.

THE REFUNDING BONDS

Authority for Issuance

The Long Beach Refunding Bonds were authorized for issuance pursuant to the Long Beach Indenture and the Dissolution Act. The issuance of the Long Beach Refunding Bonds and the execution and delivery of the Long Beach Indenture were authorized by the Long Beach Successor pursuant to Resolution No. _____ adopted on _____ (the “Resolution”), and by the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of Long Beach (the “Oversight Board”) pursuant to Resolution No. _____ adopted on _____ (the “Oversight Board Action”).

Written notice of the Oversight Board Action was provided to the State Department of Finance (“DOF”) pursuant to the Dissolution Act. On _____, 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 Long Beach Successor stating that based on the DOF’s review and application of the Law, the Oversight Board Action approving the Long Beach Refunding Bonds is approved by the DOF. See APPENDIX F — “STATE DEPARTMENT OF FINANCE LETTER.”

Description of the Refunding Bonds

The Long Beach Refunding Bonds will be designated the “Successor Agency to the Redevelopment Agency of the City of Long Beach, Tax Allocation Refunding Bonds, Series 2015A” in the aggregate principal amount of \$_____ and the “Successor Agency to the Redevelopment Agency of the City of Long Beach Tax Allocation Refunding Bonds, Series 2015B (Federally Taxable)” in the aggregate principal amount of \$_____.

The Long Beach Refunding Bonds will be issued as fully registered bonds in denominations of \$5,000, or any integral multiple thereof (not exceeding the principal amount of such Long Beach Refunding Bonds maturing at any one time). Each Series of Long Beach Refunding Bonds will bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless such date of authentication is an Interest Payment Date, in which event they will bear interest from such Interest Payment Date, or unless otherwise provided for under the Long Beach Indenture. As defined in the Long Beach Indenture, the term “Interest Payment Date” will mean any February 1 or August 1 on which interest on any Series of Bonds is scheduled to be paid, commencing _____ 1, 2015, with respect to the Long Beach Refunding Bonds. Principal on the Long Beach Refunding Bonds will be due on August 1, as shown below.

The Series 2015A Bonds will mature on the dates and in the principal amounts, and shall bear interest at the rates, per annum, set forth in the table below.

Maturity Date ([August 1])	Principal Amount	Interest Rate
2016	\$	%
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		

The Series 2015B Bonds will mature on the dates and in the principal amounts, and shall bear interest at the rates, per annum, set forth in the table below.

Maturity Date ([August 1])	Principal Amount	Interest Rate
2016	\$	%
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		

Redemption of Long Beach Refunding Bonds

Optional Redemption of Series 2015A Bonds. The Series 2015A Bonds maturing prior to [August] 1, 20__ will not be subject to optional redemption. The Series 2015A Bonds maturing on or after [August] 1, 20__ will be subject to optional redemption on any date on and after [August] 1, 20__, in integral multiples of \$5,000, from any source of available funds, at the times, at the redemption prices and in the manner provided in the Long Beach Indenture, at the direction of the Long Beach Successor, so as to cause such Callable Authority Bonds as are specified by the Long Beach Successor to be mandatorily redeemed pursuant to the Trust Agreement from the Prepayment resulting from the optional redemption of such Series 2015A Bonds.

Optional Redemption of Series 2015B Bonds. The Series 2015B Bonds maturing prior to [August] 1, 20__ will not be subject to optional redemption. The Series 2015B Bonds maturing on or after [August] 1, 20__ will be subject to optional redemption on any date on and after [August] 1, 20__, in integral multiples of \$5,000, from any source of available funds, at the times, at the redemption prices and in the manner provided in the Long Beach Indenture, at the direction of the Long Beach Successor, so as to cause such Callable Authority Bonds as are specified by the Long Beach Successor to be mandatorily redeemed pursuant to the Trust Agreement from the Prepayment resulting from the optional redemption of such Series 2015B Bonds.

In order to effect such optional redemption of Long Beach Refunding Bonds, the Long Beach Successor will deliver to the Trustee (i) a Written Request of the Agency specifying (A) the maturity or maturities, and the principal amount or amounts (or portion thereof), of the Callable Authority Bonds to be mandatorily redeemed from such Prepayment, (B) the date on which such Callable Authority Bonds are to be mandatorily redeemed from such Prepayment (which redemption date will be a date on which such Callable Authority Bonds are subject to mandatory redemption pursuant to the Trust Agreement), (C) the amount of each mandatory sinking fund installment for the Authority Bonds to be Outstanding after the date of such mandatory redemption from such Prepayments, and (D) the amount of the Prepayment (or redemption price) necessary to cause such mandatory redemption of such Callable Authority Bonds, and (ii) a Cash Flow Certificate of an Independent Financial Consultant (A) demonstrating that, if such Prepayment is allocated and applied to the redemption of Long Beach Refunding Bonds as provided in the Long Beach Indenture, the debt service on the Long Beach Refunding Bonds, together with the debt service payable on all other Local Obligations (as defined in the Trust Agreement), payable on each Interest Payment Date after such redemption date will be sufficient, but not materially more than sufficient, to pay debt service on the Authority Bonds to be

Outstanding on such Interest Payment Date, (B) specifying the principal amount, as of such redemption date, of the Long Beach Refunding Bonds, or portion thereof, to the optional redemption of which such Prepayment is to be allocated and applied as provided in the Long Beach Indenture, (C) specifying the amount of the redemption premium, if any, to be paid in connection with such optional redemption of such Long Beach Refunding Bonds, or portion thereof, to which such Prepayment is to be allocated and applied as provided in the Long Beach Indenture, and (D) specifying the principal amount, and the amount of each mandatory sinking fund installment, as of such redemption date, of each Long Beach Refunding Bond that will remain Outstanding if such Prepayment is allocated and applied to the redemption of Long Beach Refunding Bonds on such redemption date as provided in the Long Beach Indenture, which Written Request of the Agency and Cash Flow Certificate of such Independent Financial Consultant will be delivered to the Trustee at least 35 days prior to such redemption date, or such later date as will be acceptable to the Trustee in the sole determination of the Trustee.

No later than three (3) Business Days preceding the date specified in a Written Request of the Agency delivered pursuant to the Long Beach Indenture as the date on which Callable Authority Bonds are to be mandatorily redeemed pursuant to the Trust Agreement, the Long Beach Successor will deliver to the Trustee an amount equal to the amount of the Prepayment specified in such Written Request of the Agency and, on such redemption date, the Trustee will pay such amount to the Authority Trustee, on behalf of the owners of such Callable Authority Bonds. Upon the payment by the Trustee to the Authority Trustee of such amount representing such Prepayment (i) the Long Beach Refunding Bonds, or portion thereof, debt service on which would have, after such redemption date, been applied to the payment of debt service on such Callable Authority Bonds will, as of such redemption date, be deemed to have been optionally redeemed pursuant to the Long Beach Indenture, and for all purposes thereof will be considered to have been optionally redeemed, in an amount equal to the principal amount of such Long Beach Refunding Bonds, or portion thereof, as of such redemption date, and (ii) the remainder of (A) such Prepayment, less (B) accrued interest, if any, thereon and such principal amount of such Long Beach Refunding Bonds, or portion thereof, as of such redemption date, will be deemed to be, and for all purposes will be considered to be, the redemption premium paid in connection with such optional redemption of such Long Beach Refunding Bonds, or portion thereof.

Mandatory Redemption of Long Beach Refunding Bonds from Sinking Fund Installments. The Series 2015A Bonds maturing on [August] 1, 20__ are subject to mandatory redemption in part by lot on [August] 1 in each year commencing [August] 1, 20__, at the principal amount thereof plus accrued interest thereon to the date fixed for redemption in accordance with the following schedule:

Series 2015A Term Bonds Maturing [August] 1, 20__

Sinking Fund Redemption Date ([August] 1)	Principal Amount To be Redeemed
--	--

* Final Maturity

The Series 2015A Bonds maturing on [August] 1, 20__ are subject to mandatory redemption in part by lot on [August] 1 in each year commencing [August] 1, 20__, at the principal amount thereof plus accrued interest thereon to the date fixed for redemption in accordance with the following schedule:

Series 2015A Term Bonds Maturing [August] 1, 20__

Sinking Fund Redemption Date ([August] 1)	Principal Amount To be Redeemed
--	--

* Final Maturity

In the event that a Series 2015A Bond subject to mandatory redemption is redeemed in part prior to its stated maturity date from any moneys other than Principal Installments, the remaining Principal Installments for such Series 2015A Bond will be reduced as directed in a Written Request of the Agency, consistent with the related Cash Flow Certificate.

The Series 2015B Bonds maturing on [August] 1, 20__ are subject to mandatory redemption in part by lot on [August] 1 in each year commencing [August] 1, 20__, at the principal amount thereof plus accrued interest thereon to the date fixed for redemption in accordance with the following schedule:

Series 2015B Term Bonds Maturing [August] 1, 20__

Sinking Fund Redemption Date ([August] 1)	Principal Amount To be Redeemed
--	--

* Final Maturity

In the event that a Series 2015B Bond subject to mandatory redemption is redeemed in part prior to its stated maturity date from any moneys other than Principal Installments, the remaining Principal Installments for such Series 2015B Bond will be reduced as directed in a Written Request of the Agency, consistent with the related Cash Flow Certificate.

Selection of Bonds for Redemption and Payment of Redeemed Bonds

Whenever less than all the Outstanding Long Beach Refunding Bonds of any Series maturing on any one date are called for redemption at any one time, the Agency Trustee will select the Long Beach Refunding Bonds of such Series to be redeemed from the Outstanding Bonds of such Series maturing on such date not previously selected for redemption, by lot in any manner which the Agency Trustee deems fair.

If any Long Beach Refunding Bond or any portion thereof has been duly called for redemption and payment of the redemption price, together with unpaid interest accrued to the date fixed for redemption, has been made or provided for by the Long Beach Successor, then interest on such Long Beach Refunding Bond or

such portion will cease to accrue from such date, and from and after such date such Long Beach Refunding Bond or such portion will no longer be entitled to any lien, benefit or security under the Long Beach Indenture, and the Owner thereof will have no rights in respect of such Long Beach Refunding Bond or such portion except to receive payment of such redemption price, and unpaid interest accrued to the date fixed for redemption.

Purchase in Lieu of Redemption

In lieu of redemption of any Bond pursuant to the Long Beach Indenture, amounts on deposit in the Term Long Beach Refunding Bonds Sinking Account may also be used and withdrawn by the Agency Trustee at any time prior to selection of Long Beach Refunding Bonds for redemption having taken place with respect to such amounts, upon a Written Request of the Agency, for the purchase of such Term Long Beach Refunding Bonds at public or private sale as and when and at such prices (including brokerage and other charges) as the Long Beach Successor may in its discretion determine, but not in excess of par plus accrued interest. Any accrued interest payable upon the purchase of Long Beach Refunding Bonds will be paid from amounts held in the Tax Increment Fund for the payment of interest on the next following Interest Payment Date. Any Term Long Beach Refunding Bonds so purchased will be cancelled by the Agency Trustee forthwith and will not be reissued. The principal of any Term Long Beach Refunding Bonds so purchased by the Agency Trustee in any twelve-month period ending 60 days prior to any Sinking Account Payment Date in any year will be credited towards and will reduce the principal of such Term Long Beach Refunding Bonds required to be redeemed on such Sinking Account Payment Date in such year.

Debt Service Schedule

The following table sets forth the amount of debt service with respect to the Long Beach Refunding Bonds for each Bond Year:

Year Ended (August 1)	Series 2015A Bonds		Series 2015B Bonds		Total Debt Service
	Principal	Interest	Principal	Interest	
2015	\$	\$	\$	\$	\$
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					

SECURITY FOR THE REFUNDING BONDS

General

Subject only to the provisions of the Long Beach Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Long Beach Indenture, all of the Tax Revenues and all amounts on deposit from time to time in the funds and accounts established under the Long Beach Indenture (other than the Expense Account and the Rebate Fund) will be pledged to the payment of the principal of and interest on the outstanding Long Beach Refunding Bonds and Additional Bonds (as defined below) (together, the “Bonds”) as provided under the Long Beach Indenture on a basis subordinate to the Senior Bonds. The Long Beach Successor will irrevocably grant to the Agency Trustee for the benefit of the Owners of the Outstanding Bonds a first charge and lien on, and a security interest in, and will pledge and assign, the Tax Revenues, whether held by the Long Beach Successor, the County Auditor-Controller, the County Treasurer and Tax Collector or the Agency Trustee, and all amounts in the funds and accounts established under the Long Beach Indenture (other than the Expense Account and the Rebate Fund), including the “Successor Agency to the Redevelopment Agency of the City of Long Beach Tax Increment Fund” (hereinafter called the “Tax Increment Fund”), which will be created by the Long Beach Successor. The Successor Agency will covenant and agree to maintain the Tax Increment Fund with the Agency Trustee so long as any Bonds will be Outstanding under the Long Beach Indenture, to the Agency Trustee for the benefit of the Owners of the Outstanding Bonds.

Pursuant to the laws of the State of California, including California Health and Safety Code Sections 34183 and 34170.5(b), the County Auditor-Controller is obligated to deposit the Tax Revenues into the RPTTF. The Long Beach Successor has agreed under the Long Beach Indenture to take all steps to ensure that the County Auditor-Controller (1) deposits the Tax Revenues into the RPTTF, (2) allocates funds for the principal and interest payments due on the Senior Bonds, Outstanding Bonds and any deficiency in the Reserve Account and the reserve accounts under the indentures for the Senior Bonds pursuant to each valid Recognized Obligation Payment Schedule (each "ROPS," as further described in this Appendix A) in accordance with the Dissolution Act and as provided in the Long Beach Indenture, and (3) makes the transfers to the Agency Trustee under the Long Beach Indenture.

The Long Beach Successor will take all actions required under the Dissolution Act to include on its ROPS the amounts described below to be transmitted to the Agency Trustee for the applicable six-month period in order to satisfy the requirements of the Long Beach Indenture, including any amounts required to pay principal and interest payments due on the Senior Bonds, Outstanding Bonds, any Compliance Costs, any deficiency in the Reserve Account of the Tax Increment Fund to the full amount of the Reserve Account Requirement and any deficiency in the reserve accounts under the indentures for the Senior Bonds. The Long Beach Successor will submit the ROPS to its Oversight Board (and on and after July 1, 2016 to the County oversight board established pursuant to Section 34179(j)) for review and approval pursuant to the Dissolution Act and the Oversight Board-approved ROPS will be submitted to the County Auditor-Controller and the DOF at least ninety (90) days prior to the January 2 RPTTF distribution and at least ninety (90) days prior to the June 1 RPTTF distribution (or otherwise submit such schedules annually in accordance with the Law and shall submit a copy of the Recognized Obligation Payment Schedule to the Department of Finance in the manner provided for by the Department of Finance), as applicable. See "RISK FACTORS — State Budget" in the forepart of this Official Statement for a discussion of the Governor's proposal to transition successor agencies to an annual ROPS process instead of a biannual process.

Expected Compliance Costs, if any, will be included in each ROPS, based upon information compiled by the Long Beach Successor and the Authority and provided to the Long Beach Successor on or before the fifth Business Day of each August. On or before the fifth Business Day of each August, the Agency Trustee will report to the Long Beach Successor and the Authority its expected Compliance Costs for the next succeeding calendar year to be included on the Long Beach Successor's ROPS.

The amount due to the Agency Trustee from the County Auditor-Controller for deposit in the Tax Increment Fund on January 2 of the then-current calendar year from Tax Revenues required to be deposited into the RPTTF will equal (1) one-half of the sum of (a) all scheduled principal payments and Sinking Account Installments due and payable on the Outstanding Bonds during the then-current calendar year as provided in the Long Beach Indenture, and (b) all scheduled interest payments due and payable on the Outstanding Bonds during the then-current calendar year as provided in the Long Beach Indenture, plus (2) the amount of any deficiency in the Reserve Account, less (3) the amounts, if any, on deposit in the Tax Increment Fund as of the date of submission for the ROPS pursuant to the Long Beach Indenture that are in excess of the amounts required to be applied to payment of principal or interest or sinking account payments on the Outstanding Bonds in the then current calendar year. The amount due to the Agency Trustee from the County Auditor-Controller for deposit in the Tax Increment Fund on June 1 of the then-current calendar year from amounts required to be deposited into the RPTTF will be equal to the remainder due and payable on the Outstanding Bonds during the then-current calendar year in an amount equal to not less than (1) the remaining one-half of the sum of (a) all scheduled principal payments and Sinking Account Installments due and payable on the Outstanding Bonds during the then-current calendar year as provided in the Long Beach Indenture, and (b) all scheduled interest payments due and payable on the Outstanding Bonds during the then-current calendar year as provided in the Long Beach Indenture, plus (2) the amount of any remaining deficiency in the Reserve Account.

Subject to the prior application and lien in favor of the Senior Bonds, all Tax Revenues received by the Long Beach Successor (1) during the period commencing on June 2 of the prior calendar year and ending

January 2 of the then current calendar year in excess of the amount required, as provided in the Long Beach Indenture, to be deposited in the Tax Increment Fund on January 2 and (2) during the period commencing on January 3 of the then current calendar year and ending June 1 of such calendar year in excess of the amount required, as provided in the Long Beach Indenture, to be deposited in the Tax Increment Fund on June 1, will, immediately following the deposit with the Agency Trustee of the amounts required to be so deposited as provided in the Long Beach Indenture on each such date, be released from the pledge, security interest and lien under the Long Beach Indenture for the security of the Outstanding Bonds, and may be applied by the Long Beach Successor for any lawful purpose of the Long Beach Successor, including but not limited to the payment of subordinate debt, or the payment of any rebate amounts. Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Outstanding Bonds and the payment in full of all other amounts payable under the Long Beach Indenture and under any Supplemental Indentures, the Long Beach Successor will not have any beneficial right or interest in the moneys on deposit in the Tax Increment Fund, except as may be provided in the Long Beach Indenture and in any Supplemental Indenture.

The Successor Agency covenants and agrees that, subject to the prior application and lien in favor of the Senior Bonds, all Tax Revenues, when and as received in accordance with the Long Beach Indenture, will be received by the Successor Agency in trust under the Long Beach Indenture and will be deemed to be held by the Successor Agency as agent for the Agency Trustee and will, not later than five (5) Business Days following such receipt, be deposited by the Successor Agency with the Agency Trustee in the Tax Increment Fund and will be accounted for through and held in trust in the Tax Increment Fund, and the Successor Agency will have no beneficial right or interest in any of such money, except only as in the Long Beach Indenture; provided that the Successor Agency will not be obligated to deposit in the Tax Increment Fund in any calendar year an amount which exceeds the amounts required to be transferred to the Agency Trustee for deposit in the Tax Increment Fund pursuant to the Long Beach Indenture. All such Tax Revenues, whether received by the Successor Agency in trust or deposited with the Agency Trustee will nevertheless be disbursed, allocated and applied solely to the uses and purposes set forth in the Long Beach Indenture, and will be accounted for separately and apart from all other money, funds, accounts or other resources of the Successor Agency.

In order to assure that funds required to be deposited with the Agency Trustee pursuant to the Long Beach Indenture are so deposited in a timely fashion, and to further secure the Bonds, the Long Beach Successor will irrevocably authorize and direct the County Treasurer and Tax Collector and the County Auditor-Controller to transfer any Successor Agency funds then held in, or later received by the County Treasurer and Tax Collector and the County Auditor-Controller for deposit in, the RPTTF, to the Agency Trustee for deposit into the Tax Increment Fund in the amounts provided for in the Long Beach Indenture.

Prior to enactment of the Dissolution Act, the 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 Long Beach RDA entered into two agreements for this purpose (the "Pass-Through Agreements") relating to the Los Altos Project. Additionally, Sections 33607.5 and 33607.7 of the 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"). Further, certain education agencies receive payments from the RPTTF generated from the Project Areas pursuant to Section 33676 of the Law. The Dissolution Act provides for a procedure by which the Long Beach Successor may make Statutory Pass-Through Amounts subordinate to the Long Beach Refunding Bonds; however, the Long Beach Successor does not intend to undertake such procedure. Thus, such Statutory Pass-Through Amounts are senior to the Long Beach Refunding Bonds. The Long Beach Successor's obligations under the Pass-Through Agreements are subordinate to the Long Beach Refunding Bonds by the express terms of the Pass-Through Agreements. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS — Recognized Obligation Payment Schedule" in the forepart of this Official Statement and "SECURITY FOR THE REFUNDING BONDS — Pass-Through Agreements," "— Statutory Pass-Through Amounts" and — Section 33676 Election" in this Appendix A for additional information.

Reserve Account

There will be established pursuant to the Long Beach Indenture a separate reserve account known as the "Reserve Account" to be held in trust by the Agency Trustee with respect to the Long Beach Refunding Bonds. The Long Beach Successor is required to maintain moneys in the Reserve Account in an amount equal to the least of (a) 10% of the original aggregate principal amount of the Bonds (excluding Bonds refunded with the proceeds of subsequently issued Bonds), (b) Maximum Annual Debt Service, and (c) 125% of Average Annual Debt Service (the "Reserve Account Requirement"). Under the Long Beach Indenture, "Annual Debt Service" means for each Bond Year, the sum of (a) the interest due on the Outstanding Bonds and any Additional Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled (including by reason of mandatory sinking fund redemptions), and (b) the scheduled principal amount of the Outstanding Bonds due in such Bond Year (including any mandatory sinking fund redemptions due in such Bond Year). Under the Long Beach Indenture, "Maximum Annual Debt Service" means the largest Annual Debt Service for any Bond Year, including the Bond Year the calculation is made. Under the Long Beach Indenture, "Average Annual Debt Service" means the average of the Annual Debt Service for all Bond Years, including the Bond Year in which the calculation is made.

[Upon issuance of the Long Beach Refunding Bonds, the Long Beach Successor will cause the Reserve Policy, if any, to be deposited in the Reserve Account in an amount equal to the Reserve Account Requirement.]

In the event that the amount on deposit in the Reserve Account at any time becomes less than the Reserve Requirement, the Agency Trustee upon receipt of actual knowledge will promptly notify the Long Beach Successor of such fact. As soon as possible following receipt of any such notice, subject only to the limitations of filing its ROPS in accordance with the Long Beach Indenture, the Long Beach Successor will transfer to the Agency Trustee an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account. If there will then not be sufficient Tax Revenues to transfer an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account, the Long Beach Successor will be obligated to continue making transfers as Tax Revenues become available in the Tax Increment Fund (such transfers to be applied pro rata among accounts in the Reserve Account) until there is an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account. No deposit need be made in the Reserve Account so long as there will be on deposit therein a sum equal to the Reserve Account Requirement.

Establishment and Maintenance of Accounts for Use of Moneys in the Tax Increment Fund

Subject to the prior application and lien in favor of the Senior Bonds, all Tax Revenues in the Tax Increment Fund will be set aside by the Agency Trustee in each Bond Year when and as received in the following respective special accounts within the Tax Increment Fund (each of which will be created and each of which the Long Beach Successor will covenant to cause to be maintained with the Agency Trustee so long as the Bonds will be Outstanding under the Long Beach Indenture), in the following order of priority (except as otherwise provided in subsection (b) below):

- (1) Interest Account;
- (2) Principal Account;
- (3) Term Bonds Sinking Account;
- (4) Reserve Account; and
- (5) Expense Account.

All moneys in each of such accounts will be held in trust by the Agency Trustee and will be applied, used and withdrawn only for the purposes authorized thereto in the Long Beach Indenture.

Interest Account. The Agency Trustee will set aside from the Tax Increment Fund and deposit in the Interest Account an amount of money which, together with any money contained therein, is equal to the

aggregate amount of the interest becoming due and payable on all Outstanding Bonds on the Interest Payment Dates in such Bond Year. No deposit need be made into the Interest Account if the amount contained therein is at least equal to the aggregate amount of the interest becoming due and payable on all Outstanding Bonds on the Interest Payment Dates in such Bond Year. All moneys in the Interest Account will be used and withdrawn by the Agency Trustee solely for the purpose of paying the interest on the Bonds as it will become due and payable (including accrued interest on any Long Beach Refunding Bonds purchased or redeemed prior to maturity).

Principal Account. The Agency Trustee will set aside from the Tax Increment Fund and deposit in the Principal Account an amount of money which, together with any money contained therein, is equal to the aggregate amount of principal becoming due and payable on all Outstanding Serial Bonds (defined in the Long Beach Indenture) on the Principal Payment Date in such Bond Year. No deposit need be made into the Principal Account if the amount contained therein is at least equal to the aggregate amount of principal of all Outstanding Serial Bonds becoming due and payable on the Principal Payment Date in such Bond Year. All money in the Principal Account will be used and withdrawn by the Agency Trustee solely for the purpose of paying principal of the Serial Bonds as they will become due and payable.

In the event that there will be insufficient money in the Tax Increment Fund to pay in full all such principal and Sinking Account Installments due in such Bond Year, then the money available in the Tax Increment Fund will be applied pro rata to the payment of such principal and Sinking Account Installments in the proportion which all such principal and Sinking Account Installments bear to each other.

Term Bonds Sinking Account. The Agency Trustee will deposit in the Term Bonds Sinking Account an amount of money which, together with any money contained therein, is equal to the Sinking Account Installments payable on the Sinking Account Payment Date in such Bond Year. No deposit need be made in the Term Bonds Sinking Account if the amount contained therein is at least equal to the aggregate amount of all Sinking Account Installments required to be made on the Sinking Account Payment Date in such Bond Year. All moneys in the Term Bonds Sinking Account will be used and withdrawn by the Agency Trustee solely for the purpose of purchasing or redeeming the Term Bonds in accordance with the Long Beach Indenture.

Reserve Account. The Agency Trustee will set aside from the Tax Increment Fund and deposit in the Reserve Account such amount as may be necessary to maintain on deposit therein an amount equal to the Reserve Account Requirement. No deposit need be made into the Reserve Account so long as there will be on deposit therein an amount equal to the Reserve Account Requirement. All money in or credited to the Reserve Account will be used and withdrawn by the Agency Trustee solely for the purpose of replenishing the Interest Account, the Principal Account or the Term Bonds Sinking Account in such order, in the event of any deficiency in any of such accounts occurring on any Interest Payment Date, Principal Payment Date or Sinking Account Payment Date, or for the purpose of paying the interest on or the principal of the Bonds in the event that no other money of the Long Beach Successor is lawfully available therefor, or for the retirement of all Bonds then Outstanding, except that for so long as the Long Beach Successor is not in default under the Long Beach Indenture, any amount in the Reserve Account in excess of the Reserve Account Requirement will be transferred to the Tax Increment Fund. On any date on which Bonds are defeased in accordance with the Long Beach Indenture, the Agency Trustee will, if so directed in a Written Request of the Agency, transfer any moneys in the Reserve Account in excess of the Reserve Requirement resulting from such defeasance to the entity or fund so specified in such Written Request of the Agency, to be applied to such defeasance. If at any time the Agency Trustee fails to pay principal or interest due on any scheduled payment date for the Bonds and any Additional Bonds or withdraws funds from the Reserve Account to pay principal and interest on the Bonds and any Additional Bonds, the Agency Trustee will notify the Authority and the Long Beach Successor in writing of such failure or withdrawal, as applicable.

[Amounts drawn under the Reserve Policy will be available only for the payment of scheduled principal and interest on the Long Beach Refunding Bonds, when due.]

The Agency Trustee will ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of the Long Beach Indenture and to provide notice to [INSURER] in accordance with the terms of the Reserve Policy at least five Business Days prior to each date upon which interest or principal, respectively, is due on the Long Beach Refunding Bonds. Where deposits are required to be made by the Long Beach Successor with the Agency Trustee to the debt service fund for the Long Beach Refunding Bonds, more often than semi-annually, the Agency Trustee will be instructed to give notice to [INSURER] of any failure of the Long Beach Successor to make timely payment in full of such deposits within two Business Days of the date due.]

Expense Account. The Agency Trustee will set aside from the Tax Increment Fund and deposit in the Expense Account such amount as may be necessary to pay from time to time Compliance Costs. All moneys in the Expense Account will be applied to the payment of Compliance Costs, upon presentation of a Written Request of the Agency setting forth the amounts, purposes, the names of the payees and a statement that the amounts to be paid are proper charges against the Expense Account. So long as any of the Bonds authorized under the Long Beach Indenture, or any interest thereon, remain unpaid, the moneys in the Expense Account will be used for no purpose other than those required or permitted by the Long Beach Indenture and the Law.

Parity Debt Limited to Refunding Bonds

The Long Beach Successor may, at any time after the issuance and delivery of the Long Beach Refunding Bonds, issue Additional Bonds payable from the Tax Revenues and secured by a lien and charge upon the Tax Revenues equal to and on a parity with the lien and charge securing the Outstanding Bonds, subject to the terms of the Long Beach Indenture. The Long Beach Indenture provides that any Additional Bonds payable from the Tax Revenues and secured by a lien and charge upon the Tax Revenues equal to and on a parity with the lien and charge securing the Long Beach Refunding Bonds may only be issued for purposes of refunding Outstanding Bonds issued in accordance with the Law. The Long Beach Indenture permits the refunding of the Senior Bonds on a basis senior to or on a parity with the Long Beach Refunding Bonds to the extent such refunding would be permitted by Section 34177.5(a)(1) of the Dissolution Act.

Nothing contained in the Long Beach Indenture will limit the issuance of any tax allocation bonds of the Long Beach Successor payable from Tax Revenues and secured by a lien and charge on Tax Revenues if, after the issuance and delivery of such tax allocation bonds, none of the Long Beach Refunding Bonds theretofore issued hereunder will be Outstanding, nor will anything contained in the Long Beach Indenture prohibit the issuance of any tax allocation bonds or other indebtedness by the Long Beach Successor secured by a pledge of tax increment revenues (including Tax Revenues) subordinate to the pledge of Tax Revenues securing the Long Beach Refunding Bonds.

Investment of Moneys in Funds and Accounts

Moneys in the Tax Increment Fund and the Interest Account, the Principal Account, the Term Bonds Sinking Account and the Expense Account thereunder, upon the Written Request of the Authority (for so long as the Authority Trustee will be owner of Bonds) on behalf of the Long Beach Successor, will be invested by the Agency Trustee in Permitted Investments. Moneys in the Interest Account representing accrued interest paid to the Long Beach Successor upon the initial sale and delivery of any Bonds and in the Reserve Account, upon the Written Request of the Authority, will be invested by the Agency Trustee in Permitted Investments. Permitted Investments purchased with amounts on deposit in the Reserve Account will have an average aggregate weighted term to maturity of not greater than five (5) years; provided, however, that if such investments may be redeemed at par so as to be available on each Interest Payment Date, any amount in the Reserve Account may be invested in such redeemable Permitted Investments maturing on any date on or prior to the final maturity date of the Bonds. The obligations in which moneys in the Tax Increment Fund and the Interest Account, the Principal Account, the Term Bonds Sinking Account and the Expense Account thereunder are so invested will mature prior to the date on which such moneys are estimated to be required to be paid out under the Long Beach Indenture. Any interest, income or profits from the deposits or investments

of all other funds and accounts held by the Agency Trustee (other than the Expense Account and the Rebate Fund) will be deposited in the Tax Increment Fund. For purposes of determining the amount on deposit in any fund or account held by the Agency Trustee under the Long Beach Indenture, all Permitted Investments credited to such fund or account will be valued at the lower of cost or the market price thereof (excluding accrued interest and brokerage commissions, if any); provided that Permitted Investments credited to the Reserve Account will be valued at market value (exclusive of accrued interest and brokerage commissions, if any), and any deficiency in the Reserve Account resulting from a decline in market value will be restored to the Reserve Account Requirement no later than the next Bond Year. Amounts in the funds and accounts held by the Agency Trustee under the Long Beach Indenture will be valued at least annually on the first day of August, after the principal payment has been made.

Redevelopment Funds

There is established under the Long Beach Indenture a separate fund to be known as the “Redevelopment Fund” and within such fund accounts for the ____, ____, and ____ Project Areas which will be held by the Agency Trustee. The Agency Trustee will deposit in each respective account of the Redevelopment Fund the amount specified in the Long Beach Indenture. The Agency Trustee will disburse amounts on deposit in such accounts to the Long Beach Successor upon receipt of a Written Request of the Agency which specifies the amount to be withdrawn. The Long Beach Successor will use amounts withdrawn from the Redevelopment Fund to pay costs of eligible projects in accordance with the Law. The Long Beach Successor will maintain records as to the disposition of all amounts disbursed to it from the Redevelopment Fund pursuant to the Indenture, as necessary to comply with any applicable requirements of the Law.

Covenants of the Long Beach Successor With Respect To Tax Revenues

In accordance with the Long Beach Indenture, the Long Beach Successor will comply with all requirements of the Law to ensure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary ROPS.

(a) The Long Beach Successor will manage its fiscal affairs in a manner so that it will have sufficient Tax Revenues available under the Redevelopment Plans in the amounts and at the times required to enable the Long Beach Successor to pay the principal of, premium, if any and interest on the outstanding Senior Bonds, and any parity debt thereof, and the Long Beach Refunding Bonds and any Additional Bonds when due.

The Long Beach Successor will comply with all requirements of the Law to obtain the allocation and payment to it of the Tax Revenues, including without limitation including the requisite amounts on its ROPS for each six-month period (or twelve-month period if then applicable under the Dissolution Act), and the timely filing thereof, all payments expected to be made to the Agency Trustee in order to satisfy the requirements of the Long Beach Indenture.

[(b) The Long Beach Successor covenants in the Indenture that, for so long as the receipt of Tax Revenues attributable to the Redevelopment Plans is subject to a tax increment limit under the Law, it will annually review the total amount of tax increment revenues attributable to each such Redevelopment Plan’s cumulative tax increment limitations, as well as future cumulative annual debt service. If remaining tax increment revenues allocable within a Redevelopment Plan’s cumulative tax increment limit are less than its allocable share of one hundred five percent (105%) of all future debt service on the Bonds, the Senior Bonds and any other obligations of the Long Beach Successor payable from tax increment revenues, the Long Beach Successor shall immediately notify the Bond Insurer and all tax increment revenues allocable to such respective plan as part of the Redevelopment Plan not needed to pay current or any past due debt service on any related Long Beach Successor obligations or to replenish the Reserve Account to the Reserve Requirement or the related reserve accounts under the indentures for the Senior Bonds secured by tax increment revenues allocable to such Redevelopment Plan, shall be deposited into an escrow account held by the Agency Trustee

and invested in Defeasance Securities. Such fund must be used only to pay debt service on the Bonds and to pay any [Additional Bonds]. Notwithstanding anything herein to the contrary, the provisions of this paragraph may be modified or waived with the consent of the Bond Insurer.

See “THE REDEVELOPMENT PLANS — Project Area Plan Limitations” and “SPECIAL RISK FACTORS — Subordinate Lien Risks.” See also “RISK FACTORS — State Budget” in the forepart of this Official Statement for a discussion of legislation proposed by the Governor that would clarify that former tax increment caps and plan limits do not apply for the purposes of paying approved enforceable obligations.

(c) Notwithstanding the foregoing, if legislation is adopted by the legislature of the State of California eliminating the effective limit on the amount of taxes which can be allocated to the Long Beach Successor pursuant to the Law and the Redevelopment Plans, the deposit of Tax Revenues required by the Long Beach Indenture for the purpose of paying the payment of debt service on the Senior Bonds, and any parity debt thereof, and the Long Beach Refunding Bonds and any Additional Bonds will no longer be required.]

The Long Beach Successor has further covenanted under the Long Beach Indenture to comply with all other requirements of the Dissolution Act. Without limiting the generality of the foregoing, the Long Beach Successor covenants and agrees to file all required statements and seek all necessary successor agency or an oversight board approvals required under the Dissolution Act to assure compliance by the Long Beach Successor with its covenants under the Long Beach Indenture. Further, the Long Beach Successor will take all actions required under the Dissolution Act to include on its ROPS for each six-month period (or twelve-month period if then applicable under the Dissolution Law) all payments expected to be made to the Agency Trustee in order to satisfy the requirements of the Long Beach Indenture, plus any amounts required to pay principal and interest payments due on the Senior Bonds, Outstanding Bonds, any deficiency in the Reserve Account to the full amount of the Reserve Account Requirement, any deficiency in the reserve accounts under the indentures for the Senior Bonds, any Compliance Costs, and any required debt service, reserve set-asides, and any other payments required under the Long Beach Indenture or similar documents pursuant to Section 34171(d)(1)(A) of the California Health and Safety Code, so as to enable the County Auditor-Controller to distribute from the RPTTF amounts to the Agency Trustee for deposit in the Tax Increment Fund on each January 2 and June 1 (or in full on such single deposit date as may be established under the Dissolution Law) amounts required for the Long Beach Successor to pay the principal of, premium, if any, and the interest on the Outstanding Bonds coming due in the respective six-month period (or twelve-month period if then applicable under the Dissolution Law). These actions will include, without limitation, placing on the periodic ROPS for approval by the Oversight Board and the DOF, to the extent necessary, the amounts to be held by the Long Beach Successor as a reserve until the next six-month period (or twelve-month period if then applicable under the Dissolution Law), as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act, that are necessary to provide for the payment of principal of, premium, if any, and the interest under the Long Beach Indenture when the next property tax allocation is projected to be insufficient to pay all obligations due under the Long Beach Indenture for the next payment due in the following six-month period (or twelve-month period if then applicable under the Dissolution Law).

See “RISK FACTORS — State Budget” in the forepart of this Official Statement for a discussion of the Governor’s proposal to transition successor agencies to an annual ROPS process instead of a biannual process. For additional covenants of the Long Beach Successor with respect to the Long Beach Refunding Bonds, see “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS — Covenants of the Agency Participant” in the forepart of this Official Statement.

Limited Obligations

The Long Beach Successor will not be required to advance any money derived from any source of income other than the Tax Revenues for the payment of the principal of, and the interest on the Bonds. The Bonds are special obligations of the Long Beach Successor and are payable, as to interest thereon and principal

thereof, exclusively from the Tax Revenues, and the Long Beach Successor is not obligated to pay them except from the Tax Revenues. All of the Bonds are equally secured by a pledge of, and charge and lien upon, all of the Tax Revenues, and the Tax Revenues constitute a trust fund for the security and payment of the principal of, and the interest on the Bonds, to the extent set forth in the Long Beach Indenture. The Bonds are not a debt of the City, the County, the State of California or any other political subdivision of the State, and neither said City, said State, said County nor any of the State's other political subdivisions is liable therefor, nor in any event will the Bonds be payable out of any funds or properties other than those of the Long Beach Successor pledged therefor as provided in the Long Beach Indenture. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction, and neither the members of the Long Beach Successor nor any persons executing the Bonds are liable personally on the Bonds by reason of their issuance.

Tax Revenues

Under State law, the rate of *ad valorem* property taxes which may be levied with respect to property within a project area is generally limited to 1% of the "full cash" assessed value. In this Appendix A such taxes are referred to as the "general levy" and are allocated to the State, the County, the City and all other taxing entities having jurisdiction over all or a portion of the Project Areas. The assessed values of property within the Project Areas, as last equalized prior to adoption of the Redevelopment Plan, become the "base year" assessed values.

As discussed above, the Long Beach Successor has no power to levy and collect taxes, and any provision of law limiting property taxes or allocating additional sources of income to taxing agencies and having the effect of reducing the property tax rate must necessarily reduce the amount of gross tax increment revenues and, accordingly, Tax Revenues that would otherwise be available to pay debt service on the Long Beach Refunding Bonds. Likewise, broadened property tax exemptions could have a similar effect. Additionally, gross tax increment revenues and, accordingly, Tax Revenues will be reduced each year by a collection fee charged by the County. See "RISK FACTORS" and "LIMITATIONS ON TAX REVENUES" in the forepart of this Official Statement.

Conversely, any increase in the present tax rate or assessed valuation, or any reduction or elimination of present property tax exemptions, would increase the Tax Revenues available to pay debt service on the Long Beach Refunding Bonds. See "LIMITATIONS ON TAX REVENUES" in the forepart of this Official Statement for discussion of the Constitutional constraints of increasing tax rates and assessed valuation.

As described below under "— Pass-Through Agreements," "Statutory Pass-Through Amounts" and "Section 33676 Election," the Long Beach Successor may pay a portion of the former tax increment revenues to other Taxing Agencies under Pass-Through Agreements and as Statutory Pass-Through Amounts and 33676 Amounts. See also "RISK FACTORS" and "LIMITATIONS ON TAX REVENUES — Redevelopment Plan Limits" in the forepart of this Official Statement.

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 Long Beach RDA entered into Pass Through Agreements with the County, the Los Angeles County Flood Control District ("County Flood") and the County Office of Education ("COE"), providing for the allocation of former tax increment revenues generated by the Los Altos Project in the

following amounts: 49.44% to the County and County Flood and 0.4% to COE. The Pass-Through Agreements are expressly subordinate to the Long Beach Refunding Bonds by their terms; however, pursuant to Section 34183(a)(1) and (b) of the Dissolution Act, payments due under the Pass-Through Agreements are distributed by the County Auditor-Controller unless the Long Beach Successor takes certain affirmative actions specified in Health and Safety Code Section 34183(b). The Long Beach Successor cannot guarantee that the process prescribed by the Dissolution Act will effectively result in adequate Tax Revenues for the payment of principal and accreted value (if any) of and interest on the Long Beach Refunding Bonds when due.

The Pass-Through Agreements provide that, to the extent that the Former Long Beach RDA incurred indebtedness related to the financing of a project authorized under the Los Altos Plan, the County allocations would be deferred for 25 years after such incurrence of indebtedness. After the 25-year period passes, the County taxing entities would begin to receive their respective share of increment and the Former Long Beach RDA was to establish a schedule for the repayment of the deferral (with accrued simple interest) to the County. Although the Former Long Beach RDA incurred debt with respect to the Los Altos Project, the County has been disbursing the County Shares (defined in the Pass-Through Agreements) to the County and County Flood, commencing with the June 2013 RPTTF distribution, and therefore the pass through shares are no longer deferred. Approximately 49.68% of the annual Los Altos tax levy (net of County administrative fees and a 20% Housing Set Aside credit) is being deducted from the RPTTF taxes for the County and County Flood tax sharing. In fiscal year 2013-14, the deduction totaled \$269,372. The County is not disbursing RPTTF moneys to COE under the Pass-Through Agreements and the Long Beach Successor anticipates that payments under this Pass-Through will commence June 4, 2020.

For more information about the Pass-Through Agreements, see the Fiscal Consultant's Report attached to this Official Statement as Appendix B.

Statutory Pass-Through Amounts

Assembly Bill 1290 (Chapter 942, Statutes of 1993) ("AB 1290"), effective January 1, 1994, eliminated the statutory authority for negotiated pass-through agreements and provided a formula for mandatory tax sharing, applicable to projects adopted after January 1, 1994 or amended after that date to add territory or make certain other amendments. These payments, which are to begin the fiscal year following the year a redevelopment plan was adopted (if after January 1, 1994) or the fiscal year following the year that a redevelopment plan's original plan limitations would have taken effect (in the case of pre-1994 redevelopment plans), are calculated using the increase in revenue less the amount of revenue generated by the project area in the year that the redevelopment plan was adopted or the former limit would have been reached, as applicable. Under the Dissolution Act, in particular Section 34183, the County Auditor-Controller is obligated to remit these Statutory Pass-Through Amounts to the affected taxing entities from the Long Beach Successor's RPTTF for each ROPS period.

As further described herein under "THE REDEVELOPMENT PLANS," the North Plan and the Central Plan were both adopted after January 1, 1994 and are therefore subject to Statutory Pass-Through Amounts. Also, the City adopted ordinances amending the Redevelopment Plans for the West Beach Project, the Poly High Project and the Industrial Project to eliminate the time limit on the incurrence of debt, triggering the requirement to pay the Statutory Pass-Through Amounts from tax increment generated in these Project Areas. These tax sharing payments continue so long as tax increment is available to repay indebtedness in the applicable Project Areas. The Statutory Pass-Through Amounts are determined by specific formulas under the Law; and post-dissolution, these payment obligations of the Long Beach Successor to affected taxing entities are administered by the County Auditor-Controller under the Dissolution Act.

Generally speaking, under the Law as amended by AB 1290 and as the obligation continues under the Dissolution Act, the Long Beach Successor is required to pay to the affecting taxing entities percentages of tax increment generated in the Project Areas as the Statutory Pass-Through Amounts, as follows:

1. following the adoption of the redevelopment plan or expiration of the existing time limit to incur debt (as applicable) and thereafter, 25% of tax increment revenues (after deducting moneys required to be deposited into the Housing Fund); plus,
2. for the eleventh year following the triggering event and thereafter, 21% of revenues in excess of tenth year revenue; plus,
3. for the thirty-first year following the triggering event and thereafter, 14% of revenues in excess of thirtieth year revenues.

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 amounts required to be deposited into the Housing Fund. For more information about the Statutory Pass-Through Amounts, see the Fiscal Consultant's Report attached to this Official Statement as Appendix B.

The Long Beach Successor has not undertaken the required procedure to subordinate the Statutory Pass-Through Amounts and thus, such Statutory Pass-Through Amounts are senior to the payment of debt service on the Long Beach Refunding 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 Long Beach Unified School District and Long Beach Community College District are entitled to receive 33676 Amounts from the Los Altos Project Area. As with Statutory Pass-Through Amounts, the County Auditor-Controller administers the payment of 33676 Amounts. The 33676 Amounts are deducted from the tax revenues included in the definition of Tax Revenues under the Long Beach Indenture. "THE PROJECT AREAS — Projected Tax Revenues" in this Appendix A.

Low and Moderate Income Housing Fund

The Redevelopment Plan provided that a portion of all taxes that are allocated to the Long Beach Successor pursuant to the Law were deposited into a separate Low and Moderate Income Housing Fund (the "Housing Fund") and encumbered and expended by the Former Long Beach RDA for the purpose of increasing and improving the community's supply of housing available at an affordable housing cost to persons and families of low and moderate income. Pursuant to the Dissolution Act, former tax increment revenues generated in the Project Areas are no longer required to be deposited into the Housing Fund previously established pursuant to Section 33334.3 of the Law. Accordingly, former tax increment revenues generated from the Project Areas previously required to be deposited in the Housing Fund are now available and pledged to the repayment of the Long Beach Refunding Bonds and any Additional Bonds, except to the extent pledged to and applied to payments under Senior Bonds.

Other ROPS Obligations

The Long Beach Successor has various significant enforceable obligations that are, or will be, listed on the Long Beach Successor's ROPS and paid from moneys deposited in the Long Beach Successor's RPTTF from time to time. The Long Beach Successor has determined that these obligations are either subordinate to the Long Beach Refunding Bonds or not secured by a pledge of Tax Revenues.

THE REDEVELOPMENT PLANS

General

The Project Areas include the West Beach Project (“West Beach Project”), the Poly High Redevelopment Project (“Poly High Project”), the Downtown Redevelopment Project (“Downtown Project”), the West Long Beach Industrial Redevelopment Project (“Industrial Project”), the Los Altos Redevelopment Project (“Los Altos Project”), the North Long Beach Redevelopment Project (“North Project”), and the Central Long Beach Redevelopment Project (“Central Project”). The Project Areas exist pursuant to separate Redevelopment Plans with separate time and financial limits, as described in more detail below. A description of each of the Redevelopment Plans, each of the amendments to the Redevelopment Plans and the financial and time limitations set forth in such Redevelopment Plans is set forth below. See “THE PROJECT AREAS” in this Appendix A for additional information regarding the Project Areas, including information on land use, assessed valuation, property ownership and Tax Revenues generated within the Project Areas.

The West Beach Project

The Redevelopment Plan for the West Beach Project (“West Beach Plan”) was adopted on July 21, 1964 by Ordinance No. C-4451. The West Beach Plan was subsequently amended as follows:

- By Ordinance No. C-4785 on December 24, 1968, to change certain land use restrictions set forth in the West Beach Plan.
- By Ordinance No. C-6309 on November 11, 1986, to add a cumulative tax increment limit, a time limit on the incurrence of debt, and a time limit on the exercise of eminent domain authority in the West Beach Project Area in accordance with Section 33333.4 of the Law.”
- By Ordinance No. C-7296 on December 13, 1994, to further restrict the time limit to incur debt and on the effectiveness of the West Beach Plan and to add a time limit on the repayment of debt within the West Beach Project Area.
- By Ordinance No. C-7886 on November 11, 2003, to eliminate the time limit to incur debt pursuant to Senate Bill (“SB”) 211.
- By Ordinance No. C-7914 on April 6, 2004, to extend the time limits on effectiveness, receipt of tax increment and repayment of debt by one year each pursuant to SB 1045.
- By Ordinance No. C-7964 on January 18, 2005, to extend the time limits on effectiveness, receipt of tax increment and repayment of debt by one year each pursuant to SB 1096.
- By Ordinance No. ORD-06-0062 on December 19, 2006 to extend the time limits on effectiveness, receipt of tax increment and repayment of debt by one additional year each pursuant to SB 1096

The West Beach Project Area includes approximately 21 acres located adjacent to the Downtown Project Area and within walking distance of the Long Beach Civic Center. The West Beach Project Area is bounded on the north by Ocean Boulevard, on the east by Magnolia Avenue, on the south by Seaside Boulevard and on the west by the Los Angeles River Flood Control Channel. The property within the West Beach Project Area lies within Planned District (PD) 6, which primarily permits office and commercial uses.

The Poly High Project

The Redevelopment Plan for the Poly High Project (“Poly High Plan”) was adopted on April 3, 1973 by Ordinance No. C-5063. The Poly High Plan was subsequently amended as follows:

- By Ordinance No. C-5138 on August 20, 1974, to change certain land use and parking requirements set forth in the Poly High Plan.
- By Ordinance No. C-5275 on December 14, 1976, to further change certain land use and parking requirements set forth in the Poly High Plan.
- By Ordinance No. C-6311 on November 11, 1986, to add a cumulative tax increment limit, a time limit on the incurrence of debt, and a time limit on the exercise of eminent domain authority in the Poly High Project Area in accordance with Section 33333.4 of the Law.
- By Ordinance No. C-7295 on December 13, 1994, to add a time limit on the repayment of debt within the Poly High Project Area in accordance with Section 33333.6 of the Law.
- By Ordinance No. C-7576 on November 17, 1998, to impose a time limit on the use of eminent domain in the Poly High Project Area.
- By Ordinance No. C-7597 on March 16, 1999, to extend the time limits on effectiveness, receipt of tax increment and repayment of debt in accordance with Section 33333.6 of the Law.
- By Ordinance No. C-7885 on November 11, 2003, to eliminate the time limit to incur debt pursuant to SB 211.
- By Ordinance No. C-7913 on April 6, 2004, to extend the time limits on effectiveness, receipt of tax increment and repayment of debt by one year each pursuant to SB 1045.
- By Ordinance No. C-7963 on January 18, 2005, to extend the time limits on effectiveness, receipt of tax increment and repayment of debt by one year each pursuant to SB 1096.
- By Ordinance No. C-7971 on February 8, 2005, to modify land use provisions in the Poly High Plan and increase the cumulative tax increment limit to \$25,000,000.
- By Ordinance No. ORD-06-0061 on December 19, 2006, to extend the time limits on effectiveness, receipt of tax increment and repayment of debt by one additional year each pursuant to SB 1096.

The Poly High Project Area encompasses approximately 87 acres from Pacific Coast Highway to the north, Martin Luther King Jr. Avenue to the east, Anaheim Street to the south and Atlantic Avenue to the west. The Poly High Project Area includes the Long Beach Polytechnic High School campus, which encompasses approximately 26.5 acres, as well as residential and commercial uses.

The Downtown Project

The Redevelopment Plan for the Downtown Project (“Downtown Plan”) was adopted on June 17, 1975 by Ordinance No. C-5187. The Downtown Plan was subsequently amended as follows:

- By Ordinance No. C-6310 on November 11, 1986, to add a cumulative tax increment limit, a time limit on the incurrence of debt, and a time limit on the exercise of eminent domain authority in the Downtown Project Area in accordance with Section 33333.4 of the Law.
- By Ordinance No. C-6331 on December 23, 1986, to change certain land use restrictions set forth in the Downtown Plan.
- By Ordinance No. C-7292 on December 13, 1994, to further restrict the time limit to incur debt and add a time limit on the repayment of debt within the Downtown Project Area in accordance with Section 33333.6 of the Law.
- By Ordinance No. 7557 on September 1, 1998 to extend eminent domain authority within the Downtown Project.
- By Ordinance No. 7596 on March 16, 1999 to extend the time limits on effectiveness, receipt of tax increment and repayment of debt in accordance with Section 33333.6 of the Law.
- By Ordinance No. C-7910 on April 6, 2004, to extend the time limits on effectiveness, receipt of tax increment and repayment of debt by one year each pursuant to SB 1045.
- By Ordinance No. C-7965 on January 18, 2005, to extend the time limits on effectiveness, receipt of tax increment and repayment of debt by one year each pursuant to SB 1096.

The Downtown Project contains 421 acres generally extending from the shoreline on the south to Seventh Street on the north and from Alamitos and Elm Avenues on the east to Magnolia and Pacific Avenues on the west. The original business district, historic shopping district and former waterfront amusement area were located in the Downtown Project Area. Now, this Project Area contains over three million square feet of Class A office space, a regional shopping mall, a 30-acre park, four first class hotels, the Convention and Entertainment Center, and the City and County Civic Center complex, among other uses.

The Industrial Project

The Redevelopment Plan for the Industrial Project (“Industrial Plan”) was adopted on July 1, 1975 by Ordinance No. C-5188. The Industrial Plan was subsequently amended as follows:

- By Ordinance No. C-6312 on November 11, 1986, to add a cumulative tax increment limit, a time limit on the incurrence of debt, and a time limit on the exercise of eminent domain authority in the Industrial Project Area in accordance with Section 33333.4 of the Law.
- By Ordinance No. C-7297 on December 13, 1994, to amend the time to incur debt and the termination date of the Industrial Plan and to add a time limit on the repayment of debt within the Industrial Project Area in accordance with Section 33333.6 of the Law.
- By Ordinance No. C-7887 on November 11, 2003, to eliminate the time limit to incur debt pursuant to SB 211.

The Industrial Project Area consists of approximately 1,368 acres and is bounded on the north by Pacific Coast Highway, on the south by Seaside Boulevard and Ocean Boulevard, on the east by the Los Angeles River Flood Control Channel, and on the west by the City boundary. The portion of the Industrial Project Area north of Anaheim Street (approximately 350 acres) includes industrial, and commercial land uses. The portion of the Industrial Project Area south of Anaheim Street (approximately 1,018 acres) is within the Long Beach Harbor District and is primarily owned by the Harbor Department of the City.

The Los Altos Project

The Redevelopment Plan for the Los Altos Project (“Los Altos Plan”) was adopted on December 10, 1991 by Ordinance No. C-6954. The Los Altos Plan was subsequently amended as follows:

- By Ordinance No. C-7294 on December 13, 1994, to amend the time to incur debt and the termination date of the Los Altos Plan and to add a time limit on the repayment of debt within the Los Altos Project Area in accordance with Section 33333.6 of the Law.
- By Ordinance No. C-7911 on April 6, 2004, to extend the time limits on effectiveness, receipt of tax increment and repayment of debt by one year each pursuant to SB 1045.

The Los Altos Project Area consists of approximately 45 acres generally bounded by Twenty-Third Street on the north, Marwick Avenue on the east, Briton Drive/Abbyfield Street on the south and Bellflower Boulevard on the west. The Los Altos Project Area includes commercial and retail uses.

The North Project

The Redevelopment Plan for the North Project (“North Plan”) was adopted on July 16, 1996 by Ordinance No. C-7412. The North Plan was subsequently amended as follows:

- By Ordinance No. C-7912 on April 6, 2004, to extend the time limits on effectiveness, receipt of tax increment and repayment of debt by one year each pursuant to SB 1045.
- By Ordinance No. ORD-08-0028 on September 15, 2008, to extend eminent domain authority within certain portions of the North Project Area.

The North Project Area consists of 10 non-contiguous areas totaling approximately 7,540 acres of land and 4,967 acres of water for a total size of approximately 12,507 acres. The majority of the North Project Area consists of (a) a residential area bordered by the cities of Compton and Paramount to the north, the city of Lakewood to the east and the city of Carson to the west and (b) approximately two-thirds of the Port of Long Beach.

The Central Project

The Central Project Area was first established with the adoption of a redevelopment plan on September 21, 1993 under AB 598, special legislation enacted in response to the civil disturbances that occurred between April 30 and May 2, 1992, resulting in significant damage in the Central Project Area. After adoption of the original Central Project, an economic recession caused property values to fall across the State, including within the Central Project Area. The assessed value of real property in the Central Project Area fell below the base year value and remained there. As a result, the Central Project Area did not produce tax increment. To correct the situation, the Long Beach City Council terminated the original redevelopment plan for the Central Project on March 6, 2001 by Ordinance No. C-7737.

The current Redevelopment Plan for the Central Project (“Central Plan”) was adopted on March 6, 2001 by Ordinance No. C-7738. The Central Plan was subsequently amended as follows:

- By Ordinance No. C-7909 on April 6, 2004, to extend the time limits on effectiveness, receipt of tax increment and repayment of debt by one year each pursuant to SB 1045.

The Central Project Area consists of approximately 2,619 acres, generally located in the southern portion of the City, south of the I-405 (San Diego) freeway, north of the downtown Long Beach, east of the I-710 (Long Beach) Freeway and west of Redondo Avenue. The Central Project Area includes major north-

south portions of Long Beach Boulevard, Pacific Avenue and Atlantic Avenue, major east-west sections of Willow Street, Pacific Coast Highway, Anaheim Street and Seventh Street, and surrounding residential neighborhoods.

As used in this Appendix, the West Beach Plan, the Poly High Plan, the Downtown Plan, the Industrial Plan, the Los Altos Plan, the North Plan, and the Central Plan are referred to collectively as the “Redevelopment Plans.” For more information about the Project Areas, see “THE PROJECT AREAS” in this Appendix A.

Project Area Plan Limitations

The time and financial limits under the Redevelopment Plans, as modified under the plan amendment actions noted above, are summarized below:

Component Area	Plan Expiration	Last Date to Incur New Debt	Last Date to Repay Debt with Tax Increment	Tax Increment Limit	Limit on Total Bond Debt	Estimated Taxes Received Through FY2013-14
West Beach	1/1/2012	n/a	1/1/2022	\$63,000,000	None	\$45,679,000
Poly High	4/3/2016	n/a	4/3/2026	\$25,000,000	None	\$12,848,000
Downtown	6/17/2017	1/1/2004	6/17/2027	\$879,300,000	None	\$345,461,000
Industrial	7/1/2015	n/a	July 1, 2025	\$1,174,000,000	None	\$249,545,000
Los Altos	12/10/2032	12/10/2011	12/10/2042	\$562,200,000	\$291,084,000	\$10,235,000
North	7/16/2027	7/16/2016	7/16/2042	None	\$2,000,000,000	\$497,037,000
Central	3/6/2032	3/6/2021	3/6/2047	None	\$2,000,000,000	\$196,271,000

Cumulative Tax Increment Limit.

The Fiscal Consultant projects that, if assessed values increase by 1% in fiscal year 2015-16 and by 2% in fiscal year 2016-17 and thereafter, the West Beach Project would reach the \$63,000,000 limit on the amount of cumulative tax increment the Long Beach Successor may receive from the West Beach Project in fiscal year 2020-21, prior to the January 1, 2022 deadline on the receipt of tax revenues and repayment of debt for that Project Area. Based on the same assumptions, the Poly High Project would reach its \$25,000,000 cumulative tax increment limit in fiscal year 2025-26, prior to the April 3, 2026 deadline on the receipt of tax revenues and repayment of debt for the Poly High Project. See “THE PROJECT AREAS — Projected Tax Revenues” in this Appendix A and the Fiscal Consultant’s Report attached to this Official Statement as Appendix B.

The Long Beach Refunding Bonds mature on [August 1, 2040] and the final debt service payments are anticipated to be made from RPTTF revenues received in fiscal year 2039-40 and generated from fiscal year 2039-40 assessed values. The Fiscal Consultant estimates that the Downtown Project, Industrial Project and Los Altos Project will not reach the cumulative limit on tax increment revenues applicable to such Project Areas before fiscal year 2039-40 unless assessed values in those Project Areas grow by the annual percentages shown in the following table:

Component Area	Required Annual Growth to Reach Revenue Limit by Fiscal Year 2039-40
Downtown Project	11%
Industrial Project	38%
Los Altos Project	20%

The North Project and the Central Project were adopted after January 1, 1994 and are therefore not subject to cumulative tax revenue limits.

There is a question on the applicability of tax increment limits as to time and amounts established under redevelopment plans after the adoption of AB x1 26 and AB 1484. The matter remains subject to further guidance from the DOF, legislation and interpretation by the courts. See “RISK FACTORS — State Budget” in the forepart of this Official Statement for a discussion of legislation proposed by the Governor that would clarify that former tax increment caps and plan limits do not apply for the purposes of paying approved enforceable obligations. If the Project Areas cumulative tax increment limit is deemed to no longer be applicable, no interruption of tax increment revenue will occur. For purposes of the projections in this Appendix A in that portion of the Fiscal Consultant’s Report with respect to the Long Beach Successor appearing in Appendix B, it is assumed that all redevelopment plan limits will be enforced.

Impact of Enforcement of Plan Limits

If the financial and time limitations described under the headings “— Project Area Plan Limitations” and “— Cumulative Tax Increment Limit” above are enforced, beginning in fiscal year 2028-29 and continuing until final maturity of the Long Beach Refunding Bonds on August 1, 2040, Tax Revenues will be limited to revenues generated from the Los Altos Project Area, North Project Area and Central Project Area. This will affect the concentration of ownership in the Project Areas from which Tax Revenues are available during these years. See tables 4.5, 4.6 and 4.7 to the Fiscal Consultant’s Report appearing in Appendix B.

Financial Limitations

See “LIMITATIONS ON TAX REVENUES” in the forepart of this Official Statement for a discussion of certain matters which limit Tax Revenues or impact the use thereof.

THE PROJECT AREAS

General

The County Auditor-Controller is responsible for the aggregation of the assessed values assigned by the County Assessor for properties within the boundaries of the Project Areas. The reported current year Project Areas assessed value, less the frozen Base Year assessed value, becomes the basis for determining the computed gross property tax revenue allocable to the RPTTF. The reported assessed value of property within the Project Areas for fiscal year 2014-15 is as follows.

	Fiscal Year 2014-15	% of Total
Secured Value	\$ 15,969,353,018	90.37%
Unsecured Value	<u>1,701,922,590</u>	<u>9.63</u>
Total Current Year Value	\$ 17,671,275,608	100.00
Base Year Value	<u>5,297,407,870</u>	<u>29.98</u>
Incremental Value	\$ 12,373,867,738	70.02%

Source: County of Los Angeles and Keyser Marston Associates, Inc.

Land Use

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

TABLE A-1
COMBINED PROJECT AREAS
LAND USE STATISTICS
(Fiscal Year 2014-15)

Land Use	Parcels	2014-15 Net Taxable Value	Percent of Total
Residential	28,041	\$ 7,549,400,896	42.72%
Commercial	2,747	3,082,664,465	17.44
Industrial	1,024	1,158,792,665	6.56
Governmental/Exempt	1,158	-	0.00
Institutional	190	136,559,312	0.77
Miscellaneous	7	10,378,718	0.06
Recreational	25	20,325,672	0.12
Vacant	1,194	257,803,596	1.46
SBE Non-Unitary	5	646,160,132	3.66
Cross Reference Roll ⁽¹⁾	2,244	3,107,267,562	17.58
Unsecured	<u>6,721</u>	<u>1,701,922,590</u>	<u>9.63</u>
TOTAL	43,356	\$ 17,671,275,608	100.00%

⁽¹⁾ Includes mineral rights, possessory interest and other miscellaneous secured assessments (the parcel numbers for which are not necessarily tied to a specific geographic parcel map location, unlike values on the secured roll).

Source: Keyser Marston Associates, Inc.

Ten Largest Taxpayers

The ten largest taxpayers in the Project Areas represent approximately 19.42% of the total Project Areas' value for fiscal year 2014-15 and are comprised primarily of commercial land uses. When compared against the incremental assessed value of the Project Areas, these ten largest taxpayers represent approximately 27.74% of the total incremental assessed value within the Project Areas.

**TABLE A-2
COMBINED PROJECT AREAS
MAJOR PROPERTY TAXPAYERS
(Fiscal Year 2014-15)**

	Property Owner	Primary Land Use	FY 2014-15 Assessed Valuation	Percent of Total	Percent of Incremental	Project Area
1	Hanjin America Inc.	Possessory Interest – Shipping Terminal	\$ 756,164,414	4.28%	6.11%	North, Industrial
2	International Transportation Service Inc.	Possessory Interest – Shipping Terminal	466,970,565	2.64	3.77	North
3	Pacific Maritime Services LLC	Possessory Interest – Shipping Terminal	409,817,504	2.32	3.31	North
4	SSA Terminals LLC	Possessory Interest – Shipping Terminal	378,037,460	2.14	3.06	North, Industrial
5	OOCL LLC and LBCT LLC	Possessory Interest – Shipping Terminal	350,048,754	1.98	2.83	North
6	Tesoro Logistics Operations, LLC, Tesoro Refining and Marketing Co., Tesoro Sierra Properties LLC	Possessory Interest – Oil Refining and Industrial – Mineral Processing	339,378,298	1.92	2.74	Central, North, Industrial
7	Tidelands Oil Production Co.	Possessory Interest – Oil Refining	332,782,611	1.88	2.69	Industrial
8	2009 CUSA Community Owner LLC	Residential – Multi Family	143,997,640	0.81	1.16	Downtown
9	AGNL Clinic LP	Commercial – Office	135,237,202	0.77	1.09	West Beach
10	John Hancock Life Insurance Co.	Commercial – Office	<u>120,113,848</u>	<u>0.68</u>	<u>0.97</u>	Downtown
			\$ 3,432,548,296	19.42%	27.74%	
		Total Project Area Value:	\$ 17,671,275,608			
		Project Area Incremental Value:	\$ 12,373,867,738			

⁽¹⁾ [Currently has assessment appeals on file. See “— Assessment Appeals” below.]
Source: County of Los Angeles and Keyser Marston Associates, Inc.

Assessed Valuation

The following table sets forth the taxable assessed valuations for the Project Areas and the incremental taxable values for the last ten fiscal years. According to the County, the total assessed valuation of the Project Areas for fiscal year 2014-15 is \$17,671,275,608.

TABLE A-3
COMBINED PROJECT AREAS
ASSESSED VALUATIONS AND INCREMENTAL TAX VALUES
(Fiscal Years 2005-06 to 2014-15)

Fiscal Year Ending June 30	Assessed Value	Less: Base Year Value	Value Over Base Year
2006	\$ 12,065,953,568	\$5,324,065,043	\$ 6,741,888,525
2007	13,590,600,203	5,324,065,043	8,266,535,160
2008	15,078,794,603	5,320,207,004	9,758,587,599
2009	16,264,127,353	5,318,104,774	10,946,022,579
2010	15,653,016,962	5,311,088,093	10,341,928,869
2011	14,974,994,003	5,304,763,378	9,670,230,625
2012	14,925,851,616	5,298,458,000	9,627,393,616
2013	15,454,095,921	5,296,969,919	10,157,126,002
2014	16,917,995,962	5,296,872,899	11,621,123,063
2015	17,671,275,608	5,297,407,870	12,373,867,738

Source: County of Los Angeles and Keyser Marston Associates, Inc.

For projections of growth in incremental assessed valuation and Gross Tax Increment Revenues, see “— Projected Tax Revenues” below.

For information about assessment appeals, see “— Assessment Appeals.”

Levy and Collections

The prior year allocation of tax increment revenues and the County Auditor-Controller’s distribution of property taxes to the RPTTF are a reflection of actual property tax collections experienced within the Project Areas. Based on the Fiscal Consultant’s review of the County’s year-end tax ledgers from fiscal year 2009-10 to fiscal year 2013-14, the property taxes collected within the Project Areas averaged 98.1%. 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.

**TABLE A-4
COMBINED PROJECT AREAS
TAX LEVY AND COLLECTIONS
(Fiscal Years 2009-10 to 2013-14)**

Fiscal Year Ending June 30	Computed Levy⁽¹⁾	Actual Based on Collections Rate⁽²⁾	Percent of Collections
2010	105,529,287	100,071,931	94.8%
2011	98,735,280	95,461,071	96.7
2012	98,235,400	97,203,062	98.9
2013	103,186,163	103,494,154	100.3
2014	117,906,017	117,449,804	99.6

⁽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.

⁽²⁾ Amounts represent the annual tax increment revenues allocable up to fiscal year 2010-11 and prior to the dissolution of the Former Long Beach RDA under AB x1 26. For purposes of identifying the collection of property taxes, amounts shown do not include a deduction of administrative fees, tax refunds, pass through payments, nor do they include supplemental taxes, prior year redemption payments, escaped assessments and any mid-year adjustments made by the County.

Source: County of Los Angeles; Keyser Marston Associates, 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. [____ of the top ten 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 Long Beach Successor 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 Areas based upon the latest information available from the County Appeals Board database through the second quarter of 2014. 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 reflected in its projections.

The following table, showing appeal data for fiscal years 2009-10 through 2013-14, summarizes the potential losses that are incorporated into the Fiscal Consultant's projections:

**TABLE A-5
COMBINED PROJECT AREAS
ASSESSED VALUATION APPEALS
(Fiscal Year 2009-10 to 2013-14)**

Total No. of Appeals	No. of Resolved Appeals	No. of Successful Appeals	Average Reduction	No. of Appeals Pending	Est. No. of Pending Appeals Allowed
4,146	2,872	914	21.83%	1,274	405

Fiscal Year Ending June 30	Combined Value Under Pending Appeals⁽¹⁾	Fiscal Consultant Estimated Reduction on Pending Appeals Allowed (2014-15 AV)
2015	\$ 181,515,000	\$ (12,612,000)
2014	4,823,603,000	(335,141,000)
2013	3,601,385,000	(250,222,000)
2012	2,964,553,000	(205,975,000)
Prior to 2012	3,102,891,000	(215,583,000)
Total	\$ 14,673,947,000	\$ (1,019,533,000)

⁽¹⁾ Reflects the total assessed value of the property subject to appeal and does not reflect the applicant's opinion of value.
Source: County of Los Angeles and Keyser Marston Associates, Inc.

Tax refunds payable from resolved appeals (to the extent applicants are not delinquent in their property tax payments) are deducted by the County Auditor-Controller from current year gross property taxes before the County's allocation to the RPTTF.

Actual resolution of appeals are determined by a number of factors including vacancy and rental rates, circumstances of hardship and other real estate comparables, all of which are unique to the individual assessment. Therefore, actual reductions, if any, may be higher or lower than the reductions incorporated in the Fiscal Consultant's projections. An appeal may be withdrawn by the applicant, the Appeals Board may deny or modify the appeal at hearing or by stipulation, or the final value may be adjusted to an amount other than the stated opinion of value. See "— Assessed Valuation" above, for a summary of historical assessed property valuations in the Project Areas. For more information about appeals and the Fiscal Consultant's assumptions, see the Fiscal Consultant's Report attached to this Official Statement as Appendix B.

Projected Tax Revenues

The following table shows the current and projected valuation of taxable property in the Project Areas and the projected Tax Revenues. Such projections are estimates only and no assurance can be given that such projections will be achieved. For a discussion of certain matters that will or could cause reductions in the Tax Revenues available in future years, see "LIMITATIONS ON TAX REVENUES" and "RISK FACTORS" in the forepart of this Official Statement and "SPECIAL RISK FACTORS" in this Appendix A.

**TABLE A-6
COMBINED PROJECT AREAS
PROJECTION OF PROJECT AREAS TAX REVENUES
ASSUMES VALUE GROWTH
(000s Omitted)**

Year Ending August 1	Total Taxable Value ⁽¹⁾	Taxable Value Over Base	Gross Tax Increment Revenue ⁽²⁾	Unitary Tax Revenue	Appeal Tax Refund	33676 Amounts	Gross Revenues	County Admin. Charges ⁽³⁾	Gross Tax Revenues	Senior Bonds Debt Service	Tax Revenues ⁽⁴⁾
2015	\$17,671,276	\$12,373,868	\$123,739	\$1,693	\$(10,195)	\$(32)	\$115,204	\$(2,054)	\$113,150		
2016	17,485,944	12,188,536	121,885	1,693	-	(34)	123,545	(2,198)	121,347		
2017	17,788,559	12,491,151	124,912	1,693	-	(35)	126,570	(2,252)	124,318		
2018	18,097,226	12,799,818	127,998	1,693	-	(37)	129,655	(2,306)	127,349		
2019	18,412,066	13,114,658	131,147	1,693	-	(38)	132,802	(2,362)	130,440		
2020	18,733,203	13,435,796	134,358	1,693	-	(40)	136,012	(2,418)	133,593		
2021 ⁽⁵⁾	19,060,763	13,763,355	137,634	1,693	-	(41)	138,573	(2,476)	136,097		
2022 ⁽⁶⁾	19,394,874	14,097,467	140,975	1,693	-	(43)	139,873	(2,486)	137,387		
2023	19,452,543	14,159,190	141,592	1,684	-	(45)	143,231	(2,545)	140,687		
2024	19,795,315	14,501,962	145,020	1,684	-	(47)	146,657	(2,605)	144,052		
2025	20,144,942	14,851,590	148,516	1,684	-	(49)	150,151	(2,667)	147,484		
2026 ⁽⁷⁾	20,501,563	12,910,061	129,101	637	-	(51)	128,955	(2,244)	126,710		
2027 ⁽⁸⁾	18,247,553	13,121,371	131,214	628	-	(53)	131,789	(2,279)	129,509		
2028	15,700,843	10,696,814	106,968	138	-	(56)	107,051	(1,859)	105,191		
2029	15,991,444	10,987,415	109,874	138	-	(58)	109,954	(1,910)	108,044		
2030	16,287,858	11,283,828	112,838	138	-	(60)	112,916	(1,962)	110,954		
2031	16,590,199	11,586,169	115,862	138	-	(63)	115,937	(2,015)	113,922		
2032	16,898,587	11,894,558	118,946	138	-	(66)	119,018	(2,068)	116,949		
2033	17,213,144	12,209,114	122,091	138	-	(68)	122,161	(2,123)	120,037		
2034	17,533,991	12,529,961	125,300	138	-	(71)	125,366	(2,179)	123,187		
2035	17,861,255	12,857,225	128,572	138	-	(74)	128,636	(2,236)	126,399		
2036	18,195,064	13,191,035	131,910	138	-	(78)	131,971	(2,294)	129,676		
2037	18,535,550	13,531,520	135,315	138	-	(81)	135,372	(2,354)	133,018		
2038	18,882,845	13,878,816	138,788	138	-	(84)	138,842	(2,414)	136,427		
2039	19,237,086	14,233,057	142,331	138	-	(88)	142,381	(2,476)	139,904		
2040	19,598,412	14,594,383	145,944	138	-	(92)	145,990	(2,539)	143,451		

⁽¹⁾ Taxable values as reported by the County for fiscal year 2014-15. Real property consists of land and improvements. Taxable values are increased for inflation at 1% for fiscal year 2015-16 and 2% for fiscal year 2016-17 and annually thereafter. Values for fiscal year 2015-16 and thereafter are decreased by \$290,653,000 from the value provided on Table A-3 for assumed projected value loss due to pending assessment appeals. See "— Assessment Appeals." Personal Property values are held constant at fiscal year 2014-15 level.

⁽²⁾ Gross Tax Increment Revenue is based upon incremental values factored against the general levy tax rate of \$1.00 per \$100 of taxable value. Figure for fiscal year 2014-15 includes a reduction for tax refunds related to assumed reductions due to pending assessment appeals.

- (3) County Administrative Charges include charges under SB 2557 and AB x1 26. The Fiscal Consultant estimates the charges at 1.76% of Gross Revenues.
- (4) Tax Revenues reflect RPTTF generated from the Project Areas that are available to the Long Beach Successor for payment of debt service on the Long Beach Refunding Bonds and unsecured enforceable obligations.
- (5) The Fiscal Consultant projects the West Beach Project will reach the cumulative tax increment limit in fiscal year 2020-21.
- (6) The West Beach Project reaches the time limit on the receipt of tax revenue and repayment of debt on January 1, 2022.
- (7) The Industrial Project reaches the time limit on the receipt of tax revenue and repayment of debt on July 1, 2025 and the Poly High Project reaches the time limit on the receipt of tax revenue and repayment of debt on April 3, 2026. The Fiscal Consultant projects the Poly High Project will reach the cumulative tax increment cap in fiscal year 2025-26 as well.
- (8) The Downtown Project reaches the time limit on the receipt of tax revenue and repayment of debt on June 17, 2027.

Source: Keyser Marston Associates, Inc.

The following table shows the current and projected valuation of taxable property in the Project Areas and the projected Tax Revenues assuming no growth in the total assessed valuation of property within the Project Areas.

**TABLE A-7
COMBINED PROJECT AREAS
PROJECTION OF PROJECT AREAS TAX REVENUES
ASSUMES NO VALUE GROWTH
(000s Omitted)**

Year Ending August 1	Total Taxable Value ⁽¹⁾	Taxable Value Over Base	Gross Tax Increment Revenue ⁽²⁾	Unitary Tax Revenue	Appeal Tax Refund	33676 Amounts	Gross Revenues	County Admin. Charges ⁽³⁾	Gross Tax Revenues	Senior Bonds Debt Service	Tax Revenues ⁽⁴⁾
2015	\$17,671,276	\$12,373,868	\$123,739	\$1,693	\$(10,195)	\$(32)	\$115,204	\$(2,054)	\$113,150		
2016	17,336,135	12,038,727	120,387	1,693	-	(32)	122,048	(2,172)	119,876		
2017	17,336,135	12,038,727	120,387	1,693	-	(32)	122,048	(2,172)	119,876		
2018	17,336,135	12,038,727	120,387	1,693	-	(32)	122,048	(2,172)	119,876		
2019	17,336,135	12,038,727	120,387	1,693	-	(32)	122,048	(2,172)	119,876		
2020	17,336,135	12,038,727	120,387	1,693	-	(32)	122,048	(2,172)	119,876		
2021	17,336,135	12,038,727	120,387	1,693	-	(32)	122,048	(2,172)	119,876		
2022 ⁽⁵⁾	17,336,135	12,038,727	120,387	1,693	-	(32)	122,048	(2,172)	119,876		
2023	17,086,400	11,793,047	117,930	1,684	-	(32)	119,583	(2,128)	117,455		
2024	17,086,400	11,793,047	117,930	1,684	-	(32)	119,583	(2,128)	117,455		
2025	17,086,400	11,793,047	117,930	1,684	-	(32)	119,583	(2,128)	117,455		
2026 ⁽⁶⁾	17,086,400	9,783,536	97,835	637	-	(32)	98,441	(1,701)	96,740		
2027 ⁽⁷⁾	14,813,478	9,687,296	96,873	628	-	(32)	97,469	(1,682)	95,787		
2028	12,514,202	7,510,173	75,102	138	-	(32)	75,207	(1,303)	73,904		
2029	12,514,202	7,510,173	75,102	138	-	(32)	75,207	(1,303)	73,904		
2030	12,514,202	7,510,173	75,102	138	-	(32)	75,207	(1,303)	73,904		
2031	12,514,202	7,510,173	75,102	138	-	(32)	75,207	(1,303)	73,904		
2032	12,514,202	7,510,173	75,102	138	-	(32)	75,207	(1,303)	73,904		
2033	12,514,202	7,510,173	75,102	138	-	(32)	75,207	(1,303)	73,904		
2034	12,514,202	7,510,173	75,102	138	-	(32)	75,207	(1,303)	73,904		
2035	12,514,202	7,510,173	75,102	138	-	(32)	75,207	(1,303)	73,904		
2036	12,514,202	7,510,173	75,102	138	-	(32)	75,207	(1,303)	73,904		
2037	12,514,202	7,510,173	75,102	138	-	(32)	75,207	(1,303)	73,904		
2038	12,514,202	7,510,173	75,102	138	-	(32)	75,207	(1,303)	73,904		
2039	12,514,202	7,510,173	75,102	138	-	(32)	75,207	(1,303)	73,904		
2040	12,514,202	7,510,173	75,102	138	-	(32)	75,207	(1,303)	73,904		

⁽¹⁾ Taxable values as reported by the County for fiscal year 2014-15. Real property consists of land and improvements. Taxable values are not increased for inflation. Values for fiscal year 2015-16 and thereafter are decreased by \$290,653,000 from the value provided on Table A-3 for assumed projected value loss due to pending assessment appeals. See “— Assessment Appeals.” Personal Property values are held constant at fiscal year 2014-15 level.

- (2) Gross Tax Increment Revenue is based upon incremental values factored against the general levy tax rate of \$1.00 per \$100 of taxable value. Figure for fiscal year 2014-15 includes a reduction for tax refunds related to assumed reductions due to pending assessment appeals.
- (3) County Administrative Charges include charges under SB 2557 and AB x1 26. The Fiscal Consultant estimates the charges at 1.76% of Gross Revenues.
- (4) Tax Revenues reflect RPTTF generated from the Project Areas that are available to the Long Beach Successor for payment of debt service on the Long Beach Refunding Bonds and unsecured enforceable obligations.
- (5) The West Beach Project reaches the time limit on the receipt of tax revenue and repayment of debt on January 1, 2022.
- (6) The Industrial Project reaches the time limit on the receipt of tax revenue and repayment of debt on July 1, 2025 and the Poly High Project reaches the time limit on the receipt of tax revenue and repayment of debt on April 3, 2026.
- (7) The Downtown Project reaches the time limit on the receipt of tax revenue and repayment of debt on June 17, 2027.

Source: Keyser Marston Associates, Inc.

Estimated Debt Service Coverage

The following table sets forth the debt service and coverage ratio for the Long Beach Refunding Bonds and the Senior Bonds. There can be no assurance that such projected Tax Revenues will be realized. Such projections assume the issuance of the Long Beach Refunding Bonds and the refunding and defeasance of the Long Beach Refunded Bonds. For a discussion of certain matters that will or could cause reductions in the Tax Revenues available in future years, “LIMITATIONS ON TAX REVENUES” and “RISK FACTORS” in the forepart of this Official Statement and “SPECIAL RISK FACTORS” in this Appendix A.

**TABLE A-8
COMBINED PROJECT AREAS
ESTIMATED DEBT SERVICE COVERAGE – ASSUMES VALUE GROWTH
(000s Omitted)**

<u>Year Ending August 1</u>	<u>Gross Tax Revenues⁽¹⁾</u>	<u>Senior Bonds Debt Service</u>	<u>Long Beach Refunding Bonds Debt Service</u>	<u>Aggregate Senior Bonds and Long Beach Refunding Bonds Debt Service</u>	<u>Aggregate Debt Service Coverage On Senior Bonds and Long Beach Refunding Bonds</u>
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					

⁽¹⁾ Gross Tax Revenues are Tax Revenues prior to deduction of debt service on the Senior Bonds.

⁽²⁾ [Totals may not add due to rounding.]

Source: Keyser Marston Associates, Inc. and Stifel Nicolaus & Company, Incorporated.

The following table sets forth the debt service and coverage ratio for the Long Beach Refunding Bonds, assuming no growth in total assessed valuation of property within the Project Areas.

**TABLE A-9
COMBINED PROJECT AREAS
ESTIMATED DEBT SERVICE COVERAGE – ASSUMES NO VALUE GROWTH
(000s Omitted)**

Year Ending August 1	Gross Tax Revenues ⁽¹⁾	Senior Bonds Debt Service	Long Beach Refunding Bonds Debt Service	Aggregate Senior Bonds and Long Beach Refunding Bonds Debt Service	Aggregate Debt Service Coverage On Senior Bonds and Long Beach Refunding Bonds
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					

⁽¹⁾ Gross Tax Revenues are Tax Revenues prior to deduction of debt service on the Senior Bonds.

⁽²⁾ [Totals may not add due to rounding.]

Source: Keyser Marston Associates, Inc. and Stifel Nicolaus & Company, Incorporated.

Property Tax and Spending Limitations

Section 1(a) of Article XIII A of the California Constitution limits the maximum *ad valorem* tax on real property to one percent of full cash value, to be collected by the counties and apportioned according to law. For a summary of this and other California constitutional property tax and spending limitations, see “LIMITATIONS ON TAX REVENUES — Property Tax and Spending Limitations” in the forepart of this Official Statement.

Unitary Property

The Fiscal Consultant projects that the amount of unitary revenues to be allocated to the Long Beach Successor for fiscal year 2014-15 within the Project Areas is approximately \$1,693,000. The Long Beach Successor cannot predict the effect of any future litigation or settlement agreements on the amount of unitary tax revenues received or to be received by the Long Beach Successor. In addition, the Long Beach Successor cannot predict the impact on unitary property tax revenues of any transfer of electrical transmission lines to tax-exempt agencies, although the Long Beach Successor does not expect any transfer to have a material adverse effect on Tax Revenues.

SPECIAL RISK FACTORS

The following summaries are provided as additional detail supplemental to the information under the section entitled “RISK FACTORS” in the forepart of this Official Statement. Such information should be considered by prospective investors in evaluating the Series 2015 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 Series 2015 Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks. For additional information, see the section entitled “RISK FACTORS” in the forepart of this Official Statement.

Tax Revenues

Tax Revenues, which secure the Long Beach Refunding Bonds, are determined by the incremental assessed value of taxable property in the Project Areas, the current rate or rates at which property in the Project Areas is taxed, and the percentage of taxes collected in the Project Areas. Several types of events which are beyond the control of the Long Beach Successor could occur and cause a reduction in available Gross Tax Increment Revenues and, accordingly, Tax Revenues. A reduction of taxable values of property in the Project Areas or a reduction of the rate of increase in taxable values of property in the Project Areas caused by economic or other factors beyond the Long Beach Successor’s control (such as successful appeals by property owners for a reduction in a property’s assessed value, a reduction in the rate of transfers of property, construction activity or other events that permit reassessment of property at lower values, or the destruction of property caused by natural or other disasters, including earthquakes) could occur, thereby causing a reduction in Tax Revenues. This risk increases in proportion to the percent of total assessed value attributable to any single assessee in the Project Areas and in relation to the concentration of property in such Project Areas in terms of size or land use (see “THE PROJECT AREAS — General” in this Appendix A). Any reduction in Tax Revenues from the Project Areas could have an adverse effect on the Long Beach Successor’s ability to meet its obligations under the Long Beach Indenture and the Long Beach Successor’s ability to pay the principal of and interest on the Long Beach Refunding Bonds.

As mentioned in the Fiscal Consultant’s Report, many issues involved in the dissolution of redevelopment agencies have yet to be resolved including the continuation of plan limits, override revenues and the treatment of ERAF. Additionally approximately 100 lawsuits have been filed on various aspects of AB x1 26 and AB 1484 which could impact the dissolution of redevelopment agencies. The projections in this Appendix A could be impacted as a result of future court decisions.

Projected Tax Revenues

The Fiscal Consultant has based its projections on certain assumptions with regard to the Project Areas, growth in assessed values and Tax Revenue growth. These projections assume that assessed values will increase for inflation at 1% for fiscal year 2015-16 and at 2% for fiscal year 2016-17 and annually thereafter. These projections also assume that for fiscal year 2015-16 and thereafter, real property values are decreased by \$290.7 million and personal property values are decreased by \$44.5 million for projected value loss due to pending assessment appeals. A 2% growth rate is the maximum inflationary growth rate permitted by law. In the last ten fiscal years, the years in which less than 2% growth was realized included fiscal years 2004-05, 2010-11, 2011-12 and 2014-15. There can be no assurance that assessed values will increase as projected, if at all. See “THE PROJECT AREAS” in this Appendix A for a discussion of these assumptions.

Any reduction in assessed values in the Project Areas, reduction in tax rates or reduction in taxes collected would reduce the Tax Revenues available to pay debt service on the Long Beach Refunding Bonds. See “RISK FACTORS” and “LIMITATIONS ON TAX REVENUES” in the forepart of this Official Statement. See also “THE PROJECT AREAS” in this Appendix A for a summary of historical assessed valuation of property in the Project Areas, current assessment appeals and historical delinquencies and recent transactions involving the top five property owners that could affect assessed values in the Project Areas.

Redevelopment Plan Limits

There is a question on the applicability of tax increment limits as to time and amounts established under redevelopment plans after the adoption of AB x1 26 and AB 1484. The matter remains subject to further guidance from the DOF, legislation and interpretation by the courts. If the Project Areas cumulative tax increment limit is deemed to no longer be applicable, no interruption of tax increment revenue will occur. For purposes of the projections in this Appendix A in that portion of the Fiscal Consultant's Report with respect to the Long Beach Successor appearing in Appendix B, it is assumed that all redevelopment plan limits will be enforced.

If the plan limits are enforced, Tax Revenues will be limited to tax revenues generated from the Los Altos Project Area, North Project Area and Central Project Area commencing in fiscal year 2028-29 and continuing through final maturity of the Long Beach Refunding Bonds on _____ 1, 2040. For information regarding the concentration of ownership in the Los Altos Project Area, North Project Area and Central Project Area, see tables 4.5, 4.6 and 4.7 to the Fiscal Consultant's Report appearing in Appendix B. As shown in tables A-6 and A-7, although Tax Revenues are projected to decrease substantially in Fiscal Years 2026-27 and 2027-28, debt service coverage is not projected to be reduced due to a corresponding reduction in aggregate debt service on the Long Beach Refunding Bonds commencing in Fiscal Years 2026-27 and 2027-28. See tables A-8 and A-9.

Senior, Parity and Subordinate Debt

The Long Beach Successor may refund the Senior Bonds on a basis senior to the Long Beach Refunding Bonds if permitted by Section 34177.5(a)(1) of the Dissolution Act. The Long Beach Indenture permits the issuance by the Long Beach Successor of certain refunding indebtedness which may have a lien upon the Tax Revenues on parity with the lien of the Long Beach Refunding Bonds. Other than refundings of the Senior Bonds, the Long Beach Successor has covenanted not to issue any additional obligations with a lien on former tax increment revenues senior to the lien of the Long Beach Refunding Bonds. See "SECURITY FOR THE REFUNDING BONDS — Parity Debt Limited to Refunding Bonds" in this Appendix A for a description of the conditions precedent to issuance of such additional obligations. The Long Beach 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 Long Beach Refunding Bonds.

Concentration of Ownership

The ten largest property taxpayers in the Project Areas, based upon the fiscal year 2014-15 locally assessed tax roll reported by the County Assessor, owned approximately 19.42% of the total Project Areas value and approximately 27.74% of the total incremental assessed value within the Project Areas. 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 Areas, a substantial decline in Tax Revenues could result. See "THE PROJECT AREAS — Ten Largest Taxpayers" in this Appendix A for more information (including recent transactions) about these ten largest property taxpayers and see "THE PROJECT AREAS — Assessment Appeals" for information as to pending appeals of tax assessments.

Possessory Interests

The top seven taxpayers in the Project Areas (representing 17.16% of the total assessed value and 24.51% of the incremental value for fiscal year 2014-15) hold possessory interests, primarily relating to operation of shipping terminals at the Port of Long Beach (representing 13.36% of the total assessed value and 19.08% of the incremental value) and, to a lesser extent, oil development (representing 3.80% of the total assessed value and 5.43% of the incremental value). See Table A-2, above. The Port operations are subject to geographic competition including the expansion of other west coast ports and the Panama Canal, as well as

fluctuations in the global economy. Additionally, fluctuations the value of oil could affect the value of the possessory interests relating to oil development in the Project Areas. To the extent operations at the Port decline or terminate, assessed values in the Project Areas, including possessory interests relating to Port operations, could be affected.

Natural Disasters; Seismic Hazards

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

The City, like most regions in the State of California, is located in an area of seismic activity and, therefore, could be subject to potentially destructive earthquakes. Regionally, the City is influenced by earthquake activity in Southern California, which is part of the North Pacific tectonic plate. The San Andreas Fault system forms the interface boundary between the North Pacific and North American (tectonic) Plates. The full length of this fault system extends from about 800 miles north of San Francisco, south to the Gulf of California. Movement of these tectonic plates results in earthquake activity in Southern California.

The occurrence of severe seismic activity in the City could result in substantial damage to property located in the Project Areas, and could lead to successful appeals for reduction of assessed values of such property. Such a reduction of assessed valuations could result in a reduction of the Tax Revenues that secure the Long Beach Refunding Bonds.

The property within the Project Areas 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 Successor Agency cannot predict what force majeure events may occur in the future.

Subordinate Lien Risks

The Long Beach Refunding Bonds are payable from Tax Revenues on a basis junior and subordinate to the Senior Bonds. In the event of default or insufficiency of Tax Revenues that affects payment under the Senior Bonds, the municipal bond insurers and/or owners of such bonds will have the right to direct rights and remedies [including acceleration of the principal amount of such bonds], which would adversely affect the availability of Tax Revenues to the Long Beach Refunding Bonds. Additionally, each of the indentures for the Senior Bonds contains a covenant requiring the escrow of Tax Revenues from [the Project Areas relating to such bonds] in the event certain thresholds are met. The Long Beach Successor projects that based on the Fiscal Consultant's calculations of Tax Revenues, the Long Beach Successor would need to start escrowing Tax Revenues from the West Beach Project commencing in _____ and the Poly High Project commencing in _____. Because the remaining Project Areas (the Downtown, Industrial, Los Altos, North and Central Projects) are not anticipated to reach the cumulative tax increment limit prior to the last day the Successor Agency is eligible to receive tax increment revenues from these Project Areas, the Long Beach Successor anticipates having sufficient Tax Revenues to pay debt service on the Long Beach Refunding Bonds notwithstanding the deposit of Tax Revenues attributable to the Poly High Project and the West Beach Project into defeasance escrow accounts.

APPENDIX B

FISCAL CONSULTANT'S REPORT

APPENDIX C

AUDITED FINANCIAL STATEMENTS

APPENDIX D
SUMMARY OF TRUST AGREEMENT

APPENDIX E

FORM OF OPINIONS OF BOND COUNSEL

Upon delivery of the Series 2015 Bonds, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, proposes to render its final opinions in substantially the following form with respect to each Series of Series 2015 Bonds:

APPENDIX F

STATE DEPARTMENT OF FINANCE LETTER

APPENDIX G

FORM OF CONTINUING DISCLOSURE AGREEMENT

BOOK-ENTRY ONLY SYSTEM

BOOK-ENTRY ONLY SYSTEM

The description that follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Series 2015 Bonds, payment of principal of, premium (if any) and interest on the Series 2015 Bonds to Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Series 2015 Bonds, and other related transactions by and between DTC, Participants and Beneficial Owners, is based on information furnished by DTC which the Authority believes to be reliable, but the Authority does not take responsibility for the completeness or accuracy thereof. The Authority cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners either (a) payments of the principal of, premium (if any) and interest on the Series 2015 Bonds or (b) certificates representing ownership interests in or other confirmation of ownership interests in the Series 2015 Bonds, or that they will so do on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Series 2015 Bonds. The Series 2015 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond will be issued for each maturity (and each individual yield in the case of bifurcated maturities) of the Series 2015 Bonds, in the aggregate principal amount of such issue, 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; provided that nothing contained in such website is incorporated into this Official Statement.

Purchases of Series 2015 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2015 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2015 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 Series 2015 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 Series 2015 Bonds, except in the event that use of the book-entry system for the Series 2015 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2015 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 Series 2015 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 Series 2015 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2015 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 Series 2015 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2015 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the related Trust Agreement. For example, Beneficial Owners of Series 2015 Bonds may wish to ascertain that the nominee holding the Series 2015 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 Series 2015 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2015 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 Authority 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 Series 2015 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2015 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 Authority 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 Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority 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.

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

NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO THE PAYMENTS OR THE PROVIDING OF NOTICE TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OR THE SELECTION OF SERIES 2015 BONDS FOR REDEMPTION.

DTC (or a successor securities depository) may discontinue providing its services as securities depository with respect to the Series 2015 Bonds at any time by giving reasonable notice to the Authority. The Authority, in its sole discretion and without the consent of any other person, may terminate the services of DTC (or a successor securities depository) with respect to the Series 2015 Bonds. The Authority undertakes no obligation to investigate matters that would enable the Authority to make such a determination. In the event that the book-entry system is discontinued as described above, the requirements of the related Trust Agreement will apply.

THE AUTHORITY AND THE UNDERWRITERS CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, THE PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL, INTEREST OR PREMIUM, IF ANY, WITH RESPECT TO THE SERIES 2015 BONDS PAID TO DTC OR ITS NOMINEE AS THE REGISTERED OWNER, OR WILL DISTRIBUTE ANY REDEMPTION NOTICES OR OTHER NOTICES, TO THE BENEFICIAL OWNERS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE AUTHORITY AND THE UNDERWRITERS ARE NOT RESPONSIBLE OR LIABLE FOR THE FAILURE OF DTC OR ANY PARTICIPANT TO MAKE ANY PAYMENT OR GIVE ANY NOTICE TO A BENEFICIAL OWNER WITH RESPECT TO THE SERIES 2015 BONDS OR AN ERROR OR DELAY RELATING THERETO.

The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the Authority deems reliable, but the Authority takes no responsibility for the accuracy thereof.

DTC may discontinue providing its services as securities depository with respect to the Series 2015 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2015 Bonds are required to be printed and delivered as described in the related Trust Agreement.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2015 Bonds will be printed and delivered as described in the related Trust Agreement and payment of interest to each Owner who owns of record

\$1,000,000 or more in aggregate principal amount of Series 2015 Bonds may be made to such Owner by wire transfer to such wire address within the United States that such Owner may request in writing for all Interest Payment Dates following the 15th day after the Trustee's receipt of such request.

APPENDIX I

SPECIMEN MUNICIPAL BOND INSURANCE POLICY
