PRELIMINARY OFFICIAL STATEMENT DATED ___________ __, 2024

NEW ISSUE — BOOK ENTRY ONLY **RATING[S]: ________**

(See "CONCLUDING INFORMATION — Ratings" herein)

In the opinion of Orrick, Herrington & Sutcliffe LLP, Special Counsel to the County, 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, the portion of each Base Rental Payment designated as and constituting interest paid by the County under the Sublease and received by the Owners of the Series A-1 Certificates 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 Special Counsel, interest evidenced by the Series A-1 Certificates is not a specific preference item for purposes of the federal individual alternative minimum tax. Special Counsel observes that interest evidenced by the Series A-1 Certificates included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Special Counsel is also of the opinion that the portion of each Base Rental Payment designated as and constituting interest paid by the County under the Sublease and received by the Owners of the Series 2024 Certificates is exempt from State of California personal income taxes. Special Counsel observes that interest evidenced by the Series A-2 Certificates is not excluded from gross income for federal income tax purposes. Special Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of the Series 2024 Certificates, or the amount, accrual or receipt of the portion of each Base Rental Payment constituting interest. See "TAX MATTERS" herein.

$___________*

COUNTY OF SANTA BARBARA
2024 CERTIFICATES OF PARTICIPATION

$_____________*
SERIES A-1 (TAX-EXEMPT)

$___________*
SERIES A-2 (TAXABLE)

Dated: Date of Delivery **Due: December 1, as set forth on inside cover**

The County of Santa Barbara 2024 Certificates of Participation, Series A-1 (Tax-Exempt) (the "Series A-1 Certificates") and 2024 Certificates of Participation, Series A-2 (Taxable) (the "Series A-2 Certificates" and, together with the Tax-Exempt Certificates, the "Certificates") will be executed and delivered as fully registered Certificates in book-entry form only, initially registered in the name of Cede & Co., New York, New York, as nominee of The Depository Trust Company ("DTC"), New York, New York. Purchasers will not receive 2024 Certificates representing their interest in the 2024 Certificates. Individual purchases of the 2024 Certificates will be in principal amounts of $5,000 or in any integral multiples of $5,000. Interest payable with respect to the 2024 Certificates will be payable on June 1 and December 1 of each year, commencing December 1, 2024, and principal payable on the 2024 Certificates will be paid on the dates set forth in the Maturity Schedule on the inside cover hereof. Payments of principal of and interest with respect to the 2024 Certificates will be paid by U.S. Bank Trust Company, National Association, Los Angeles, California, as trustee (the "Trustee"), to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the 2024 Certificates.

The 2024 Certificates are being executed and delivered (i) to provide funds to the County of Santa Barbara (the "County") to finance the costs of acquisition, installation and construction of certain capital projects (the "Project"), and (ii) to pay certain costs of executing and delivering the 2024 Certificates. See "PLAN OF FINANCE."

The 2024 Certificates are subject to prepayment prior to maturity as described herein. See "THE 2024 CERTIFICATES" herein.

The 2024 Certificates evidence and represent proportionate undivided interests of the Owners thereof in the Base Rental Payments (which include principal and interest components) to be made by the County for the right to the use of certain real property and improvements (the "Demised Premises") pursuant to that certain Sublease (Santa Barbara County), dated as of _______ 1, 2024 (the "Sublease"), between the County, as lessee, and the Santa Barbara County Finance Corporation, Inc. (the "Corporation"), as lessor.

The County has covenanted under the Sublease that, so long as the Demised Premises are available for use and occupancy by the County, the County will take such action to include all Base Rental Payments in its annual budgets and to make the necessary annual appropriations therefore and to maintain certain types of insurance on the Demised Premises. The obligation of the County to make Base Rental Payments is subject to abatement in the event of damage or destruction to, or condemnation of or title defects to, the Demised Premises or any portion thereof. See "SECURITY FOR THE 2024 CERTIFICATES" and "RISK FACTORS" herein.

This cover page contains information for general reference only. It is not a summary of the security or terms of this issue. Investors must read the entire Official Statement, including the section entitled "RISK

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* Preliminary; subject to change.

FACTORS," for a discussion of special factors which should be considered, in addition to the other matters set forth herein, in considering the investment quality of the 2024 Certificates. Capitalized terms used on this cover page and not otherwise defined shall have the meanings set forth herein.

THE COUNTY'S OBLIGATION TO MAKE BASE RENTAL PAYMENTS IS AN OBLIGATION PAYABLE FROM THE COUNTY'S GENERAL FUND OR ANY OTHER SOURCE OF FUNDS LEGALLY AVAILABLE TO THE COUNTY TO MAKE BASE RENTAL PAYMENTS. NEITHER THE 2024 CERTIFICATES NOR THE OBLIGATION OF THE COUNTY TO MAKE BASE RENTAL PAYMENTS CONSTITUTE A DEBT OF THE COUNTY OR OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMIT OR RESTRICTION OR ANY OBLIGATION FOR WHICH THE COUNTY OR THE STATE OF CALIFORNIA IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE COUNTY OR THE STATE OF CALIFORNIA HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

The 2024 Certificates are offered when, as and if sold, executed and delivered, subject to the approval of certain matters by Orrick, Herrington & Sutcliffe LLP, Special Counsel. Certain other legal matters will be passed upon for the County by Stradling Yocca Carlson & Rauth LLP, Disclosure Counsel, and the Office of the County Counsel. It is expected that the 2024 Certificates will be available through the facilities of DTC in New York, New York for delivery on or about _____ __, 2024.

BIDS TO BE RECEIVED ON ________ __, 2024
SEE "OFFICIAL NOTE OF SALE"

Dated: _____ __, 2024

MATURITY SCHEDULE

$__________*
COUNTY OF SANTA BARBARA
2024 CERTIFICATES OF PARTICIPATION, SERIES A-1 (TAX-EXEMPT)

Maturity Date (December 1)	*Principal Amount*	*Interest Rate*	*Yield*	*CUSIP†*

$_________ _____% Term 2024 Series A-1 (Tax-Exempt) Certificates Due December 1, 20__ — Price: ______% CUSIP†: _________

$__________*
COUNTY OF SANTA BARBARA
2024 CERTIFICATES OF PARTICIPATION, SERIES A-2 (TAXABLE)

Maturity Date (December 1)	*Principal Amount*	*Interest Rate*	*Yield*	*CUSIP†*

* Preliminary; subject to change.
† CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright © 2024 CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service Bureau. CUSIP® numbers are provided for convenience of reference only. Neither the County or the Purchasers take any responsibility for the accuracy of such numbers.

COUNTY OF SANTA BARBARA, CALIFORNIA

BOARD OF SUPERVISORS

Das Williams, *1st District*
Laura Capps*, Vice-Chair, 2nd District*
Joan Hartmann, *3rd District*
Bob Nelson*, 4th District*
Steve Lavagnino, *Chair*, *5th District*

COUNTY OFFICIALS

Mona Miyasato, *County Executive Officer*
Jeff Frapwell, *Assistant County Executive Officer*
Paul Clementi, *Budget Director*
Harry E. Hagen, *Treasurer-Tax Collector*
Kim Tesoro, *Assistant Treasurer-Tax Collector*
Betsy Schaffer, *Auditor-Controller*
Ed Price, *Assistant Auditor-Controller*
Rachel Van Mullem, *County Counsel*
Amber Holderness, *Chief Assistant County Counsel*
Anne Rierson, *Senior Deputy County Counsel*
Tyler Sprague, *Deputy County Counsel*

SPECIAL SERVICES

Orrick, Herrington & Sutcliffe LLP
San Francisco, California
Special Counsel

Stradling Carlson Yocca & Rauth LLP
Newport Beach, California
Disclosure Counsel

KNN Public Finance, LLC
Berkeley, California
Municipal Advisor

U.S. Bank Trust Company, National Association
Los Angeles, California
Trustee

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 2024 Certificates by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale. 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, the Corporation or the Purchasers.

Certain of the information set forth herein has been obtained from official sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Purchasers. The information and expressions of opinion herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County or the Corporation since the date hereof. This Official Statement is submitted with respect to the sale of the 2024 Certificates referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the County. 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.

IN CONNECTION WITH THE OFFERING OF THE 2024 CERTIFICATES, THE PURCHASERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2024 CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE PURCHASER MAY OFFER AND SELL THE 2024 CERTIFICATES TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE PURCHASERS.

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," "project," "budget" or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information in APPENDIX A- "COUNTY FINANCIAL INFORMATION."

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

The County maintains a website. However, the information presented there is not part of this Official Statement, is not incorporated by reference herein and should not be relied upon in making an investment decision with respect to the 2024 Certificates.

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$__________*
COUNTY OF SANTA BARBARA

$_____________* **SERIES A-1 (TAX-EXEMPT)**

$___________* **SERIES A-2 (TAXABLE)**

INTRODUCTION

General

The purpose of this Official Statement (which includes the cover page and the Appendices attached hereto) is to provide information concerning the execution and delivery by the County of Santa Barbara (the "County") of its 2024 Certificates of Participation, Series A-1 (Tax-Exempt)(the "Series A-1 Certificates") and 2024 Certificates of Participation, Taxable Series A-2 (Taxable) (the "Series A-2 Certificates" and, together with the Tax-Exempt Certificates, the "2024 Certificates").

The County

The County of Santa Barbara was established by an act of the Legislature of the State of California (the "State") on February 18, 1850 and encompasses approximately 2,774 square miles of which approximately one-third is located in the Los Padres National Forest. The County is a general law county and political subdivision of the State of California and its rights, powers, privileges, authority, functions and duties are established by the Constitution and laws of the State. For a detailed discussion of the County and its demographic and financial performance, see "APPENDIX A – COUNTY FINANCIAL INFORMATION," "APPENDIX B - ECONOMIC AND DEMOGRAPHIC INFORMATION" and "APPENDIX C –AUDITED FINANCIAL STATEMENTS OF THE COUNTY FOR THE FISCAL YEAR ENDED JUNE 30, 2023."

Authority for the 2024 Certificates

The 2024 Certificates are being executed and delivered pursuant to the provisions of a Trust Agreement, dated as of ________ 1, 2024 (the "Trust Agreement"), among the County, the Santa Barbara County Finance Corporation, Inc., a California non-profit public benefit corporation (the "Corporation") and U.S. Bank Trust Company, National Association, as trustee (the "Trustee").

Purpose

The 2024 Certificates are being delivered to: (i) finance the costs of the acquisition, installation and construction of certain capital projects (the "Project"); and (ii) pay certain costs of delivery associated with the 2024 Certificates, all as more fully described herein. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Security for the 2024 Certificates

The 2024 Certificates evidence and represent undivided fractional interests of the registered owners (the "Owners") thereof in Base Rental Payments (as defined herein) to be made by the County to the Corporation for the right to the use and occupancy of certain real property and improvements thereon (the "Demised Premises"). Except for one component of the Project which has been completed, the Project is not part of the Demised Premises. The Demised Premises will be leased by the County from the Corporation pursuant to a Sublease (Santa Barbara County), dated as of _____ 1, 2024 (the "Sublease"), between the County, as lessee, and the

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* Preliminary; subject to change.

Corporation, as lessor. In order to facilitate the conveyance accomplished by the Sublease, the County will first lease the Demised Premises to the Corporation pursuant to a Lease, dated as of _______ 1, 2024 (the "Lease"). See "THE DEMISED PREMISES" herein.

In accordance with the Sublease, the County is required to pay to the Trustee specified Base Rental Payments for the Demised Premises which are designed to be sufficient, in both time and amount, to pay, when due, the principal and interest with respect to the 2024 Certificates due on June 1 and December 1 of each year, commencing December 1, 2024. The County is also required to pay any taxes, assessment charges, utility charges, maintenance and repair costs of the Demised Premises. See "APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS" herein.

The County has covenanted in the Sublease to take all such actions as may be necessary to include all Base Rental Payments in each of its annual budgets for the General Fund during the term of the Sublease and to make the necessary annual appropriations for all such Base Rental Payments and Additional Rental. The covenants of the County constitute duties imposed by law. Additionally, the County has covenanted to maintain, or cause to be maintained, insurance on the Demised Premises. See "SECURITY FOR THE 2024 CERTIFICATES — Insurance" herein.

Pursuant to an Assignment Agreement, dated as of _____ 1, 2024 (the "Assignment Agreement"), the Corporation has assigned to the Trustee for the benefit of the Owners of the 2024 Certificates (i) its right to receive Base Rental Payments from the County under the Sublease, (ii) its rights under the Lease and Sublease and (iii) without any further act on the part of the Corporation, any and all of the other rights of the Corporation under the Sublease as may be necessary to enforce payments of Base Rental Payments when due and otherwise to protect the interests of the Owners.

The County has the right to incur other obligations payable from its general revenues without the consent of the Owners of the 2024 Certificates, including obligations payable from increased Base Rental Payments relating to additional improvements to the Demised Premises. See "APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS."

No reserve fund is being established in connection with the 2024 Certificates.

THE OBLIGATION OF THE COUNTY TO MAKE BASE RENTAL PAYMENTS IS AN OBLIGATION PAYABLE EACH YEAR FROM THE COUNTY'S GENERAL FUND OR ANY SOURCE OF FUNDS LEGALLY AVAILABLE FOR THE PAYMENT OF BASE RENTAL PAYMENTS, BUT DOES NOT CONSTITUTE A DEBT OF THE COUNTY OR OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL DEBT LIMITATION OR RESTRICTION, OR AN OBLIGATION FOR WHICH THE COUNTY OR THE STATE OF CALIFORNIA IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE COUNTY OR THE STATE OF CALIFORNIA HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

Abatement

Except to the extent of amounts on deposit in the Base Rental Payment Fund, or otherwise available from an insurance or eminent domain award, the amount of Base Rental Payments due under the Sublease and, correspondingly, the amount available to pay the principal and interest components of the 2024 Certificates, will be subject to complete or partial abatement during any period in which, by reason of damage or destruction or eminent domain, there is substantial interference with the use and possession by the County of the Demised Premises. See "RISK FACTORS — Abatement and Eminent Domain" herein. Amounts on deposit in the Base Rental Payment Fund, and proceeds from any insurance or eminent domain award, constitute a special fund for payment of Base Rental Payments, and shall be available for such Base Rental Payments in the event there is substantial interference with the use and possession of the Demised Premises.

Prepayment

The 2024 Certificates are subject to prepayment as described herein.

Miscellaneous

The 2024 Certificates will be offered when, as and if executed and delivered, and received by the Purchasers, subject to the approval of certain legal matters by Special Counsel and certain other conditions. It is anticipated that the 2024 Certificates in definitive form will be available for delivery to DTC on or about ______ __, 2024.

The descriptions herein of the Trust Agreement, the Sublease, the Lease and the Assignment Agreement are qualified in their entirety by reference to such documents, and the descriptions herein of the 2024 Certificates are qualified in their entirety by the form thereof and the information with respect thereto included in the aforementioned documents. See APPENDIX C – "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS." Copies of the documents are on file and available for inspection at the Principal Corporate Trust Office of the Trustee at 633 West Fifth Street, 24th Floor Los Angeles, CA 90071.

All capitalized terms used in this Official Statement and not otherwise defined herein have the same meanings as in the Trust Agreement. See APPENDIX C – "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS — DEFINITIONS" for definitions of certain words and terms used but not otherwise defined herein.

PLAN OF FINANCE

The County will apply a portion of the net proceeds of the 2024 Certificates to finance certain capital improvement projects and equipment, or such other equipment or capital improvement substituted for the following which are identified in a Request of the County delivered to the Trustee (collectively, the "Project"). Except for New Cuyama Fire Station 27, which was completed in June 2023, the Project is not part of the Demised Premises, and the County's obligation to pay Base Rental Payments is not subject to completion of the Projects (see "THE DEMISED PREMISES" herein). A description of certain significant elements of the Project are described below.

<u>Cachuma Lake Recreational Vehicle Park Renovation</u>: Approximately $7.5 million of the proceeds of the 2024 Certificates will be used for this portion of the Project.

The Cachuma Lake Recreational Vehicle ("RV") park campground is located at 1 Lakeview Drive in the unincorporated area of the County. The land is owned by the Bureau of Reclamation (the "BOR") and the County operates the entire Cachuma Lake recreational area under an existing management agreement with the BOR with a term through March 2037. The County has been operating the site since 1953. The purpose of this project is to completely renovate and reconfigure the existing RV park campground, which was originally built as a mobile home park in the late 1950's and converted in the 1970's to an RV park.

The renovation replaces water, sewer and electrical utilities with new utilities to meet code and the demands of today's RV camper, including 50-amp upgrades to the electrical supply at each RV site. The project also includes reconfiguration and replacement of concrete pads with re-bar installation as well as replacement of the existing restroom and shower facility, repaving, new landscaping, fixed campground furnishings, and minor camp area elements to complete the renovation. Project design was completed in 2022 and the construction contract was awarded in October 2023. Construction commenced in November 2023 with project completion scheduled for June 2024. Following the renovation, the County will continue to maintain and manage the site under the existing management agreement with BOR.

New Cuyama Fire Station 27. Approximately $5.2 million of the proceeds of the 2024 Certificates will be used to reimburse a portion of the costs associated with this Project.

The New Cuyama Fire Station 27 is located at 41 Newsome Street in the town of New Cuyama in the County. The project demolished and replaced an existing fire station with a new prefabricated metal building inclusive of a 3-Bay apparatus, dorm, and living quarters for Fire staff, and a dedicated space for a Sheriff's Office Sub-Station. The project also included an expanded radio equipment room to serve the County's Public Safety Radio Network (PSRN). The resulting facility includes a total 9,600 square feet and supports the provision of vital fire, paramedic and law enforcement services for the Cuyama Valley, town of New Cuyama and surrounding areas.

Construction was completed in June 2023.

Santa Barbara County Main Jail Renovation. Approximately $20.4 million of the proceeds of the 2024 Certificates will be used for this portion of the Project.

The Santa Barbara County Main Jail, located at 4436 Calle Real in the City of Santa Barbara in the County, will be renovated to address immediate requirements identified pursuant to a settlement reached in 2020 between Santa Barbara County and the Santa Barbara Sheriff's Office, and Disability Rights California, Prison Law Office, and King & Spalding LLP. The project will include the creation of an expanded recreation yard for inmates to provide additional out-of-cell time, Americans with Disabilities improvements within the existing Inmate Reception Center (the "IRC"), and renovations to the IRC to accommodate an improved intake area. Improvements are part of a larger initiative to reduce the Main Jail used capacity from 751 to 128 beds as a result of the County opening a new jail located in the northern area of the County, improve booking and arraignment in south county and generate operational savings. The project will also include capital improvements to extend the useful life of the facilities, including roofing and HVAC replacement in specified areas, parking lot and walkway replacements, elevator replacement, and door system and lock replacement within the IRC.

Construction is expected to commence in March 2024, with completion expected in February 2027.

New Probation Headquarters Building. Approximately $53.0 million of the proceeds of the 2024 Certificates will be used for this portion of the Project. In addition, approximately $2.2 million of General Fund moneys are expected to be applied.

The new Probation Department Headquarters will be constructed on 1.1 acres in the downtown area of the City of Santa Barbara (1019 Garden Street). The site location is currently owned by the County. The new headquarters building will consolidate Probation Department staffing and programs, currently split between two existing antiquated facilities in the County, into a new 35,000 square foot building, which will lead to operational and cost efficiencies for the Probation Department. The facility will consist of three stories, raising to four-stories facing Garden Street, with photovoltaic solar panels, a central courtyard, offices, classrooms, interview rooms, and parking to support the Department's main functions.

Construction is expected to commence in September 2024, with completion expected in September 2026.

Public Safety Radio Network Replacement. Approximately $16.3 million of the proceeds of the 2024 Certificates will be used for this portion of the Project. In addition, approximately $37.1 million of General Fund and County Fire District Fund moneys are expected to be applied.

The County's radio communications network, known as the Public Safety Radio Network (the "PSRN"), consists of four main components: Land Mobile Radio equipment that provides critical communications to support fire, law enforcement, and emergency medical services personnel; Microwave Radio Systems necessary to transmit radio user voice signals; Dispatch consoles; and Eighteen communication sites (including towers, shelters, generators, and radio equipment) dispersed throughout the nearly 4,000 square miles of the County. The PSRN upgrade will provide law enforcement, Fire Districts, and related agencies in the County with the ability to leverage up-to-date technology and equipment to reliably transmit radio user voice signals and data between first responders, radio sites and the dispatch centers.

The portion of this component of the Project to be funded from proceeds of the 2024 Certificates will be utilized to make capital improvements to upgrade or develop thirteen of the eighteen communications sites. The County has already funded, and is in the process of upgrading, the remaining five sites.

Construction commenced in January 2024, with completion expected in October 2025.

Regional Fire Communication Center. Approximately $17.6 million of the proceeds of the 2024 Certificates will be used for this portion of the Project.

This project will provide the Santa Barbara County Fire Department with a new, modernized dispatch center and expands the County's existing Emergency Operations Center ("EOC") building located at 4408 Cathedral Oaks Boulevard in the [unincorporated area of the County]. The 10,676 square foot Regional Fire Communication Center will be dedicated to calls for multi-agency Emergency Medical Services ("EMS") and Fire Department response. The building will include 14,998 square feet of photovoltaic solar arrays as well as electric vehicle charging stations.

The center anticipates providing dispatch services for all EMS as well as seven fire departments/districts in the county: Santa Barbara County Fire Department, Carpinteria-Summerland Fire Protection District, Santa Barbara City Fire Department, Montecito Fire Protection District, Lompoc Fire Department, Guadalupe Fire Protection District, and Santa Maria Fire Department. The project also includes the construction of a Joint Information Center and Call Center to support the communication needs of Santa Barbara County residents during emergencies. The project will ultimately improve emergency services by streamlining the dispatch process, reducing call processing times, and dispatching the closest resource.

Construction commenced in April 2023, with completion expected in June 2024.

THE DEMISED PREMISES

The Demised Premises

Pursuant to the Lease, the County has leased the Demised Premises to the Corporation, in consideration of a one-time upfront lease payment by the Corporation and the Corporation's promise to lease the Demised Premises back to the County pursuant to the Sublease. The Demised Premises consist of the following:

The Betteravia Building B is located at 2115 Centerpoint Parkway in the City of Santa Maria. The Betteravia Building B is a two-story, approximately 25,000 square foot, steel frame, reinforced concrete and stucco building located on an approximately 2.24 acre site and was constructed in 1991. The Public Health Department, along with other programs, are housed in medical office space in Betteravia Building B.

The Betteravia Building C is located at 2125 Centerpoint Parkway in the City of Santa Maria. The Betteravia Building C is a three-story, approximately 64,000 square foot, reinforced concrete building located on an approximately 4.4 acre site which was originally constructed in 1991. The Betteravia Building C houses the Social Services Department and other programs.

The Joe Centeno Administration Building is located at 511 East Lakeside Parkway in the City of Santa Maria. The Joe Centeno Administration Building is a one-story, approximately 14,000 square foot general office building located on an approximately 2 acre site and was originally constructed in 1991. The Joe Centeno Administration Building houses the County Assessor's Office, County Treasurer-Tax Collector-Public

Administrator's Office, the County Clerk Elections Division, and the Fourth and Fifth District Supervisors' Offices.

The Social Services Building is located at 234 Camino Del Remedio in the unincorporated area of the County. The Social Services Building is a two-story building located on a 5.3 acre site in the Calle Real Complex. The Social Services Building includes meeting, conference, and training rooms as well as waiting and reception areas for the Social Services Department.

The Emergency Operations Center is located at 4408 Cathedral Oaks Road in the unincorporated area of the County. The Emergency Operations Center is approximately 11,000 square feet and serves as the single focal point for the management of information, decision-making, and resource support/allocation during all phases of a local emergency. The building includes offices for the Office of Emergency Services, and Incident Management Room, conference and briefing rooms, GIS and support spaces, and locker room, restrooms, and break room facilities to support extended periods of occupancy during activations.

The County District Attorney Building is located at 1122 Santa Barbara Street in the City of Santa Barbara. The County District Attorney Building consists of an approximately 25,000 square foot building located on an approximately 0.4 acre site and was originally constructed in 2005. The County District Attorney Building houses the operations of the County District Attorney.

The New Cuyama Fire Station 27 is located at 41 Newsome Street in the town of New Cuyama. The New Cuyama Fire Station 27 is approximately 9,600 square feet located on an approximately 0.3 acre site and was constructed in 2023. The New Cuyama Fire Station 27 supports the provision of vital fire, paramedic and law enforcement services for the Cuyama Valley, town of New Cuyama and surrounding areas.

Estimated Value of Demised Premises

The following table shows estimated values of the properties which comprise the Demised Premises.

Facility	Address	Year Constructed	Building Value(1)	Land Value(2)	Estimated Total Value
Betteravia Building C (Social Services)	2125 Centerpointe Parkway, Santa Maria, CA 93455	1991	$25,736,244	$6,000,000	$31,736,244
Social Services Building	234 Camino Del Remedio, Santa Barbara, CA 93110	1990	16,000,303	7,000,000	23,000,303
Emergency Operations Center	4408 Cathedral Oaks Road, Santa Barbara, CA 93110	2010	9,919,839	4,500,000	14,419,839
County District Attorney Building	1112 Santa Barbara Street, Santa Barbara, CA 93110	2005	11,035,186	3,000,000	14,035,186
Betteravia Building B (Health Care Center)	2115 Centerpointe Parkway, Santa Maria, CA 93455	1991	10,408,577	2,400,000	12,808,577
New Cuyama Fire Station 27(3)	41 Newsome Street, New Cuyama, CA 93254	2023	8,262,000	--	8,262,000
Total			$87,263,628	$25,000,000	$112,263,628

(1) Insured Values as of a ____, 2023 appraisal date.

(2) Estimated valuation as determined by the County Assessor's Office based on land square footage and market per square foot.

(3) Construction completed; to be partially reimbursed with proceeds from the Series A-1 Certificates.

Substitution and Release of Demised Premises

The County and the Corporation may substitute and release real property as part or in place of the Demised Premises for purposes of the Lease and the Sublease, but only after the County has filed with the Corporation and the Trustee with copies to each rating agency then providing a rating for the 2024 Certificates, certain information required by the Sublease. See "APPENDIX B – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS — The Sublease — Substitution; Release" herein.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the 2024 Certificates are anticipated to be applied as follows:

	Series A-1 Certificates	Series A-2 Certificates	Total
SOURCES:			
Principal Amount of 2024 Certificates			
Net Original Issue Premium			
TOTAL SOURCES			
USES:			
Project Fund[1]			
Costs of Issuance Account[2]			
TOTAL USES:			

(1) See "PLAN OF FINANCE" herein.
(2) Includes Purchaser's discount, and other costs of executing and delivering the 2024 Certificates.

THE 2024 CERTIFICATES

General

The 2024 Certificates shall be delivered in the form of fully registered 2024 Certificates, without coupons, in denominations of $5,000 or any integral multiple thereof, and shall be dated the date of delivery to the original purchaser thereof. The 2024 Certificates will mature on the dates and in the amounts set forth on the inside cover of this Official Statement. The 2024 Certificates, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). So long as DTC, or Cede & Co. as its nominee, is the registered owner of all 2024 Certificates, all payments on the 2024 Certificates will be made directly to DTC, and disbursement of such payments to the DTC Participants (defined below) will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners (defined below) will be the responsibility of the DTC Participants, as more fully described hereinafter. (See "Book-Entry Only System" below.)

Interest with respect to the 2024 Certificates (the "Interest Component") shall be payable on June 1 and December 1 of each year, commencing December 1, 2024, and continuing to and including the date of maturity or prior prepayment, whichever is earlier. Principal represented by the 2024 Certificates (the "Principal Component") shall become payable on December 1 in each of the years and in the amounts set forth on the inside cover page of this Official Statement. Principal and premium, if any, with respect to the 2024 Certificates shall be payable upon presentation and surrender thereof at the corporate trust office of the Trustee in St. Paul, Minnesota. Interest with respect to the 2024 Certificates shall be based on a 360-day year composed of twelve 30-day months and shall be payable by check from the Trustee mailed on each Interest Payment Date by first class mail to the registered Owners as of the close of business on the 15th calendar day of the month (whether or not such day is a Business Day) preceding an interest payment date (the "Record Date") at their addresses shown on the registration books maintained by the Trustee (except that in the case of an Owner of $1,000,000 or greater in principal amount of Outstanding 2024 Certificates, such payment may, at such Owner's option, be made by wire transfer to an account in the United States of immediately available funds in accordance with written instructions provided by such Owner at least 15 days before an Interest Payment Date). See "Book-entry System" below.

Prepayment of the 2024 Certificates

Extraordinary Prepayment. The 2024 Certificates are subject to prepayment prior to their respective Payment Dates, upon notice as provided in the Trust Agreement, on any date as a whole or in part selected as provided in the Trust Agreement from proceeds of insurance received from the damage or destruction of the Demised Premises or portions thereof, or from eminent domain and title insurance proceeds with respect to the Demised Premises, at a prepayment price equal to the sum of the principal amount or such part thereof evidenced and represented by the 2024 Certificates to be prepaid plus accrued interest evidenced and represented thereby to the date fixed for payment, without premium.

Optional Prepayment of Series A-1 Certificates. The Series A-1 Certificates maturing on or before December 1, 2033 are not subject to optional redemption prior to their stated maturity dates. The Series A-1 Certificates maturing on or after December 1, 2034 are subject to redemption, in whole or in part, of such maturities designated by the County, prior to their respective maturity dates, at the option of the Corporation (at the direction of the County), on any date on or after June 1, 2034, at a redemption price equal to the principal amount of the Bonds to be redeemed plus accrued interest thereon to the date of redemption, without premium.

No Optional Prepayment of Series A-2 Certificates. The Series A-2 Certificates are not subject to optional prepayment.

Mandatory Sinking Account Prepayment. The Series A-1 Certificates with a Certificate Payment Date of December 1, 20__ are also subject to mandatory prepayment prior to their stated Certificate Payment Date in part on December 1 of each year on and after December 1, 20__, by lot, from and in the amount of the principal components of the Base Rental Payments applicable thereto and due and payable on such dates, at a prepayment price equal to the sum of the principal amount represented thereby plus accrued interest represented thereby to the date of prepayment, without premium. The principal component of each such Base Rental Payment is set forth below:

Year (December 1)	**Amount**

Selection of 2024 Certificates for Prepayment. Whenever less than all the Outstanding 2024 Certificates are to be prepaid on any one date, the Trustee shall select the Payment Dates of the 2024 Certificates of such Series to be so prepaid and the amount of 2024 Certificates with such respective Payment Dates in accordance with the provisions contained in a Request of the County. Whenever less than all the Outstanding 2024 Certificates of any one Payment Date are to be prepaid on any one date, the Trustee shall select the 2024 Certificates of such Payment Date of such Series to be prepaid in whole or in part from the Outstanding 2024 Certificates of such Payment Date by lot in any manner that the Trustee deems appropriate and fair for the 2024 Certificates.

Notice of Prepayment. Notice of prepayment shall be given by first class mail to the respective Owners of any 2024 Certificates designated for prepayment in whole or in part prior to their prepayment date, not less than thirty (30) nor more than sixty (60) days prior to the prepayment date. Each notice of prepayment shall state the date of notice, the prepayment date, the prepayment place and the prepayment price, shall designate the Payment Dates, CUSIP numbers, if any, and the serial numbers of the 2024 Certificates to be prepaid by giving the individual number of each 2024 Certificate or by stating that all 2024 Certificates between two stated numbers, both inclusive, have been called for prepayment, shall (in the case of any 2024 Certificate called for prepayment in part only) state the part of the principal amount evidenced and represented thereby which is to be prepaid, and shall state that the interest evidenced and represented by the 2024 Certificates or parts thereof designated for prepayment shall cease to accrue from and after such prepayment date and that on such prepayment date there will become due and payable on each of the 2024 Certificates or parts thereof designated for prepayment the prepayment price evidenced and represented thereby.

Neither failure to mail any notice of prepayment nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for the prepayment of any of the 2024 Certificates for which notice was properly given.

Effect of Prepayment. If notice of prepayment has been duly given and money for the payment of the prepayment price of the 2024 Certificates or parts thereof to be prepaid is held by the Trustee, then on the prepayment date designated in such notice, the 2024 Certificates or such parts thereof so called for prepayment shall become payable at the prepayment price evidenced and represented thereby as specified in such notice; and from and after the date so designated interest evidenced and represented by the 2024 Certificates or such parts thereof so called for prepayment shall cease to accrue, such 2024 Certificates or such parts thereof shall cease to be entitled to such benefit, protection or security under the Trust Agreement and the Owners of such 2024 2024 Certificates shall have no rights in respect thereof except to receive payment of the prepayment price evidenced and represented by the 2024 Certificates or such parts to be prepaid.

Additional 2024 Certificates

In addition to the 2024 Certificates, the Trust Agreement provides for the execution and delivery of Additional 2024 Certificates representing proportionate interests in certain rights under the Sublease, including the right to receive additional Base Rental Payments made by the County thereunder, without the consent of the Owners, upon the satisfaction of certain conditions set forth in the Trust Agreement. The total annual Base Rental Payments and Additional Rental represented by the 2024 Certificates and any Additional 2024 Certificates hereafter executed and delivered may not exceed the annual fair rental value of the Demised Premises during the remainder of the Term of the Sublease. Any Additional 2024 Certificates shall be payable on a parity with the 2024 Certificates, as provided in a Supplemental Trust Agreement authorizing the execution and delivery of such Additional 2024 Certificates. See “APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS — The Trust Agreement.”

Book-Entry System

DTC will act as securities depository for the 2024 Certificates. The 2024 Certificates will be issued as fully-registered 2024 Certificates registered in the name of Cede & Co. (DTC’s partnership nominee). One fully-registered 2024 Certificate will be issued for each maturity of the 2024 Certificates, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See “APPENDIX F – BOOK-ENTRY PROVISIONS” herein.

The County and the Trustee cannot and do not give any assurances that DTC, DTC Participants or others will distribute payments of principal, interest or premium, if any, with respect to the 2024 Certificates paid to DTC or its nominee as the registered owner, or will distribute any prepayment 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 County and the Trustee are not responsible or liable for the failure of DTC or any DTC Participant to make any payment or give any notice to a Beneficial Owner with respect to the 2024 Certificates or an error or delay relating thereto.

SCHEDULE OF BASE RENTAL PAYMENTS

The table below shows the annual Base Rental Payments with respect to the 2024 Certificates .

	Series A-1		*Series A-2*		
Date (December 1	***Principal***	***Interest***	***Principal***	***Interest***	***Total***
TOTAL					

SECURITY FOR THE 2024 CERTIFICATES

General

Each 2024 Certificate evidences and represents a direct, undivided fractional interest in the principal component of the Base Rental Payments due under the Sublease on the payment date or prepayment date of such 2024 Certificate, and the interest component of all Base Rental Payments (based on the stated interest rate with respect to such 2024 Certificate) to accrue from the Closing Date to its payment date or prepayment date, as the case may be. The Corporation, pursuant to the Trust Agreement and the Assignment Agreement, has assigned its rights and remedies under the Sublease to the Trustee for the benefit of the Owners of the 2024 Certificates, including its right to receive Base Rental Payments thereunder. Principal of and interest with respect to the 2024 Certificates will be made from the Base Rental Payments for the use and possession of the Demised Premises, insurance or condemnation proceeds pertaining to the Demised Premises to the extent that such proceeds are not used for repair or replacement, amounts on deposit in the Base Rental Payment Fund held by the Trustee, interest or other income derived from the investment of the funds and accounts held by the Trustee for the County pursuant to the Trust Agreement. The Trustee will not have any obligation or liability to the Owners to make payments of principal, premium, if any, or interest with respect to the 2024 Certificates from any other source.

The County has covenanted under the Sublease to make Base Rental Payments for the use and possession of the Demised Premises. So long as the Demised Premises are available for the County's use, the County has covenanted to take such action each year as may be necessary to include all Base Rental Payments in its annual budget and annually to appropriate an amount necessary to make such Base Rental Payments (see "Abatement" below). Pursuant to the Sublease, the County is also obligated to pay, in each year (i) all taxes and assessments levied upon the Demised Premises, (ii) all insurance the County is required or permitted to maintain under the Sublease, (iii) all expenses incidental to the execution, sale and delivery of the 2024 Certificates, (iv) all administrative expenses, compensation and indemnification of the Trustee and the Corporation required to be paid by them in order to comply with the terms of the Sublease or the Trust Agreement, and (v) amounts to be rebated to the federal government. The amounts payable to the Trustee are to be used to make the payments of principal and interest due with respect to the 2024 Certificates. The obligation of the County to make Base Rental Payments (other than to the extent that funds to make Base Rental Payments are available in the Base Rental Payment Fund, or otherwise available from an insurance or eminent domain award) may be abated in whole or in part if the County does not have use and possession of the Demised Premises.

Appropriation; Use of Demised Premises

The County has covenanted to take such action as may be necessary to include all Base Rental Payments due under the Sublease in each of its proposed annual budgets and to make the necessary appropriations for such Base Rental Payments, except to the extent such payments are abated (see "Abatement" below). The foregoing covenants on the part of the County shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official to the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform its covenants and agreements in the Sublease.

The obligation of the County to pay Base Rental Payments shall constitute a current expense of the County and shall not in any way be construed to be a debt of the County, or the State, or any political subdivision thereof, in contravention of any applicable constitutional or statutory limitation or requirements concerning the creation of indebtedness by the County, the State, or any political subdivision thereof, nor shall such obligations constitute a pledge of general revenues, funds or moneys of the County beyond the Fiscal Year for which the County has appropriated funds to pay Base Rental Payments or an obligation of the County for which the County is obligated to levy or pledge any form of taxation or for which the County has levied or pledged any form of taxation.

Abatement

The Base Rental Payments will be abated during any period in which, by reason of material damage or destruction or condemnation, there is substantial interference with the use and occupancy by the County of any portion of the Demised Premises. The amount of such abatement will be such that the resulting Base Rental Payments do not exceed the lesser of (i) the amount necessary to pay the originally scheduled Base Rental Payments remaining unpaid and (ii) the fair rental value for the use and possession of the Demised Premises not so damaged or destroyed. Such abatement will continue for the period commencing with the date of such damage or destruction and ending with the substantial completion of the work of repair or replacement of the Demised Premises so damaged or destroyed. In the event of any such damage or destruction, this Sublease will continue in full force and effect and the County waives any right to terminate the Sublease by virtue of any such damage or destruction. See “Insurance” below for a discussion of rental interruption insurance to be provided by, or on behalf of, the County. See also “RISK FACTORS — Abatement” herein.

Notwithstanding these efforts, the moneys legally available to the Trustee following the occurrence of an event which gives rise to an abatement of Base Rental Payments, including proceeds of rental interruption insurance, if any, may not be sufficient to pay principal and interest represented by the 2024 Certificates in the amounts and at the rates set forth thereon. In such event, all Owners of 2024 Certificates would forfeit a pro rata portion of interest attributable to abated Base Rental Payments payable during the period of abatement and, to the extent 2024 Certificates mature or are subject to mandatory prepayment during a period of abatement, the Owners of such 2024 Certificates would forfeit a pro rata portion of principal attributable to such abated Base Rental Payments. **The failure to make such payments of principal and interest would not under such circumstances constitute a default under the Trust Agreement, the Sublease or the 2024 Certificates.**

Assignment; Recourse on Default

Pursuant to the Assignment Agreement, the Corporation will assign to the Trustee for the benefit of the Owners of the 2024 Certificates its rights and remedies under the Sublease, including its rights to receive amounts payable by the County under the Sublease.

Should the County default under the Sublease, the Trustee, as assignee of the Corporation, may exercise any and all remedies authorized by law or granted pursuant to the Sublease. The Sublease expressly authorizes the Trustee, as assignee of the Corporation, to reenter the Demised Premises for the purpose of removing persons and personal property and of reletting the Demised Premises and, at its option, to terminate the Sublease. In the event the Trustee, as assignee of the Corporation, does not elect to terminate the Sublease, it may enforce the Sublease and hold the County liable for all Base Rental Payments and the performance of all conditions under the Sublease. Any re-entry and re-letting will not effect a surrender of the Sublease. The County, in the event of default, waives all rights to any rentals received by the Trustee through re-letting of the Sublease. The County agrees to pay any and all costs, loss or damage, howsoever occurring, as a result of any re-entry or re-letting. See “RISK FACTORS — Bankruptcy”; “— Limitation as Enforcement of Remedies” and “— No Acceleration” herein.

The County may not mortgage, pledge, assign or transfer its interest in the Sublease except as specifically provided in the Sublease. The County has the right to sublet all or any portion of the Demised Premises from time to time but such subletting will not relieve the County of its obligations under the Sublease.

No Reserve Fund

No reserve fund is being established in connection with the 2024 Certificates.

Insurance

Casualty Insurance. The County is required to procure or cause to be procured, and maintain or cause to be maintained, throughout the term of the Sublease, insurance against loss or damage to any structure constituting any part of the Demised Premises by fire and lightning, with extended coverage and vandalism and malicious mischief insurance. The extended coverage insurance is required, as nearly as practicable, to cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance is required to be in an amount equal to the replacement cost (without deduction for depreciation) of all structures constituting any part of the Demised Premises, excluding the cost of excavations, of grading and filling and of the land. The County may, in its discretion, insure the Demised Premises under blanket insurance policies which insure not only the Demised Premises but also other properties as long as such blanket insurance policies comply with the requirements of the Sublease. The County may, at its election, provide for casualty insurance partially or wholly by means of a self-insurance program meeting the requirements set forth in the Sublease. The net proceeds of such insurance are required to be applied as provided in the Trust Agreement. Such insurance may at any time include a deductible clause providing for a deductible not to exceed $1,000,000 for all losses in any year.

Business Interruption Insurance. The County is required to procure or cause to be procured, and maintain or cause to be maintained, throughout the term of the Sublease, business interruption insurance to cover loss, total or partial, of the use of any structures constituting any part of the Demised Premises as the result of any of the hazards covered by the casualty insurance, in an amount sufficient to pay the total Base Rental Payments for a period of at least 24 months. The net proceeds of such insurance are required to be paid to the Trustee for deposit in the Base Rental Payment Fund.

Title Insurance. The County is required to obtain title insurance on the Demised Premises, in the form of a leasehold owners title policy, in an amount equal to the sum of the aggregate principal components of the Base Rental, issued by a company of recognized standing duly authorized to issue the same, payable to the Trustee, subject only to Permitted Encumbrances.

Application of Insurance and Condemnation Proceeds. The proceeds of any casualty or title insurance with respect to the Demised Premises, if received by the Corporation or the County, is required to be paid immediately to the Trustee for deposit into the Insurance Proceeds Fund and used to repair or replace the Demised Premises or if the County elects not to repair or replace the property damaged, destroyed or taken, for deposit into the Prepayment Account and applied to the prepayment of Outstanding 2024 Certificates pursuant to the Trust Agreement at the earliest possible prepayment date. The proceeds of any condemnation award are required to be deposited by the Trustee in the Prepayment Account and applied to the prepayment of Outstanding 2024 Certificates pursuant to the Trust Agreement at the earliest possible prepayment date.

No assurance can be given that insurance proceeds will be adequate to avoid an interruption of Base Rental Payments. Under such a situation, an abatement of Base Rental Payments is likely to occur. See "Abatement" above.

Base Rental Payments

Base Rental Payments are required to be made by the County under the Sublease five (5) days prior to each Interest Payment Date (individually, a "Base Rental Payment Date"), for use and possession of the Demised Premises to the next occurring Base Rental Payment Date. The amount of such Base Rental Payment shall be credited with amounts on deposit in the Base Rental Payment Fund on such Base Rental Payment Date.

Base Rental Payments are required to be deposited in the Base Rental Payment Fund maintained by the Trustee. Pursuant to the Trust Agreement, on each Base Rental Payment Date the Trustee will withdraw from the Base Rental Payment Fund the amount of the Base Rental Payment then due and will apply such amounts to make principal and interest payments due with respect to the 2024 Certificates.

Additional Rental

The County is obligated under the Sublease to pay when due, during the term of the Sublease, in addition to the Base Rental Payments, all costs and expenses incurred by the Corporation to comply with the provisions of the Trust Agreement, including without limitation all Costs of Issuance (as defined in the Trust Agreement), to the extent not paid from amounts on deposit in the Costs of Issuance Fund, compensation due to the Trustee and all reasonable costs and expenses of auditors, engineers and accountants.

In addition, throughout the term of the Sublease, all improvement, repair and maintenance of the Demised Premises are the responsibility of the County, and the County shall pay for or otherwise arrange for the payment of all utility services supplied to the Demised Premises, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Demised Premises resulting from ordinary wear and tear or want of care on the part of the County or any assignee or lessee thereof. The County shall also pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Corporation or the County affecting the Demised Premises or the interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the County shall be obligated to pay only such installments as are required to be paid during the Term of the Sublease.

RISK FACTORS

The following factors, along with other information in this Official Statement, should be considered by potential investors in evaluating the risks in the purchase of the 2024 Certificates. However, the following does not purport to be an exhaustive listing of risk factors and other considerations which may be relevant to an investment in the 2024 Certificates. Additionally, there can be no assurance that other risk factors will not become evident at any future time.

No Tax Pledge

The obligation of the County to pay the Base Rental Payments does not constitute an obligation of the County or the State for which the County or the State has levied or pledged any form of taxation. The obligation of the County to pay Base Rental Payments does not constitute a debt or indebtedness of the County, the State of California or any of its political subdivisions, within the meaning of any constitutional or statutory debt limitation or restriction.

Other Obligations Payable from the General Fund

Although the Sublease does not create a pledge, lien or encumbrance upon the funds of the County, the County is obligated under the Sublease, so long as the Demised Premises are available for its use and possession, to pay Base Rental Payments from any source of legally available funds (subject to certain exceptions) and has covenanted in the Sublease that, for so long as the Demised Premises are available for its use, it will make the necessary annual appropriations within its budget for all Base Rental Payments. However, the County is currently liable on other obligations payable from general revenues which may have a priority over the Base Rental Payments, and the Sublease does not prohibit the County from incurring additional obligations payable from general revenues on a parity with or prior to the Base Rental Payments. See "APPENDIX A – COUNTY FINANCIAL INFORMATION" herein and the financial statements included in APPENDIX C hereto. In the event the County's revenue sources are less than its total obligations, the County could choose to fund other municipal services before making Base Rental Payments and other payments due under the Sublease, except from amounts on deposit in the Base Rental Payment Fund. The County's ability to collect, budget and appropriate various revenues is subject to current and future State laws and constitutional provisions, and it is possible that the interpretation and application of these provisions could result in an inability of the County to pay Base Rental Payments when due (see "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS" below).

No Limit on Additional Debt

The County has the ability to enter into other obligations which may constitute additional charges against its general revenues. The County is also authorized to issue additional obligations secured by the Base Rental Payments, provided the Sublease is amended to require additional Base Rental Payments sufficient to pay such obligations. To the extent that additional obligations are incurred by the County, the funds available to make Base Rental Payments may be decreased.

Abatement and Eminent Domain

The obligation of the County to pay Base Rental Payments is in consideration for the right to the use and possession of the Demised Premises. The obligation of the County to make Base Rental Payments (other than to the extent that funds to make Base Rental Payments are available in the Base Rental Payment Fund) may be abated in whole or in part if the County does not have use and possession of the Demised Premises.

The amount of Base Rental Payments due under the Sublease will be adjusted or abated during any period in which by reason of damage or destruction or eminent domain there is interference with the use and possession of the Demised Premises. Such adjustment or abatement will end with the substantial completion or replacement, repair or reconstruction of the Demised Premises. If damage or destruction or eminent domain proceedings with respect to the Demised Premises result in abatement of Base Rental Payments and the resulting Base Rental Payments, together with moneys in the above-described amounts, are insufficient to make all payments of principal and interest due with respect to the 2024 Certificates during the period that the Demised Premises are being replaced, repaired or reconstructed, then such payments of principal and interest may not be made and no remedy is available to the Trustee or the Owners of the 2024 Certificates, under the Sublease or Trust Agreement, for nonpayment under such circumstances.

Limitation on Enforcement of Remedies; No Acceleration

The enforcement of any remedies provided in the Sublease and Trust Agreement could prove both expensive and time consuming. Although the Sublease provides that the Trustee may take possession of the Demised Premises and lease it if there is a default by the County, and the Sublease provides that the Trustee may have such rights of access to the Demised Premises as may be necessary to exercise any remedies, portions of such Demised Premises may not be easily recoverable and could be of little value to others. Furthermore, due to the essential nature of the governmental functions of the Demised Premises, it is not certain whether a court would permit the exercise of the remedies of repossession and leasing with respect thereto. See "THE DEMISED PREMISES" herein.

IN THE EVENT OF A DEFAULT UNDER THE SUBLEASE, THERE IS NO AVAILABLE REMEDY OF ACCELERATION OF THE TOTAL BASE RENTAL PAYMENTS DUE OVER THE TERM OF THE SUBLEASE. THE COUNTY WILL ONLY BE LIABLE FOR BASE RENTAL PAYMENTS ON AN ANNUAL BASIS AS THEY COME DUE, AND THE TRUSTEE WOULD BE REQUIRED TO SEEK SEPARATE JUDGMENTS FOR THE BASE RENTAL PAYMENTS AS THEY COME DUE. IN ADDITION, ANY SUCH SUIT FOR MONEY DAMAGES COULD BE SUBJECT TO LIMITATIONS ON LEGAL REMEDIES AGAINST PUBLIC AGENCIES IN CALIFORNIA, INCLUDING A LIMITATION ON ENFORCEMENT OF JUDGMENTS AGAINST FUNDS NEEDED TO SERVE THE PUBLIC WELFARE AND INTEREST AND A LIMITATION ON ENFORCEMENT OF JUDGMENTS AGAINST FUNDS OF A FISCAL YEAR OTHER THAN THE FISCAL YEAR IN WHICH THE BASE RENTAL PAYMENTS WERE DUE.

Loss of Tax Exemption For Series A-1

As discussed under "TAX EXEMPTION" herein, the interest represented by the Series A-1 Certificates could become includable in gross income for purposes of federal income taxation retroactive to the date such

Series A-1 Certificates were issued, as a result of future acts or omissions of the County in violation of its covenants in the Trust Agreement and the Sublease. Should such an event of taxability occur, the Series A-1 Certificates are not subject to early prepayment and will remain outstanding until maturity or until prepaid under one of the prepayment provisions contained in the Trust Agreement. The Internal Revenue Service (the "IRS") has initiated an expanded program for auditing tax-exempt bond issues, including both targeted and random audits. It is possible that the Series A-1 Certificates will be selected for audit by the IRS. It is also possible that the market value of the Series A-1 Certificates would be affected as a result of such an audit, or by an audit of similar obligations.

Earthquakes, Floods, Wildfires and Other Natural Disasters

The value of the Demised Premises, and the financial stability of the County, can be adversely affected by a variety of factors, particularly those which may affect infrastructure and other public improvements and private improvements and the continued habitability and enjoyment of such private improvements. Such additional factors include, without limitation, geologic conditions (such as earthquakes), topographic conditions (such as earth movements and floods) and climatic conditions (such as wildfires, droughts and tornadoes). The County does not currently maintain earthquake or flood insurance on the Demised Premises, and does not expect to do so in future years based on the current cost of such insurance. If there were to be an occurrence of severe seismic, flood or wildfire activity in the County, there could be an abatement or adverse impact on the County's ability to pay the Base Rental Payments. See "Abatement and Eminent Domain" above and "RISK MANAGEMENT" in Appendix A.

Hazardous Substances

An environmental condition that may result in the reduction in the assessed value of parcels, with a corresponding reduction in property tax revenue, would be the discovery of hazardous substance that would limit the beneficial use of a property within the County, or the value of the Demised Premises. 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 the Demised Premises or any substantial amount of property within the County be affected by a hazardous substance, would be to reduce the marketability and value of the property by the costs of, and any liability incurred by, remedying the condition, since the purchaser, upon becoming an owner, will become obligated to remedy the condition just as is the seller. Such reduction could adversely impact the property tax revenues received by the County and deposited in the general fund, which could significantly and adversely affect the operations and finances of the County. The County is not aware of any hazardous substance problem with the Demised Premises.

Limitations on Remedies Available

The enforceability of the rights and remedies of the Owners and the obligations of the County may become subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equitable principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the powers delegated to it by the Federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State of California and its governmental bodies in the interest of servicing a significant and legitimate public purpose. The opinions of Counsel, including Special Counsel, delivered in connection with the execution and delivery of the 2024 Certificates will be so qualified.

Bankruptcy

A bankruptcy petition may be filed by the County or the Corporation. In particular, the County may file a petition under Chapter 9 ("Chapter 9") of Title 11 of the United States Code (the "Bankruptcy Code"), provided that it complies with requirements of Section 53760 *et seq.* of the Government Code of the State. Under the Government Code, a local public entity, including the County, is prohibited from filing under the Bankruptcy Code unless it has participated in a specified neutral evaluation process with interested parties, as defined, or it has declared a fiscal emergency and has adopted a resolution by a majority vote of the governing board at a noticed public hearing that includes findings that the financial state of the local public entity jeopardizes the health, safety, or well-being of the residents of the local public entity's jurisdiction or service area absent bankruptcy protections.

If the County were to become a municipal debtor under Chapter 9 of the Bankruptcy Code, the County would be entitled to all of the protections afforded a municipal debtor under the Bankruptcy Code, and an owner of a Bond would be treated as a creditor. Possible adverse effects of a municipal bankruptcy include, but are not limited to: (a) the application of the automatic stay provisions of the Bankruptcy Code which, absent court approval, generally prohibit the commencement of any judicial or other action in non-bankruptcy court to recover a pre-petition claim against the County, any act to collect on a pre-petition claim, or any act to obtain possession of the municipal debtor's property; (b) the avoidance of preferential transfers occurring during the relevant period prior to the commencement of the bankruptcy case; (c) the existence of secured and/or unsecured creditors with allowed claims that may have priority over any claims of Owners of 2024 Certificates; and (d) the possibility of the bankruptcy court's confirmation of a plan of adjustment of the County's debts, which may restructure, delay, compromise or reduce the amount of the claim of the Owners of the 2024 Certificates. As a result of the commencement of a bankruptcy case by either the County or the Corporation, Owners of the 2024 Certificates could experience partial or total loss of their investment in the 2024 Certificates.

In addition, under the Bankruptcy Code, certain provisions of the Lease Agreement that are based on the bankruptcy, insolvency or financial condition of the County may be rendered unenforceable. Under the Trust Agreement, the Trustee has a security interest in the Revenues, including Basic Lease Payments, for the benefit of the Owners of the 2024 Certificates, but such security interest arises only when the Basic Lease Payments are actually received by the Trustee following payment by the County. The Property is not subject to a security interest, mortgage or any other lien in favor of the Trustee for the benefit of Owners of the 2024 Certificates. In the event a bankruptcy court determines that the Lease Agreement is an unexpired lease for purposes of the Bankruptcy Code, certain provisions of the Bankruptcy Code could impact the rights and remedies of the parties, and would allow the County to reject the Lease Agreement, which would give rise to the Trustee's unsecured claim for unpaid rent, affect the enforceability of certain provisions of the Lease Agreement, and have an adverse effect on the liquidity and market value of the 2024 Certificates.

The various legal opinions to be delivered concurrently with the 2024 Certificates (including Bond Counsel's approving opinion) will be qualified as to the enforceability of the various agreements relating to the 2024 Certificates by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by general principles of equity applied in the exercise of judicial discretion.

Substitution and Removal of Property

The Corporation and the County may, under the terms of the Sublease, substitute alternate real property for any portion of the Demised Premises or release a portion of the Demised Premises from the Sublease, upon compliance with all of the conditions set forth in the Sublease. After a substitution or release, the portion of the Demised Premises for which the substitution or release has been effected shall be released from the leasehold encumbrance of the Sublease. See "THE DEMISED PREMISES — Substitution; Release" herein.

Secondary Market Risk

There can be no assurance that there will be a secondary market for purchase or sale of the 2024 Certificates, and from time to time there may be no market for them, depending upon prevailing market conditions, the financial condition or market position of firms who may make the secondary market and the financial condition of the County.

Climate Change

The change in the earth's average atmospheric temperature, generally referred to as "climate change," is expected to, among other things, increase the frequency and severity of extreme weather events and cause substantial flooding. The County cannot predict the timing, extent, or severity of climate change and its impact on the County's operations and finances, or the economy in the County's service area, but there can be no assurances such impacts will not be material and adverse.

In May 2015, the County adopted an Energy and Climate Action Plan (the "2015 Plan"). The 2015 Plan included a description of the environmental and regulatory setting, a greenhouse gas ("GHG") emissions inventory and a GHG reduction strategy. The 2015 Plan noted that climate change was expected to increase temperatures, result in significant heat waves, endanger public health, result in increased flooding, droughts and wildfires, and adversely affect water sources, among other impacts. The 2015 Plan also identified a number of GHG reduction strategies.

The County is currently in the process of preparing an update called the "2030 Climate Action Plan." A draft update has been made available for comments by interested citizens and other stakeholders. The draft update focusses on strategies such as increased public transportation options, increased use of renewable energy, and building code revisions.

Cybersecurity

The County relies on computers and technology to conduct County operations. As with any public sector agency, the County continually faces cyber threats including, but not limited to, hacking, viruses, malware and other attacks on County technology assets. The County maintains an active cybersecurity program which provides guidelines for proper use of its network and systems by County employees. All County employees are required to participate in annual cybersecurity education and awareness training. The County has adopted NIST 800-53 Standards Policies in connection with its cybersecurity program. The County partners with U.S. Department of Homeland Security Multi-State Information Sharing and Analysis Center for cybersecurity collaboration including keeping updated on the current and existing threat landscape.

The County assesses itself annually and includes its results in an "improvement roadmap" to help provide for continuing improvement of cybersecurity. The County's scores indicate being above the County's peers average across the Nation although the County has opportunity for improvement. The pervasive ransomware threat environment continues to be the most damaging threat impacting the public sector. The County is following recommended procedures and processes to minimize the ransomware threat as well as deploying tools that will help recovery. The County is enhancing its incident management procedures to maximize its ability to respond to a cyber incident. However, we partner with a cyber insurance firm to minimize the financial impact of cybersecurity incidents.

Notwithstanding the County's cybersecurity efforts, there can be no assurances that future cybersecurity incident will not materially adversely impact the County.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS

The ability of the County to raise taxes is limited by a number of constitutional and statutory limitations. Certain of these limitations are described below.

Article XIIIA of the California Constitution – Proposition 13. Article XIIIA of the California Constitution, known as Proposition 13, was approved by the voters in 1978. Article XIIIA limits the amount of ad valorem taxes on real property to 1 percent of "full cash value" as determined by the County Assessor, except that additional ad valorem taxes may be levied to pay debt service on local government indebtedness approved by the voters.

Article XIIIA 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 when a change in ownership has occurred after the 1975 assessment period. The full cash value may be adjusted annually to reflect inflation at a rate, as determined by the consumer price index, not to exceed 2 percent per year. "Full cash value" base may be reduced in the event of declining property values caused by damage, destruction or other factors. Under the California Revenue and Taxation Code, county assessors that have reduced assessed valuation may be able to recapture such value (up to the pre-decline value of the property) at a rate higher than 2 percent per year in some circumstances.

Article XIIIB of the California Constitution. Article XIIIB of the California Constitution, approved by the voters in 1979 and commonly referred to as the "Gann Limit", limits 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 annually for changes in the cost of living, population and services rendered by the governmental entity. The "base year" for establishing such appropriation limit is the 1986-87 fiscal year as a result of Proposition 111.

Appropriations subject to Article XIIIB include generally any authorization to expend during the fiscal year the "proceeds of taxes" levied by the State or other entity of local government, exclusive of certain limited funds. In addition to the proceeds of General Fund taxes, "proceeds of taxes" include all tax revenues and proceeds from (1) regulatory licenses, user charges and user fees to the extent such proceeds exceed the cost of providing the service or regulation; (2) the investment of tax revenues; and (3) certain funds received from the State. If any entity's revenues in any year exceed the amounts permitted to be spent, the excess must be returned by revising tax rates or fee schedules over the subsequent two fiscal years. The Article XIIIB limitation generally does not apply to debt service on voter-approved indebtedness and appropriations required to comply with mandates of courts, or the federal government or certain capital expenditures.

Articles XIIIC and XIIID of the California Constitution – Proposition 218. Articles XIIIC and XIIID of the California Constitution, approved by the California voters in 1979, restrict the ability of the County to levy and collect existing and future taxes, assessments, fees and charges.

Article XIIIC requires that all new local taxes or increases in existing local taxes be approved by the electorate before they become effective. Taxes for general governmental purposes of the County require majority voter approval and taxes for specific purposes introduced by a local government (as opposed to one introduced by citizen initiative), even if deposited in the County's General Fund, require two-thirds voter approval. These requirements reduce the flexibility of the Board to raise revenues for the General Fund and may prevent the County from imposing, extending or increasing such taxes in the future to meet any increased expenditure requirements.

Article XIIID contains provisions generally making it more difficult for local agencies to levy and maintain "assessments" (any levy or charge upon real property for a special benefit conferred upon the real property) for municipal services and programs and "property-related fees and charges" (any levy other than an ad valorem tax, a special tax, or an assessment, imposed by an agency upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service). Assessments shall not be imposed if there is a majority protest by property owners submitting ballots on the issue. Property-related fees or charges for services other than sewer, water and refuse collection services may not be imposed or increased without majority approval by the property owners subject to the fee or charge or, at the option of the local agency, two-thirds voter approval by the electorate residing in the affected area.

In addition, Article XIIIC addresses the initiative power in matters of reducing or repealing any local tax, assessment, fee or charge. The voters of the County could, in the future, approve an initiative or initiatives that reduce or repeal local taxes, assessments, fees or charges. Such an action could have a material impact on the County's General Fund.

Proposition 26. Proposition 26 was approved by the electorate in 2010 and amended California Constitution Articles XIIIA and XIIIC. Proposition 26 imposes a majority voter approval requirement on local governments such as the County with respect to certain fees and charges for general purposes, and a two-thirds voter approval requirement with respect to certain fees and charges for special purposes, unless the fees and charges are expressly excluded. Proposition 26 was designed to supplement tax limitations imposed by the voters in California Constitution Articles XIIIA, XIIIC and XIIID pursuant to Proposition 13, approved in 1978, Proposition 218, approved in 1996, and other measures. Proposition 26 expressly excludes from its scope a charge imposed for a specific government service or product provided directly to the payer that is not provided to those not charged, and which does not exceed the reasonable cost to the local government of providing the service or product.

Proposition 1A. Proposition 1A, approved by the voters in 2004, amended the State Constitution to impose limits on the State's ability to reallocate local revenue. The measure provides that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions.

Proposition 1A also limits, but does not totally restrict, the State's ability to shift any share of property tax revenues allocated to local governments in any fiscal year to schools or community colleges. Up to 8 percent of local government property tax revenues may be shifted if specified conditions are met, and any amount shifted must be repaid, with interest, within three years. The right of the State to redirect local revenues under Proposition 1A was exercised in Fiscal Year 2009-10.

Any change in the allocation of property tax revenues among local governments within a county must be approved by two-thirds of both houses of the State Legislature. The State may also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also provides that, if the State reduces the Vehicle License Fee rate below 0.65 percent of vehicle value, the State must provide local governments with equal replacement revenues.

Further, Proposition 1A requires the State to suspend State mandates affecting cities, counties and special districts, excepting mandates relating to employee rights, schools or community colleges, in any year that the State does not fully reimburse local governments for their costs to comply with such mandates.

Future Initiatives. The voters of the County may approve initiatives that reduce or repeal local taxes, assessments, fees or charges. From time to time, other initiative measures could be adopted at the state or local level, which may place further limitations on the ability of the State, the County or local districts to increase revenues or to increase appropriations, or which repeal or reduce existing taxes, assessments, fees or charges, which may affect the County's revenues or its ability to expend its revenues.

Initiative Measure Qualified for November 2024 Ballot – Taxpayer Protection and Government Accountability Act. On February 1, 2023, the California Secretary of State announced that a ballot initiative known as the "Taxpayer Protection and Government Accountability Act" ("Initiative 1935"), received the required number of signatures to appear on the November 5, 2024 ballot. If approved by a majority of voters casting a ballot at the November 5, 2024 Statewide election, Initiative 1935 would make numerous significant changes to Articles XIII, XIIIA, XIIIC and XIIID of the California Constitution to further limit the authority of local governments, and electors via the initiative process, to adopt and impose taxes and fees. The full text of Initiative 1935 may be viewed at the website of the California Attorney General.

Among other things, Initiative 1935 would amend the definition "tax" in Article XIIIC to include "every levy, charge, or exaction of any kind imposed by a local law that is not an exempt charge." Initiative 1935 defines "exempt charge" to mean a "reasonable charge for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the actual costs [as opposed to the reasonable costs] of providing the service or product to the payor." "Exempt charges" also encompass existing exceptions from the definition of "tax" added to Article XIIIC by Proposition 26, including property-related fees imposed in accordance with Article XIIID (see "—Articles XIIIC and XIIID of the California Constitution – Proposition 218," above). "Actual costs" is defined as "the minimum amount necessary to reimburse the government for the cost of providing the service or product … less all other sources of revenue including, but not limited to taxes, other exempt charges, grants, and state or federal funds received to provide such service or product." Initiative 1935 further provides that the local government adopting an exempt charge would bear the burden of proving by clear and convincing evidence (as opposed to a preponderance of the evidence) that: (a) a levy, charge or exaction is an exempt charge and not a tax; and (b) the amount of the exempt charge is reasonable and that the amount charged does not exceed the actual cost of providing the service or product to the payor. Initiative 1935 would also amend Article XIIIC to provide that no local law, whether proposed by the governing body or by an elector, may impose any special tax unless and until that tax is submitted to the electorate and approved by a two-thirds vote. The full definitions of the terms referenced above, along with the full text of Initiative 1935, may be viewed at the website of the California Attorney General.

Initiative 1935 is retroactive, and provides that any tax or exempt charge adopted after January 1, 2022 but prior to the effective date of Initiative 1935, which was not adopted in compliance with the requirements thereof, would be void 12 months after the effective date of Initiative 1935, unless the tax or exempt charge is reenacted in compliance with the provisions of Initiative 1935.

The County cannot predict whether Initiative 1935 will be approved at the November 5, 2024 Statewide election. If Initiative 1935 is approved, the County cannot provide any assurances that it will not have a material adverse effect on the County's ability to adopt or increase rates, fees, and charges for the various services provided by the County.

In September 2023, California Governor Gavin Newsom filed an Emergency Petition For Writ Of Mandate with the California Supreme Court arguing that Initiative 1935 is an unlawful attempt to revise the California Constitution and would impede the government's ability to provide the essential functions of government. The Writ seeks the removal of Initiative 1935 from the November 2024 Statewide general election. There can be no assurance as to the timing of any California Supreme Court decision with respect to the Writ.

THE COUNTY

For financial, demographic and statistical information on the County and the surrounding area, see "APPENDIX A – COUNTY FINANCIAL INFORMATION" and "APPENDIX B – ECONOMIC AND DEMOGRAPHIC INFORMATION" attached hereto.

THE CORPORATION

The Santa Barbara County Finance Corporation, Inc. was organized in July, 1983, as a California nonprofit public benefit corporation. The Corporation was formed for the specific and primary purpose of providing financial assistance to the County and other entities within the County in acquiring, constructing, improving, developing and installing certain real and personal property together with appurtenances and appurtenant work for the use, benefit and enjoyment of the public. The Corporation was formed at the request of the County and consists of a five-member Board of Directors selected by the Board. The Directors of the Corporation receive no compensation. The Corporation has no financial liability to the Owners of the 2024 Certificates with respect to the payment of Base Rental Payments by the County or with respect to the performance by the County of the other agreements and covenants it is required to perform under the legal documents relating to the 2024 Certificates.

TAX MATTERS

Series A-1 Certificates

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Special Counsel"), Special Counsel to the County, 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, the portion of each Base Rental Payment designated as and constituting interest paid by the County under the Sublease and received by the Owners of the Series A-1 Certificates 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 evidenced by the Series A-1 Certificates is not a specific preference item for purposes of the federal individual alternative minimum tax. Special Counsel observes that interest evidenced by the Series A-1 Certificates included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Special Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest evidenced by, the Series A-1 Certificates. A complete copy of the proposed form of opinion of Special Counsel is set forth in Appendix E hereto.

To the extent the issue price of any maturity of the Series A-1 Certificates is less than the amount to be paid at maturity of such Series A-1 Certificates (excluding amounts stated to be interest and payable at least annually over the term of such Series A-1 Certificates), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest evidenced by the Series A-1 Certificates which is excluded from gross income for federal income tax purposes and exempt from State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Series A-1 Certificates is the first price at which a substantial amount of such maturity of the Series A-1 Certificates 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 A-1 Certificates accrues daily over the term to maturity of such Series A-1 Certificates 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 A-1 Certificates to determine taxable gain or loss upon trade or business disposition (including sale, prepayment, or payment on maturity) of such Series A-1 Certificates. Beneficial Owners of the Series A-1 Certificates should consult their own tax advisors with respect to the tax consequences of ownership of Series A-1 Certificates with original issue discount, including the treatment of Beneficial Owners who do not purchase such Series A-1 Certificates in the original offering to the public at the first price at which a substantial amount of such Series A-1 Certificates is sold to the public.

Series A-1 Certificates purchased, whether at original execution and delivery or otherwise, for an amount higher than their principal evidenced thereby payable at maturity (or, in some cases, at their earlier prepayment date) ("Premium Certificates") will be treated as having amortizable premium. No deduction is allowable for the amortizable premium in the case of obligations, like those evidenced by the Premium Certificates, the interest with respect to 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 Certificate, will be reduced by the amount of amortizable premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Certificates should consult their own tax advisors with respect to the proper treatment of amortizable 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 evidenced by obligations such as the Series A-1 Certificates. The County has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest evidenced by the Series A-1 Certificates will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest evidenced by the Series A-1 Certificates being included in gross income for federal income tax purposes, possibly from the date of original execution and delivery of the Series A-1 Certificates. The opinion of Special Counsel assumes the accuracy of these representations and compliance with these covenants. Special 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 Special Counsel's attention after the date of execution and delivery of the Series A-1 Certificates may adversely affect the value of, or the tax status of interest evidenced by, the Series A-1 Certificates. Accordingly, the opinion of Special Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Special Counsel is of the opinion that interest evidenced by the Series A-1 Certificates 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 evidenced by, the Series A-1 Certificates 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. Special 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 evidenced by the Series A-1 Certificates 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. 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 A-1 Certificates. Prospective purchasers of the Series A-1 Certificates 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 Special Counsel expresses no opinion.

The opinion of Special Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Special Counsel's judgment as to the proper treatment of the Series A-1 Certificates for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Special Counsel cannot give and has not given any opinion or assurance about the future activities of the County, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The County has covenanted, however, to comply with the requirements of the Code.

Special Counsel's engagement with respect to the Series A-1 Certificates ends with the execution and delivery of the Series A-1 Certificates, and, unless separately engaged, Special Counsel is not obligated to defend the County or the Beneficial Owners regarding the tax-exempt status of the Series A-1 Certificates in the event of an audit examination by the IRS. Under current procedures, 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 County legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Series A-1 Certificates 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 A-1 Certificates, and may cause the County or the Beneficial Owner to incur significant expense.

Payments on the Series A-1 Certificates generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of the Series A-1 Certificate may be subject to backup withholding with respect to "reportable payments," which include interest evidenced by the Series A-1 Certificates and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Series A-1 Certificates. 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) the payee fails 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 a Beneficial Owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Series A-2 Certificates

In the opinion of Special 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, the portion of each Base Rental Payment designated as and constituting interest paid by the County under the Sublease and received by the Owners of the Series A-2 Certificates is exempt from State of California personal income taxes. Special Counsel observes that interest evidenced by the Series A-2 Certificates is not excluded from gross income for federal income tax purposes. Special Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the amount, accrual, or receipt of interest evidenced by, the Series A-2 Certificates. The proposed form of opinion of Special Counsel is contained in Appendix E hereto.

The following discussion summarizes certain U.S. federal income tax considerations generally applicable to U.S. Holders (as defined below) of the Series A-2 Certificates that acquire their Series A-2 Certificates 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 considerations discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors 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 A-2 Certificates as part of a hedge, straddle or an integrated or conversion transaction, investors whose "functional currency" is not the U.S. dollar, or certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies. Furthermore, it does not address (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Code, or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Series A-2 Certificates under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their Series A-2 Certificates pursuant to this offering for the issue price that is applicable to such Series A-2 Certificates (i.e., the price at which a substantial amount of the Series A-2 Certificates are sold to the public) and who will hold their Series A-2 Certificates as "capital assets" within the meaning of Section 1221 of the Code. The following discussion does not address tax considerations applicable to any investors in the Series A-2 Certificates other than investors that are U.S. Holders.

As used herein, "U.S. Holder" means a beneficial owner of a Series A-2 Certificate 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). If a partnership holds Series A-2 Certificates, 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 A-2 Certificates, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Series A-2 Certificates (including their status as U.S. Holders).

Notwithstanding the rules described below, it should be noted that certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Series A-2 Certificates at the time that such income, gain or loss is recognized on such financial statements instead of under the rules described below (in the case of original issue discount, such requirements are only effective for tax years beginning after December 31, 2018).

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the Series A-2 Certificates in light of their particular circumstances.

U.S. Holders

Interest. Interest evidenced by the Series A-2 Certificates 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.

To the extent that the issue price of any maturity of the Series A-2 Certificates is less than the amount to be paid at maturity of such Series A-2 Certificates (excluding amounts stated to be interest and payable at least annually over the term of such Series A-2 Certificates) by more than a de minimis amount, the difference may constitute original issue discount ("OID"). U.S. Holders of Series A-2 Certificates will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

Series A-2 Certificates purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a Series A-2 Certificate issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such Series A-2 Certificate.

Sale or Other Taxable Disposition of the Series A-2 Certificates. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the County) or other disposition of a Series A-2 Certificate will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Series A-2 Certificate 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 evidenced by the Series A-2 Certificate, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Series A-2 Certificate (generally, the purchase price paid by the U.S. Holder for the Series A-2 Certificate, decreased by any amortized premium, and increased by the amount of any OID previously included in income by such U.S. Holder with respect to such Series A-2 Certificate). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Series A-2 Certificates, 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 A-2 Certificates exceeds one year. The deductibility of capital losses is subject to limitations.

Defeasance of the Series A-2 Certificates. If the Issuer defeases any Series A-2 Certificate, the Series A-2 Certificate may be deemed to be retired and "reissued" for U.S. federal income tax purposes as a result of the defeasance. In that event, in general, a holder will recognize taxable gain or loss equal to the difference between (i) the amount realized from the deemed sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and (ii) the holder's adjusted U.S. federal income tax basis in the Series A-2 Certificate.

Information Reporting and Backup Withholding. Payments on the Series A-2 Certificates generally will be subject to U.S. information reporting and possibly to "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 A-2 Certificates may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Series A-2 Certificates and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Series A-2 Certificates. 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) the payee fails 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. Certain U.S. holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. A holder's failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Foreign Account Tax Compliance Act ("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. Under current guidance, 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 interest evidenced by the Series A-2 Certificates. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and, under current guidance, will apply to certain "passthru" payments no earlier than the date that is two years after publication of final U.S. Treasury Regulations defining the term "foreign passthru payments." Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of Series A-2 Certificates in light of the holder's particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of Series A-2 Certificates, including the application and effect of state, local, non-U.S., and other tax laws.

CERTAIN LEGAL MATTERS

Certain legal matters in connection with the 2024 Certificates are subject to the approval of Orrick Herrington & Sutcliffe LLP, Special Counsel to the County. Certain legal matters will be passed upon for the County by the County Counsel and by Stradling Yocca Carlson & Rauth LLP, Disclosure Counsel to the County, and for the Corporation by the County Counsel. The fees of Special Counsel and Disclosure Counsel are contingent and payable only upon execution and delivery of the 2024 Certificates. Special Counsel and Disclosure Counsel assume no responsibility for the accuracy, completeness or fairness of the Official Statement.

LITIGATION

To the best knowledge of the County there is no action, suit or proceeding known to be pending or threatened restraining or enjoining the execution or delivery of the 2024 Certificates, the Trust Agreement, the Sublease, or any other document relating to the 2024 Certificates, or in any way contesting or affecting the validity of the foregoing.

See APPENDIX A - "Pending Litigation" for a discussion of certain pending claims and lawsuits against the County.

RATING

Standard & Poor's Ratings Services ("S&P") has assigned the 2024 Certificates rating of "____." Such ratings reflect only the view of such rating agencies, and do not constitute a recommendation to buy, sell or hold the 2024 Certificates. Explanation of the significance of such ratings may be obtained only from the respective rating agencies. There is no assurance that such ratings will continue for any given period of time or that the ratings will not be revised downward or withdrawn entirely, if in the judgment of the rating agencies, circumstances so warrant. Any such downward revision or withdrawal of ratings may have an adverse effect on the market price of the 2024 Certificates.

PURCHASE AND REOFFERING

The Series A-1 Certificates were purchased at a competitive sale on _______ __, 2024, by _______ (the "Series A-1 Purchaser"), for an aggregate purchase price of $___________ (representing the aggregate principal amount of the Series A-1 Certificates plus an original issue premium of $_________ and less a discount of $________).

The Series A-2 Certificates were purchased at a competitive sale on _______ __, 2024, by _______ (the "Series A-2 Purchaser"), for an aggregate purchase price of $___________ (representing the aggregate principal amount of the Series A-2 Certificates plus an original issue premium of $_________ and less a discount of $________).

The Notice of Sale provides that the Purchasers will purchase all of the 2024 Certificates if any are purchased, the obligation to make such purchase being subject to certain terms and conditions in the Notice of Sale, the approval of certain legal matters by counsel and certain other conditions.

Under certain circumstances, the initial public offering yields stated on the page immediately following the cover of this Official Statement may be changed from time to time by the Purchasers. The Purchasers may offer and sell the 2024 Certificates to certain dealers (including dealers depositing the 2024 Certificates into investment trusts), dealer banks, banks acting as agent and others at yields higher than said public offering yields.

MUNICIPAL ADVISOR

The County has entered into an agreement with KNN Public Finance LLC (the "Municipal Advisor"), pursuant to which the Municipal Advisor provides financial recommendations and guidance to the County with respect to preparation for sale of the 2024 Certificates, timing of sale, bond market conditions, costs of issuance and other factors related to the sale of the 2024 Certificates. The Municipal Advisor has read and participated in the drafting of certain portions of this Official Statement. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in this Official Statement.

CONTINUING DISCLOSURE

The County has covenanted for the benefit of the Owners (including beneficial owners of the 2024 Certificates) to provide certain financial information and operating data relating (the "Annual Report") by not later than nine months after the end of the County's fiscal year (which currently ends June 30), commencing with the report for the 2023-24 Fiscal Year, and to provide notices of the occurrence of certain enumerated events. The Annual Report and any notices of enumerated events will be filed by the County with the Municipal Securities Rulemaking Board ("MSRB") through its EMMA system. The specific nature of the information to be contained in the Annual Report or the notices of material events is included under the caption APPENDIX F — "FORM OF CONTINUING DISCLOSURE AGREEMENT." These covenants have been made in order to assist the Purchaser in complying with Securities and Exchange Commission Rule 15c2-12 (the "Rule").

[[CONFIRM NO ISSUES WITH PRIOR COMPLIANCE]]

MISCELLANEOUS

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. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the County and the purchasers or owners of any of the 2024 Certificates.

COUNTY OF SANTA BARBARA

By: ______________________________________
Treasurer-Tax Collector

APPENDIX A

COUNTY FINANCIAL INFORMATION

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COUNTY OF SANTA BARBARA

General

The County was established by an act of the Legislature on February 18, 1850 as one of the original 27 counties of the State of California (the "State"), with the City of Santa Barbara as the County seat. The County covers approximately 2,274 square miles, and is located on the California Central Coast approximately 100 miles north of Los Angeles and approximately 300 miles south of San Francisco. The County is bordered by San Luis Obispo County to the north, Kern County on the east, Ventura County to the south and the Pacific Ocean on the west. The County contains eight incorporated cities, which represented approximately 69% of the aggregate population in the County as of January 1, 2023.

County Government

The County has a general law form of government. A five-member Board of Supervisors (the "Board"), each member of which is elected by district to a four-year term, serves as the County's legislative body. Elections are held every two years on a staggered basis. A Chair is elected annually by and from the Members of the Board of Supervisors. Also elected are the Assessor/County Clerk-Recorder, the Auditor-Controller, the District Attorney, the Superintendent of Schools, the Sheriff and the Treasurer/Tax Collector/Public Administrator. A County Executive Officer and the County Counsel are appointed and hired by the Board of Supervisors.

The County Executive Officer manages the day-to-day business and activities of the County's departments pursuant to policies established by the Board of Supervisors, and the County Counsel provides legal counsel to the Board of Supervisors.

The County provides a wide range of services to its residents, including police protection, medical and health services, library services, judicial institutions including support programs, road maintenance, airport service, parks and a variety of public assistance programs. Other services provided by special districts, which are governed by the Board of Supervisors, include fire protection, lighting, sanitation and flood control.

Population

According to the State Department of Finance, Demographic Research Unit, the County's population was estimated at 440,547 as of January 1, 2023.

County Management

Brief resumes of certain County officials are set forth below.

Mona Miyasato, County Executive Officer ("County Executive Officer"). Ms. Miyasato was appointed County Executive Officer of Santa Barbara County in December 2013 following five years as the Chief Assistant County Administrator for Marin County in northern California. Prior to that, she served in various roles with the City of Santa Monica from 1998-2008, including her final post as Deputy City Manager, and worked in the field of redevelopment and community development in Southern California before that. Ms. Miyasato began her career as a planner with a Los Angeles-based environmental consulting firm, contributing to several environmental impact reports for large public transit projects. She has a bachelor's degree in both Political Science and Economics from the University of California at Berkeley, and a master's degree in Public Policy from the Harvard University, Kennedy School of Government. She is currently a member of the County's Debt Advisory Committee.

Harry Hagen, Treasurer/Tax Collector/Public Administrator. Mr. Hagen was first elected as Treasurer-Tax Collector-Public Administrator in 2010 and took office in 2011. Mr. Hagen is serving his fourth term of office. During his 27 years with the County, he has also served as the Assistant Treasurer-Tax Collector-

Public Administrator and the Treasury Finance Chief. He earned a bachelor's degree in business economics from the University of California, Santa Barbara. Mr. Hagen is a trustee of the Santa Barbara County Employees' Retirement System and a member of the County's Debt Advisory Committee. He is a Certified Public Accountant, Certified Public Finance Administrator, Certified Public Finance Officer, Certified Fixed Income Practitioner, Certified Government Investment Professional, and an Advanced Certified Public Funds Investment Manager.

Betsy M. Schaffer, Auditor-Controller. Ms. Schaffer was first elected Auditor-Controller in 2018 and took office in 2019. Ms. Schaffer is serving her second term of office. During her many years with the County she has also served as an internal auditor, division chief, Chief Deputy Controller and Assistant Auditor-Controller. Ms. Schaffer also has experience working in various capacities at a city and a community college district. Additionally, she has been a consultant for a local software company providing consulting services for system implementations, project management, and business process analysis. Ms. Schaffer graduated from California Polytechnical State University, San Luis Obispo with a BS in Business Administration with an Accounting concentration. Ms. Schaffer is a Certified Public Accountant licensed in California and a Certified Public Finance Officer. As a current member of the State Association of County Auditors, she remains abreast of current fiscal and legislative issues throughout the State. She currently is a member of the Government Finance Officers Association and the County's Debt Advisory Committee.

Rachel Van Mullem, County Counsel. Ms. Van Mullem was appointed as County Counsel in May 2021 and has over 20 years of local government experience. She has been with the County of Santa Barbara since 2006, serving as Deputy County Counsel from 2006 to 2010; Senior Deputy County Counsel from 2010 to 2012; Chief Deputy County Counsel from 2012 to 2014; and as Chief Assistant County Counsel from 2014 to 2021. Previously, she worked for the Ventura County Counsel Office from 2001 to 2006. Ms. Van Mullem received a Juris Doctorate degree from Pennsylvania State University, Dickson School of Law; and a bachelor's degree from the University of Nebraska-Lincoln. She is also a member of the County's Debt Advisory Committee.

Budgetary Process

The County is required by State law to either approve a Recommended Budget on or before June 30 and approve an Adopted Budget on or before October 2 each year, or, following an alternate timeframe, to approve an Adopted Budget before June 30 each year. The County follows this alternate timeframe, summarized below:

First, the County Executive Office prepares a five-year forecast of the County's budget based on estimated current year revenues and expenditures, and assumptions and projections of future revenue and expenditure growth, and presents this to the Board in December.

Second, the County Executive Officer presents a preliminary budget to the Board during three days of Budget Workshops in April. The Board provides preliminary direction, but no final action is taken.

Third, the County Executive Office finalizes and releases a Recommended Budget by May 30 and the Board holds hearings and approves the Adopted Budget in June. The County adjusts its Adopted Budget throughout the year based on the State's Budget and other factors.

Budget Development Policies

On December 12, 2023, the Board adopted various financial policies relating to accountability and transparency, balanced budget/fiscal stability, risk identification and mitigation, establishment and maintenance of reserves, service levels, and capital improvements and infrastructure. The policies are intended to provide structure and framework to enable the County CEO and departmental staff to develop budgets in line with Board priorities. These policies, which may be revised or revoked by the Board at its discretion, include the following.

- A structurally-balanced budget (ongoing revenues equal to ongoing expenditures) for all County operating funds will be presented to the Board for scheduled public hearings.

- Ongoing operations should be funded with ongoing revenue. One-time revenues should be dedicated for one-time expenditures. In some cases, the use of one-time funds may be permitted to ease the transition to downsized or reorganized operations.

- The budget should ensure appropriate maximum reimbursement of federal and State programs and user fees that fully offset service costs as allowed by law. In the event the Board of Supervisors adopts fees that, in the public interest, are lower than needed to fully offset service costs, the CEO will work with the impacted Department to identify funding to cover the remaining costs, including increased General Fund Contribution.

- To the extent funds are available, the CEO's office will recommend General Fund Contribution, on a case-by-case basis, to help offset department rate increases that would otherwise result in service level reductions in the department.

- Continuation of the 2016 Board policy to contribute 4.0% of covered payroll to the OPEB reserve.

- Establishment and maintenance of a strategic reserve equal to 8% of the General Fund operating revenue (approximately 30 days working capital). Once the target is achieved, any excess fiscal year-end unassigned General Funds will lapse to the Unassigned Fund Balance account for future Board appropriation. A minimum $1 million annual strategic reserve contribution will be recommended, until the Strategic Reserve target has been met. The strategic reserve is currently fully funded at $44 million.

- A minimum reserve of $5 million will be maintained in the Litigation fund balance in General County Programs for uninsured litigation costs and settlements. Currently the Litigation fund balance reserves are budgeted at approximately $20 million.

Budget Monitoring

In order to ensure that the budget remains in balance throughout the fiscal year, the County Executive Officer monitors actual expenditures and revenue receipts each month. In the event of a projected year-end deficit, steps are taken, in accordance with the State Constitution, to reduce expenditures. On a quarterly basis, the County Executive Officer's staff prepares a report that details the activity within each budget category and provides summary information on the status of the budget to the Board. Actions that are necessary to ensure a healthy budget status at the end of the fiscal year are recommended in the quarterly budget status reports. Other items which have major fiscal impacts are also reviewed quarterly. The County's ability to increase its revenues is limited by State laws that prohibit the imposition of fees to raise general revenue, except to recover the costs of regulation or provisions of services. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS" herein.

Budget Comparison

The following table contains the County's final General Fund budgets for the last five fiscal years.

TABLE 1
COUNTY OF SANTA BARBARA
FINAL GENERAL FUND BUDGETS
FISCAL YEARS 2018-19 THROUGH 2022-23

	Fiscal Year 2018-19 Final Budget	*Fiscal Year 2019-20 Final Budget*	*Fiscal Year 2020-21 Final Budget*	*Fiscal Year 2021-22 Final Budget*	*Fiscal Year 2022-23 Final Budget*
Revenues:					
Taxes	241,696	261,040	279,028	293,290	308,329
Licenses, Permits and Franchises	18,709	19,598	8,913	5,632	5,629
Fines, Forfeitures, and Penalties	5,776	8,445	8,315	7,688	7,723
Use of Money and Property	2,837	3,893	2,296	(8,708)	629
Intergovernmental	107,401	97,127	159,551	178,836	183,887
Charges for Services	77,195	77,013	68,776	71,308	79,983
Other	3,425	32,509	6,675	3,077	8,211
Total Available Funds	457,039	499,625	533,554	551,123	594,391
Expenditure:					
Current:					
Policy & Executive	22,980	22,747	26,005	43,816	32,026
Public Safety	242,181	255,666	269,324	264,584	267,553
Health & Public Assistance	12,143	12,918	5,447	5,476	5,506
Community Resources & Public Facilities	56,958,	61,732	44,551	37,477	45,703
General Government & Support Services	60,141	63,156	61,878	65,398	60,017
General County Programs	824	3,166	12,175	64,444	78,570
Debt Service					
Principal	--	--	--	367	1,196
Interest	--	--	--	131	178
Total Expenditures	395,227	419,385	419,380	481,693	490,749
Excess of revenues over expenditures	61,812	80,240	114,174	69,430	103,642
Other financing sources (uses)					
Transfers in	6,493	7,119	38,589	21,049	20,903
Transfers out	(47,876)	(83,920)	(133,063)	(122,107)	(136,601)
Sale of capital assets	8	8	75	--	--
Leases issued	--	--	--	3,419	--
Subscription assets financing source	--	--	--	--	2,075
Total other financing uses, net	(41,375)	(76,793)	(94,399)	(97,639)	(113,626)
Net change in fund balances	20,437	3,447	19,775	(28,209)	(9,984)
Fund balances – beginning	129,875	176,202	201,899	263,573	262,721
Fund balances - ending	150,312	179,649	221,674	235,364	252,737

Source: County Auditor-Controller.

The following table is a comparison of the adopted budgets and final budgets for Fiscal Year 2021-22 and Fiscal Year 2022-23.

TABLE 2
COUNTY OF SANTA BARBARA

	Fiscal Year 2021-2022				*Fiscal Year 2022-2023*			
	Budgeted Amounts		*Actual On Budgetary Basis*	*Variance With Final Budget*	*Budgeted Amounts*		*Actual On Budgetary Basis*	*Variance With Final Budget*
	Original	*Final*			*Original*	*Final*		
Revenues								
Taxes	$ 293,290	$ 293,290	$ 297,812	$ 4,522	$ 308,297	$ 308,329	$ 314,662	$ 6,333
Licenses, permits, and franchises	5,632	5,632	5,939	307	5,629	5,629	6,017	388
Fines, forfeitures, and penalties	6,720	7,688	9,322	1,634	6,033	7,723	9,658	1,935
Use of money and property	3,531	(8,708)	(9,504)	(796)	2,377	629	5,580	4,951
Intergovernmental	142,543	178,836	137,662	(41,174)	149,831	183,887	148,983	(34,904)
Charges for services	71,768	71,308	68,628	(2,680)	75,123	79,983	77,051	(2,932)
Other	2,817	3,077	4,484	1,407	3,293	8,211	8,392	181
Total revenues	$ 526,301	$ 551,123	$ 514,343	$ (36,780)	$ 550,583	$ 594,391	$ 570,343	$ (24,048)
Expenditures								
Current:								
Policy & executive	$ 48,661	$ 43,816	$ 22,040	$ 21,776	$ 27,891	$ 32,026	$ 26,682	$ 5,344
Public safety	262,220	264,584	256,965	7,619	270,865	267,553	264,063	3,490
Health & human services	5,403	5,476	4,883	593	5,444	5,506	4,937	569
Community resources & public facilities	37,422	37,477	31,487	5,990	40,743	45,703	35,766	9,937
General government & support services	64,191	65,398	60,106	5,292	58,278	60,017	56,673	3,344
General county programs	60,204	64,444	46,293	18,151	65,109	78,570	68,628	9,942
Debt service:								
Principal	-	367	367	-	-	1,196	1,196	-
Interest	-	131	131	-	-	178	178	-
Total expenditures	$ 478,101	$ 481,693	$ 422,272	$ 59,421	$ 468,330	$ 490,749	$ 458,123	$ 32,626
Excess of revenues over expenditures	**48,200**	**69,430**	**92,071**	**22,641**	**82,253**	**103,642**	**112,220**	**8,578**
Net total other financing sources (uses)	(64,872)	(97,639)	(64,923)	32,716	(94,450)	(113,626)	(63,551)	50,075
Special Item								
Litigation settlement	-	-	(28,000)	(28,000)	-	-	-	-
Net change in fund balances	(16,672)	(28,209)	(852)	27,357	(12,197)	(9,984)	48,669	58,653
Fund balances - beginning	263,573	263,573	263,573	-	262,721	262,721	262,721	-
Fund balances - ending	$ 246,901	$ 235,364	$ 262,721	$ 27,357	$ 250,524	$ 252,737	$ 311,390	$ 58,653

Fiscal Year 2023-24 Adopted Budget

The County's Fiscal Year 2023-24 Adopted Budget, which includes the County's General Fund Operational Budget as well as budgets for special districts governed by the Board of Supervisors, totals $1.48 billion.

In Fiscal Year 2022-23, property tax, sales tax, transient occupancy, and document transfer tax revenues were strong, and charges for services increased. While federal revenues decreased compared to Fiscal Year 2021-22 with the reduction of one-time pandemic relief funding, State revenues from 1991 and 2011 Realignment increased.

The Fiscal Year 2023-24 Adopted Budget was based on the assumption that revenues will remain stable and that cannabis tax revenue will not be used for any new ongoing budgetary purposes. The Fiscal Year 2023-24 Adopted Budget maintains the Strategic Reserve balance at 8% of General Fund operating revenue ($44 million in Fiscal Year 2023-24).

The Fiscal Year 2023-24 Adopted Budget for all funds totals $1.48 billion, an increase of $93 million, or 6.7% from the Fiscal Year 2022-23 Adopted Budget. The General Fund totals $505.1 million, an increase of $44.5 million, or 9.7%. The budget, in total supports a workforce of 4,643.9 full-time equivalent (FTE) positions and reflects a net increase of 176 FTE. Most of the change in the overall budget from Fiscal Year 2022-23 is largely related to a $29.2 million increase in State revenue, mostly 1991 and 2011 Realignment funding to Behavioral Wellness and Social Services, and charges for services increases of $22.7 million, including an almost $6 million increase to the Fire District's State contract revenues. Operating expenditures include both ongoing and one-time costs, and ongoing costs are largely supported by ongoing revenues.

The Fiscal Year 2023-24 Adopted Budget for all funds was developed based on the following:

- Revenue growth is expected to remain stable. Three of the County's largest discretionary revenue sources—property, sales, and transient occupancy taxes ("TOT")—experienced strong growth in Fiscal Year 2022-23, as strong home sales continued, taxable sales climbed, and travel to the County increased. The elimination of the remaining Proposition 8 backlog resulted in numerous properties being reassessed, which contributed to property tax increases. Growth in property taxes and TOT is expected to return to more historical levels of stable growth in Fiscal Year 2023-24, while sales tax is anticipated to remain flat compared to estimated actual receipts in Fiscal Year 2022-23, reflecting a potential cooling of the economy and slowdown in consumer purchases. State funds for ongoing services are increasing for health and human services departments and American Rescue Plan Act ("ARPA") funding is continuing to support recovery efforts and other short-term investments.

- Service level reductions have been avoided for Fiscal Year 2023-24 as a result of adequate revenue, efficiencies in departments, and the use of $3.7 million in Prop 172 funding in Public Safety departments, and $2.3 million of General Fund contribution for general liability, workers compensation, and other rate increases. However, the outlook beyond Fiscal Year 2023-24 is more uncertain, with economic inflation, increases to salaries, retirement contributions, and health insurance costs, as well as continued general liability and workers compensation cost increases.

- Labor and liability costs continue to increase. Salaries and benefits rose by $50.8 million to $783.2 million, making up 52.7% of operating expenditures. The largest driver here is salaries, which increased $25.8 million, a 5.9% increase over Fiscal Year 2022-23 Adopted Budget. Pension costs increased by $11.2 million, or 6.7%. Health insurance costs increased by $9.2 million, or 18.8%. Workers' compensation and general liability insurance increased by $10.5 million, which is smaller in relation to salaries and pensions, but represents a 25.7% increase over prior year and is the fifth year in a row that premiums have seen significant increase, a trend statewide that shows no sign of abating.

• Cannabis tax revenue has continued to decline, with continued volatility making revenues difficult to project. The Fiscal Year 2023-24 Adopted Budget estimates $7.5 million, a reduction of $8.8 million from the $16.3 million budgeted in Fiscal Year 2022-23, but a slight increase of $783,300 from the actual estimated receipts in Fiscal Year 2022-23. Due to these declines, and to provide overall budgetary stability, $2.9 million in ongoing commitments unrelated to the cannabis program, and $5 million one-time, was replaced with General Fund revenues.

• Northern Branch Jail ("NBJ") Operating costs continue to grow, and exceed the ongoing funding in the original funding plan. The Fiscal Year 2023-24 Adopted Budget reflects an increase of $2.6 million, to $21.9 million, to further close the gap with operating costs, which are budgeted at $25.4 million. Criminal justice departments' efforts to seek jail diversion where appropriate, and collaboration between criminal justice partners, as well as evolving staffing and jail facility plans, could ultimately impact the costs of the custody system in future years.

The following table shows adjustments to the County's Fiscal Year 2023-24 Adopted Budget as of December 31, 2023. The change is fund balance is primarily due to significantly increased spending on capital projects, with a corresponding use of fund balance from capital project reserves.

TABLE 3
COUNTY OF SANTA BARBARA
Fiscal Year 2023-24 Budget Adjustments

	Fiscal Year 2023-24 Original Budget	*Fiscal Year 2023-24 Adjusted Budget (as of 12/31/23)*	*Variance Adjusted vs. Adopted*
Revenues:			
Taxes	$ 334,223,000	$ 334,223,000	$ -
Licenses, Permits and Franchises	6,504,100	6,504,100	-
Fines, Forfeitures, and Penalties	7,004,200	7,745,897	741,697
Use of Money and Property	4,990,100	5,070,283	80,183
Intergovernmental Revenue-State	107,177,800	110,848,400	3,670,600
Intergovernmental Revenue-Federal	8,364,900	8,966,684	601,784
Intergovernmental Revenue-Other	1,299,900	1,299,900	-
Charges for Services	85,476,600	85,377,877	(98,723)
Miscellaneous Revenue	3,289,200	3,555,984	266,784
Total Revenues	$ 558,329,800	$ 563,592,124	$ 5,262,325
Expenditure:			
Salaries and Employee Benefits	$ 354,570,500	$ 358,100,401	$ (3,529,901)
Services and Supplies	103,954,900	107,345,912	(3,391,012)
Other Charges	43,827,500	45,914,900	(2,087,400)
Capital Assets	4,241,700	8,158,496	(3,916,796)
Total Expenditures	$ 506,594,600	$ 519,519,709	$ (12,925,109)
Other financing sources (uses)			
Other Financing Sources	$ 15,310,300	$ 15,432,700	$ 122,400
Other Financing Uses	67,153,400	123,119,175	55,965,775
Total Other Financing Sources & Uses	$ (51,843,100)	$ (107,686,475)	$ (55,843,375)
Changes to Fund Balances	(107,900)	(63,614,059)	(63,506,159)

County Five-Year Financial Forecast

Long-term fiscal planning is an effective tool for creating sustainable budgets and providing fiscal stability beyond the annual budget horizon. It is a strategic process that provides governments with insights and information needed to establish multi-year budget solutions, fiscal policies, and actions that maintain good fiscal health. The County creates a five-year operating forecast for the purpose of providing the Board with a framework for use in decision-making, in order to maintain and continue the fiscal health of the County and to ensure and enable a plan for the provision of services and capital assets.

The forecast is updated annually and is not a budget. It does not establish policy or priorities; it simply summarizes fiscal capacity. The forecast identifies key factors that affect the County's fiscal outlook and assesses how difficult balancing the budget may be in the future. The forecast is developed using a baseline environment, in which revenues and expenditures are projected based primarily on trend analysis, specific circumstances and present level of services provided by the County. The forecast is not a prediction of what is certain to happen but rather a projection of what could occur in the absence of mitigating actions or changing circumstances. Forecasts are developed for all major operating funds of the County and evaluated annually in December as part of the Budget Development Report presented to the Board of Supervisors.

The table on the next page summarizes the County's Five Year Financial Forecast as it relates to ongoing expenditures funded with ongoing discretionary revenue in the County's General Fund. It was prepared using the forecast projections for discretionary revenue and salaries and benefits in addition to consideration of prior Board policy commitments and certain anticipated major operational cost increases. Cannabis tax revenue was excluded as an ongoing source in accordance with Board approved policy.

General Fund expenditures are projected to grow throughout the forecast period primarily due to increases in salaries, retirement contributions, and health insurance costs as well as escalating insurance premiums and other operating costs. This growth in expenditures meets or exceeds the projected growth in General Fund revenues in each of the five years of the forecast. However, $10.6 million of ongoing revenue was set aside in prior budgets, and will be released as needed to balance upcoming shortfalls. The current forecast anticipated balanced budgets in the first two fiscal years, followed by deficits in the last three years of the forecast, resulting in the unavailability of ongoing sources for expansion of operations, new projects, or critical needs in those years. It will be imperative that thoughtful consideration is made related to the limited resources projected in the out years.

Moderate revenue growth over the Fiscal Year 2023-24 Adopted Budget is anticipated in Fiscal Year 2024-25, driven mainly by property tax revenue growth. Revenues are assumed to grow at a moderate pace throughout the forecast period. By law, the Board must adopt a balanced budget, and the table below does not reflect necessary adjustments to reflect projected deficits. The forecast line items in the table below reflect projected revenue growth, and ongoing cost increases, for Fiscal Years 2024-25 through 2028-29.

FIVE-YEAR FINANCIAL FORECAST
INCREMENTAL CHANGE IN GENERAL FUND ONGOING REVENUE AND COSTS
FISCAL YEARS 2024-25 THROUGH 2028-29

Ongoing Revenue Sources:	**FY 2024-25**	**FY 2025-26**	**FY 2026-27**	**FY 2027-28**	**FY 2028-29**
Discretionary Revenue (excludes Cannabis)	$10,744,000	$13,610,000	$12,056,000	$12,828,400	$13,385,000
Ongoing Cost Changes:					
Negotiated and Assumed Salary Increases	$6,596,560	$5,352,860	$5,789,847	$6,098,646	$6,303,848
Pension Costs	2,507,160	1,941,583	(509,612)	4,639,997	1,001,471
Health Benefits	3,444,981	2,278,457	1,992,865	2,002,658	2,172,581
Northern Branch Jail Operations	2,400,000	2,300,000	2,200,000	1,400,000	1,200,000
Rate Increases	1,120,000	1,625,000	1,828,000	1,932,000	2,136,000
18% Deferred Maintenance		42,700	158,900		127,300
Homelessness Services Costs	473,300	473,300	1,135,000	2,662,400	
IHSS MOE & Labor Increases		575,000	1,242,900	538,600	551,900
Voter's Choice Act Implementation	1,222,000				
AB 1869 Backfill Sunset			850,000		
Detention Facil. Healthcare Services Annual Increases	700,000	735,000	771,800	810,300	850,900
ARPA-funded Criminal Justice Programs			435,000	435,000	
Release Board Approved Prior Year Set Aside Offset: General liability, labor/pension	(7,720,001)	(1,713,900)	(1,264,099)		
Total Change in Costs	$10,744,000	$13,610,000	$14,630,601	$20,519,601	$14,344,000
Annual (Deficit)/Surplus	**$0**	**$0**	**($2,574,601)**	**($7,691,201)**	**($959,000)**

General Fund Tax Revenues

The following table contains the breakdown of General Fund tax revenues.

TABLE 4
FISCAL YEAR 2023-24 DISCRETIONARY GENERAL FUND REVENUES
(in millions)

	Fiscal Year 2019-20	***Fiscal Year 2020-21***	***Fiscal Year 2021-22***	***Fiscal Year 2022-23***	***Fiscal Year 2023-24 (Adopted Budget)***
Property Taxes					
Local Sales Tax					
Transient Occupancy Tax					
Cannabis Taxes					
All Other					
Total					

***Ad Valorem* Property Taxes**

General. Taxes are levied for each fiscal year on taxable real and personal property which is situated in the County as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured," and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State assessed property and real property having a tax lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

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 on December 10 and April 10, respectively, and a ten percent penalty attaches to any delinquent payment. In addition, property on the secured roll with respect to which taxes are delinquent is declared to be in default on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a redemption penalty of one and 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the County Treasurer-Tax Collector.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid on August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue on November 1. The taxing authority has four ways of collecting unsecured personal property taxes: (i) filing a civil action against the taxpayer; (ii) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (iii) filing a certificate of delinquency for recording in the County Recorder's office, in order to obtain a lien on certain property of the taxpayer; and (iv) seizing and selling of personal property, improvements or possessory interests belonging or assessed to the assessee.

State law allows exemptions from *ad valorem* property taxation of $7,000 of full value of owner-occupied dwellings. However, the State reimburses all local taxing authorities for the loss of revenues imputed on these exemptions. The State Constitution and various statutes provide exemptions from *ad valorem* property taxation for certain classes of property such as churches, colleges, nonprofit hospitals, and charitable institutions.

Under California law currently in effect, these tax collections are allocated approximately 25.0% to the County, 9.4% to cities, 8.2% to dependent special districts, 4.7% to independent special districts, 49.3% to schools and 3.3% to successor redevelopment agencies within the County.

The assessed valuations within the County as of June 30 for the past ten fiscal years are shown in the table below.

TABLE 5
COUNTY OF SANTA BARBARA
ASSESSED VALUATIONS
FISCAL YEARS 2014-15 THROUGH 2023-24
($ in thousands)

Fiscal Year	*Secured*	*Unsecured*	*Unitary*	*Exemptions*	*Net Assessed Valuation*
2014-15	$68,635,212	$3,441,634	$ 925,196	$(3,353,701)	$69,648,341
2015-16	71,941,255	3,619,135	1,004,561	(3,505,586)	73,059,365
2016-17	75,131,736	3,603,348	1,064,198	(3,807,072)	75,992,210
2017-18	79,372,934	3,798,374	1,001,291	(4,123,907)	80,048,692
2018-19	83,555,061	3,870,105	1,053,450	(4,560,120)	83,918,496
2019-20	87,781,519	3,739,695	1,094,610	(4,549,691)	88,066,133
2020-21	92,073,180	3,833,714	1,194,253	(4,577,525)	92,523,622
2021-22	95,948,582	3,856,295	1,180,717	(4,997,281)	95,988,313
2022-23	103,282,227	3,973,106	1,360,133	(4,752,419)	103,863,047
2023-24	109,849,187	4,458,408	1,436,603	(4,992,098)	110,752,101

Source: County of Santa Barbara Auditor-Controller's Office, Property Tax Division.

A summary of tax levies and collections within the County as of June 30 for the past 10 fiscal years is shown in the table below.

TABLE 6
COUNTY OF SANTA BARBARA
SUMMARY OF TAX LEVIES AND COLLECTIONS(2)
(Fiscal Years 2014-15 through 2023-24)
($ in thousands)

		Collections Within the Fiscal Year of the Levy			*Total Collections to Date*	
Fiscal Year (June 30)	*Secured & Unitary Taxes Levied*	*Amount*	*Percent*	*Collections in Subsequent Years*	*Amount*	*Percent*
2014-15	$658,542	$653,778	99.28%	$4,744	$658,522	100.00%
2015-16	690,326	684,131	99.10	6,094	690,225	99.98
2016-17	720,855	714,505	99.12	6,151	720,656	99.97
2017-18	759,352	751,947	99.02	7,028	758,975	99.95
2018-19	796,449	788,819	99.04	7,082	795,901	99.93
2019-20	837,914	827,552	98.76	9,517	837,069	99.87
2020-21	880,847	870,620	98.84	9,190	879,810	99.85
2021-22	918,049	909,652	99.09	6,818	916,470	99.76
2022-23	991,721	981,309	98.95	5,033	986,342	98.95
2023-24	1,057,866	639,054	60.41	--	639,054	60.41

(1) Property taxes are due in two installments and become delinquent on December 10, with respect to the installment due on November 1, and on April 10, with respect to the installment due on February 1. The information shown for fiscal year 2023-24 reflects collections through February16, 2024 only.

(2) Included are amounts collected by the County on behalf of itself, school districts, cities and special districts under the supervision of their own governing boards.

Source: County Auditor-Controller.

The Teeter Plan. In Fiscal Year 1993-94, the County adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (commonly known as the "Teeter Plan"), as provided for in Section 4701 *et seq*. of the State Revenue and Taxation Code. Under the Teeter Plan, each participating local agency, including cities, levying property taxes in its county may receive 100% of the amount of uncollected taxes credited to its fund in the same manner as if the amount credited had been collected. In return, the county receives and retains delinquent payments, penalties and interest, as collected, that would have been due to the local agency. However, although a local agency could receive the total levy for its property taxes without regard to actual collections funded from a reserve established and held by the county for this purpose, the basic legal liability for property tax deficiencies at all times remains with the local agency.

Pursuant to the State law, the County is required to establish a tax losses reserve fund to cover losses that may occur as a result of sales of tax-defaulted property. Once the tax losses reserve fund reaches a level of 1% of the total of all taxes and assessments levied on the secured roll for that year, any additional penalties and interest normally credited to the tax losses reserve fund may be credited to the County General Fund as provided in the State Revenue and Taxation Code. State law permits any county to draw down the tax losses reserve fund to a balance equal to one percent of the total of all taxes and assessments levied on the secured roll for that year, or 25% of the current year delinquent secured tax levy. As of June 30, 2023 the balance in the tax losses reserve fund was $11,237,000.

Once adopted by the County, the Teeter Plan remains in effect unless the County orders its discontinuance or prior to the commencement of any subsequent fiscal year the County receives a petition for its discontinuance adopted by resolution of two-thirds of the participating revenue districts in the County. Further, the County may by resolution adopted not later than July 15 of any subsequent fiscal year after a public hearing, discontinue the Teeter Plan as to any tax levying or assessment levying agency if the rate of secured tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured rolls for that agency.

Assessment Appeals. Property tax values determined by the County Assessor may be subject to appeal by property owners. Assessment appeals are annually filed with the 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 applicant/property owner. Each assessment appeal could result in a reduction of the taxable value of the real property or personal property which is the subject of the appeal. Alternatively, an appeal may be withdrawn by the applicant or the Assessment Appeals Board may deny or modify the appeal at a hearing or by stipulation.

In Fiscal Year 2022-23, there were 65 assessment appeals resolved affecting assessment roll values. These appeals affected assessments that had an aggregate original assessed value of $698,589,761. The aggregate assessed value for these parcels was reduced by $147,058,831, representing an approximate 0.14% decline in the total assessed valuation within the County for 2022-23.

In addition, in Fiscal Year 2021-22, the County Assessor increased the assessment of about 6,000 parcels in the County under Prop 8 by approximately $500,000,000 from the prior year of approximately $5.4 billion, or approximately 9%. In Fiscal Year 2022-23, the County Assessor assessed about 3,000 parcels under Prop 8, increasing their value by $300,000,000 from the prior year's assessment of approximately $2.5 billion, or 12%. For 2023-24, the County Assessor assessed about 4,600 properties under Prop 8 and increased their value by around $1.3 billion from the previous year's assessment of such properties of approximately $4.3 billion, or about 30%.

Effect of Foreclosures on Property Tax Collections. As described above, once an installment of property tax becomes delinquent, penalties are assessed commencing on the applicable delinquency date until the delinquent installment(s) and all assessed penalties are paid. In the event of foreclosure and sale of property by a mortgage holder, all past due property taxes, penalties and interest is required to be paid before the property can be transferred to a new owner. In addition, as required under the Teeter Plan, the County maintains a tax losses reserve fund, to cover potential losses that may result if tax-defaulted property is sold by the County for less than the amount of the taxes owed. The County has not conducted any sales of tax-defaulted property in the last five fiscal years.

Largest Taxpayers

The 10 largest taxpayers in the County by assessed value for all properties, for the fiscal year 2023-24 are shown below. The 10 largest taxpayers account for approximately 2.69% of total assessed value in the County.

TABLE 7
COUNTY OF SANTA BARBARA
TEN LARGEST TAXPAYERS BY ASSESSED VALUE
(Fiscal Year 2023-24)
(in $thousands)

Taxpayer	***Business***	***Assessed Value***
CWI Santa Barbara Hotel LP (Bacara)	Hotels	$ 477,216
Southern California Gas Company	Utilities	394,841
Miramar Acquisition Company LLC	Real Estate Holdings	391,504
1260 BB Property LLC (Biltmore)	Hotels	296,407
Windset Farms California Inc	Agriculture	238,865
Pacific Gas & Electric Co	Utilities	226,078
Islay Investments	Real Estate Holdings	224,092
Regency Tropicana LLC	Residential Rentals	205,043
Celite Corporation	Mining	170,607
Fairway BB Property LLC	Residential Estates	165,303

Source: County Auditor-Controller.

Financial Statements

The County's governmental funds and fiduciary funds use the modified accrual basis of accounting. This system recognizes revenues when they become available and measurable. Expenditures, with the exception of un-matured interest on general long-term debt, are recognized when the fund liability is incurred. Proprietary funds use the accrual basis of accounting, whereby revenues are recognized when they are earned and become measurable, while expenses are recognized when they are incurred.

The California Government Code requires every county to prepare an annual financial report. The Auditor-Controller prepares the Annual Comprehensive Financial Report for the County and is responsible for controlling expenditures within budget expenditures. This annual report covers financial operations of the County, County districts and service areas, local autonomous districts and various trust transactions of the County Treasury. Under California law, independent audits are required of all operating funds under the control of the Board of Supervisors. See APPENDIX B—"COUNTY'S AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2022-23."

The County, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County are divided into three categories: (i) governmental funds; (ii) proprietary funds; and (iii) fiduciary funds.

Periodically, the County adopts new accounting and financial standards to conform with releases by the Governmental Accounting Standards Board (GASB), including GASB Statement No. 45, Accounting and

Financial Reporting by Employers of Postemployment Benefits other than Pensions (OPEB). For a discussion of GASB 45, see "– Postemployment Benefits."

The County is in the process of implementing an Enterprise Resource Planning system to replace its current financial and human resources systems. It is possible that issues arising from the implementation of this new system could impact the County's ability to timely file financial reports.

Governmental Funds: account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The County maintains 60 individual governmental funds (e.g. General Fund, special revenue funds, debt service funds and capital projects) combined into 29 for financial reporting purposes. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Road, Public Health, Social Services, Behavior Wellness, Flood Control District and Capital Projects funds, which are considered major funds. Information for the remaining 22 governmental funds are combined into a single, aggregated presentation.

Proprietary Funds: account for information of the same type as the government-wide financial statements, only in more detail. There are two different types: (i) Enterprise Funds (to report the same functions presented as business-type activities in the government-wide financial statements and account for solid waste operations, sanitation services and transit operations) and (ii) Internal Service Funds (an accounting device used to accumulate and allocate costs internally among the County's various functions and account for information technology services, vehicle operations and maintenance, risk management and insurance and communications functions).

Fiduciary Funds: account for resources held for the benefit of parties outside the County. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

The County derives its revenues from a variety of sources including taxes (property and sales), licenses, permits and franchises issued by the County, fines, forfeitures and penalties collected by the County, use of County property and money, intergovernmental revenues, charges for services provided by the County and other miscellaneous revenues.

Presented in the table below are the County's General Fund Statement of Revenues, Expenditures and Changes in Unreserved Fund Balances for Fiscal Years 2019 through 2023. Presented in Table 5 are the County's General Fund Balance Sheets for Fiscal Years ended June 30, 2019 through 2023. More detailed information from the County's audited financial report for the Fiscal Year ending June 30, 2023 appears in APPENDIX B to this Official Statement. The County has not requested, and the auditor has not provided, any review of such financial report in connection with its inclusion in this Official Statement.

TABLE 7
COUNTY OF SANTA BARBARA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCES – GENERAL FUND
FISCAL YEARS 2019-20 THROUGH 2022-23
(In Thousands)

	Fiscal Year Ended June 30, 2019	***Fiscal Year Ended June 30, 2020***	***Fiscal Year Ended June 30, 2021***	***Fiscal Year Ended June 30, 2022***	***Fiscal Year Ended June 30, 2023***
Revenues:					
Taxes	$ 244,812	$ 263,967	$ 283,834	$ 297,812	$ 314,662
Licenses, permits, and franchises	16,515	16,636	4,928	5,939	6,017
Fines, forfeitures, and penalties	5,508	8,922	6,432	9,322	9,658
Use of money and property	5,954	5,044	1,016	(9,504)	5,580
Intergovernmental	103,059	91,416	162,349	137,662	148,983
Charges for current services	73,234	71,030	65,347	68,628	77,051
Other	4,608	33,409	6,233	4,484	8,391
Total Revenues	$ 453,690	$ 490,424	$ 530,139	$ 514,343	$ 570,342
Expenditures:					
Current:					
Policy and executive	$ 21,707	$ 21,046	$ 23,531	$ 22,040	$ 26,594
Public safety	233,223	246,753	256,339	256,965	264,063
Health and human services	11,365	11,785	4,767	4,883	4,937
Community resources and facilities	49,128	52,584	38,960	31,487	35,464
General government and support services	53,495	57,243	58,257	60,106	55,858
General county programs	316	2,821	9,003	46,293	67,863
Debt Service:					
Principal	--	--	--	367	337
Interest	--	9	--	131	169
Capital outlay	--	--		--	--
Total Expenditures	$ 369,234	$ 392,241	$ 390,857	$ 422,272	$ 455,285
Excess (deficiency) of Rev. Over (Under) Exp.	$ 84,456	$ 98,183	$ 139,282	$ 92,071	$ 115,057
Other Financing Sources (Uses):					
Transfers in	$ 5,920	$ 6,454	$ 9,488	$ 8,151	$ 14,262
Transfers (out)	(44,076)	(78,948)	(90,306)	(76,551)	(79,987)
Proceeds from sale of capital assets	27	8	39	58	102
Leases issued	--	--	--	3,419	--
Total Other Financing Sources (Uses)	$ (38,129)	$ (72,486)	$ (80,779)	$ (64,923)	$ (65,623)
Net change in Fund Balances	46,327	25,697	58,503	27,148	
Special Item					49,434
Litigation settlement				(28,000)	
Total special items				(28,000)	49,434
Net change in fund balances				(852)	49,434
Fund Balances - Beginning	129,875	176,202	201,899	263,573	262,721
Prior period adjustment	--	--	3,171		--
Fund Balances – Beginning, as restated	129,875	--	205,070		262,721
Fund Balances - Ending	176,202	201,899	263,573	262,721	312,155

Source: County Auditor-Controller.

TABLE 8
COUNTY OF SANTA BARBARA
BALANCE SHEETS – GENERAL FUND
AT JUNE 30, 2019 THROUGH JUNE 30, 2023
(In Thousands)

	June 30, 2019	*June 30, 2020*	*June 30, 2021*	*June 30, 2022*	*June 30, 2023*
Assets:					
Cash and investments	$ 125,847	$ 141,388	$ 237,853	$ 300,612	$ 349,680
Accounts Receivable:					
Taxes	29,065	36,322	41,140	41,420	44,962
Licenses, permits and franchises	660	981	503	637	426
Fines, forfeitures and penalties	8	37	4	--	--
Use of money and property	883	634	334	616	2,319
Intergovernmental	15,867	13,829	15,903	15,811	18,551
Charges for services	3,073	4,153	1,211	4,476	1,693
Lease receivables					2,253
Other	542	333	1,354	2,933	4,273
Due from other funds	5,022	11,965	7,092	1,843	3,373
Prepaid items	50	50	50	6,502	50
Other receivables	4,370	5,164	--	50	45
Advances to other funds			6	--	5
Restricted cash and investments	23,321	23,763	10,966	5	28,733
Total Assets	$ 208,708	$ 238,619	$ 316,416	$ 386,388	$ 456,363
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	$ 3,562	$ 4,820	$ 14,125	$ 14,539	$ 19,219
Salaries and benefits payable	10,693	13,686	14,582	16,709	18,666
Other payables	139	173	11,323	13,001	13,955
Litigation settlement payable			--	28,000	--
Advances from grantors and third parties	1,652	1,628	9,486	44,794	70,499
Unearned Revenue	1,582	1,582	1,582	1,582	1,582
Due to other funds	649	476	1,141	1,409	981
Customer deposits	14,229	14,158	604	700	17,091
Advances payable			14,582	--	--
Total Liabilities	$ 32,506	$ 36,523	$ 52,843	$ 120,735	$ 141,993
Deferred inflows of resources:					
Deferred lease proceeds					2,215
Total deferred inflows of resources					2,215
Fund Balance:					
Nonspendable	11,407	2,318	56	56	55
Restricted	44,054	55,068	62,161	79,433	105,197
Committed	102,087	131,484	181,517	169,714	169,332
Undesignated	18,654	13,029	19,839	13,518	37,571
Total Fund Balances	176,202	201,899	263,573	262,721	312,155
Total Liabilities And Fund Balances	$ 208,708	$ 238,619	$ 316,416	$ 386,388	$ 456,363

Source: County Auditor-Controller.

General Fund Reserves

The County maintains several General Fund set-asides or reserves in General County Programs for specific purposes related to statutory funding, Board policy and future operational needs. Key discretionary reserves for the General Fund totaled approximately $130 million on June 30, 2023. The reserve balance includes $44 million Strategic Reserve for FY 2023-24 that equates to 8% of General Fund operating revenue and $5.0 million for contingencies. The recommended budget includes anticipated uses of reserves for intended purposes and earmarks for set asides needed for future years.

[Reserve Table to Come]

Santa Barbara County Pooled Investment Fund

Pursuant to California Government Code Section 27131 the Treasurer nominates members to serve on a Treasury Oversight Committee (the "TOC") and the Board of Supervisors confirms the appointment. The Board of Supervisors adopts a resolution confirming the nominated members. The TOC consists of 6 members and convenes quarterly. The TOC reviews the Treasurer's Investment Policy and the Treasurer's quarterly Investment Pool Report. The County Auditor-Controller's office performs quarterly reviews and an outside audit firm performs an annual Cash & Investment Audit. The results of the quarterly reviews and the annual audit are presented to the Board of Supervisors

Funds held by the Santa Barbara County Pooled Investment Fund (the "County Pool") are invested in accordance with the Treasurer's Investment Policy Statement prepared by the County Treasurer-Tax Collector (the "Treasurer") as authorized by Section 53601 of the Government Code of California. The Investment Policy is updated and submitted to the Board of Supervisors at least once every fiscal year and the most recent update was approved in February 2024. A complete copy of the County's current Investment Policy is available upon request from the Treasurer, as well as on the Treasurer's website.

The County Pool represents moneys entrusted to the Treasurer by the County, school and community college districts, and special districts within the County. State law requires that all moneys of the County, school and community college districts, and certain special districts be held by the Treasurer. The Treasurer accepts funds only from agencies located within the County. Moneys deposited in the County Pool by the participants represent an individual interest in all assets and investments in the County Pool based upon the amount deposited. Income is distributed to the pool participants quarterly based on their average daily cash balance.

The Investment Policy allows for the purchase of a variety of securities and provides for limitations as to exposure, maturity and rating which vary with each security type. The composition and value of investments of the portfolio will change over time depending on cash flow demands, as investments mature or are sold, as new investments are purchased, and with fluctuations in interest rates generally. Funds on deposit with the Treasurer are managed in accordance with the following objectives; first, preservation of principal of each participant through the purchase of high-quality investments; second, meeting the liquidity demands of pool participants; and third, achieving a market value of return.

The portfolio structure of the County Pool as of June 30, 2023, was as follows:

Instrument	***Par Amount***	***Percent***
Cash	$127,812,539	4.7
Federally Insured Cash Account	1,000,000	0.0
California Asset Management Program	85,000,000	3.1
JP Morgan Chase	20,000,000	0.7
US Treasuries	935,000,000	34.0
Government Agency Bonds	604,000,000	22.0
Government Agency Discount Notes	150,000,000	5.5
Government Agency Bonds - Callable	813,861,111	29.6
LAIF	10,000,000	0.4
Totals	2,746,673,650	

The weighted average days to maturity as of June 30, 2023 was 643 days.

For additional information concerning County investments, see APPENDIX B—"COUNTY'S AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2022-23."

Long-Term Obligations of County

The County has never defaulted on the payment of principal or interest on any of its indebtedness. Following is a brief summary of the County's General Fund supported obligations and direct and overlapping debt.

General Obligation Debt. The County has no outstanding general obligation debt.

Certificates of Participation. As of June 30, 2023, the County had outstanding certificates of participation (collectively, the "Outstanding COPs") described in the table below. The proceeds of these Outstanding COPs have been used for the acquisition, construction and renovation of major capital facilities.

Issuance	Issue Date	Final Maturity	Issue Amount	Outstanding Amount (as of 4/1/2024)
2008 Certificates of Participation, Series A-1	6/25/2008	12/1/2028	$17,000,000	$6,085,000
2010 Certificates of Participation, Series A-2 (RZEDB)	6/10/2010	12/1/2040	14,935,000	12,845,000
			Total:	**$18,930,000**

Lease Obligations. The County has entered into certain capital lease arrangements under which the related structures and equipment will become the property of the County when all terms of the lease agreements are met. As of June 30, 2023, the County had outstanding capital leases, payable from the General Fund in the amount of $3.2 million.

Direct and Overlapping Debt. The direct and overlapping debt of the County as of ______ __, 2023, according to California Municipal Statistics, Inc., is shown in the table below. The County makes no assurance as to the accuracy of the following table, and inquiries concerning the scope and methodology of procedures carried out to complete the information presented should be directed to California Municipal Statistics, Inc. Self-supporting revenue bonds, tax allocation bonds and non-bonded capital lease obligations are excluded from this debt statement.

COUNTY OF SANTA BARBARA
ESTIMATED DIRECT AND OVERLAPPING OBLIGATIONS
(as of June 30, 2023)

2022-23 Assessed Valuation:	103,863,046,901	(includes unitary utility valuation)	
OVERLAPPING TAX AND ASSESSMENT DEBT:	Total Debt 6/30/2023	% Applicable (1)	County's Share of Debt 6/30/23
Allan Hancock Joint Community College District	127,605,032	99.673	127,187,764
Santa Barbara Community College District	51,355,000	100.000	51,355,000
Santa Maria Joint Union High School District	169,753,842	99.998	169,750,447
Santa Ynez Valey Union High School District	10,630,000	100.000	10,630,000
Carpenteria Unified School District	89,095,000	100.000	89,095,000
Cuyama Joint Unified School District	3,875,000	69.746	2,702,658
Lompoc Unified School District	6,915,000	100.000	6,915,000
Santa Barbara Unified and High School District	217,929,327	100.000	217,929,327
Santa Barbara Unified School District School Facilities Improvement District No. 1 & Elementary School District	94,948,605	100.000	94,948,605
Buellton Union School District	11,364,568	100.000	11,364,568
Cold Spring School District	3,000,750	100.000	3,000,750
College School District	4,636,088	100.000	4,636,088
Goleta Union School District	41,445,000	100.000	41,445,000
Guadalupe Union School District	10,772,610	100.000	10,772,610
Hope Elementary School District	43,906,568	100.000	43,906,568
Los Olivos School District	3,434,023	100.000	3,434,023
Montecito Union School District	1,295,000	100.000	1,295,000
Orcutt Union School District	46,015,000	100.000	46,015,000
Santa Maria-Bonita Joint School District	45,510,000	99.997	45,508,635
Solvang School District	8,393,721	100.000	8,393,721
Lompoc Healthcare District	61,725,000	100.000	61,725,000
City and Special District 1915 Act Bonds	4,815,000	62.175 – 100.	3,536,231
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			1,055,546,995
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Santa Barbara County General Fund Obligations	**23,640,000**	**100.000**	**23,640,000**
Santa Maria-Bonita School District Certificates of Participation	20,620,000	99.997	20,619,381
Cuyama Joint Unified School District General Fund Obligations	891,412	69.746	621,724
Santa Ynez Valley Union High School District General Fund Obligations	1,058,000	100.000	1,058,000
Santa Maria Joint Union High School District General Fund Obligations	455,961	99.998	455,952
College School District General Fund Obligations	1,422,508	100.000	1,422,508
Guadalupe Union School District Certificates of Participation	3,175,000	100.000	3,175,000
City of Goleta General Fund Obligations	9,548,640	100.000	9,548,640
City of Lompoc General Fund Obligations	3,324,562	100.000	3,324,562
City of Santa Barbara General Fund Obligations	25,610,000	100.000	25,610,000
Goleta West Sanitary District General Fund Obligations	13,702,000	100.000	13,702,000
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			103,177,767
Less: Santa Barbara County utility supported obligations			**1,470,000**
City of Santa Barbara revenue bonds supported by airport revenues			25,610,000
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			76,097,767
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):	24,945,000	100.000	24,945,000
TOTAL GROSS DIRECT DEBT			**23,640,000**
TOTAL NET DIRECT DEBT			**22,170,000**
TOTAL GROSS OVERLAPPING DEBT			1,160,029,762
TOTAL NET OVERLAPPING DEBT			1,134,419,762
GROSS COMBINED TOTAL DEBT			1,183,669,762(2)
NET COMBINED TOTAL DEBT			1,156,589,762

(1) The percentage of overlapping debt applicable to the county is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the county divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, non-bonded capital lease obligations and state contractual obligations within the Department of Water Resources.

Ratios to 2022-23 Assessed Valuation:		
Total Overlapping Tax and Assessment Debt		1.02%
Total Gross Direct Debt	**23,640,000**	**0.02%**
Total Net Direct Debt	**22,170,000**	**0.02%**
Gross Combined Total Debt		1.14%
Net Combined Total Debt		1.11%
Ratios to Redevelopment Successor Agencies Incremental Valuation	6,827,174,388	
Total Overlapping Tax Increment Debt		0.37%

Employees

A summary of County full-time equivalent ("FTEs") employees follows. Some employees are hired under various federally funded programs.

TABLE 9
COUNTY OF SANTA BARBARA
REGULAR EMPLOYEES
(Fiscal Year 2019-20 through 2034-24)

Fiscal Year	*FTE Employees*[(1)]
2019-20	4,139
2020-21	4,205
2021-22	4,153
2022-23	4,151
2023-24[(2)]	4,644

(1) Excludes temporary and per diem employees.
(2) Budgeted.
Source: County of Santa Barbara.

Labor Relations. County employees are represented by the nine bargaining units listed below. The County has never experienced any major employee strikes or work stoppages.

TABLE 10
COUNTY OF SANTA BARBARA
LABOR ORGANIZATION UNIT CONTRACT EXPIRATION DATES

Labor Organization	*Number of Employees**	*Contract Expiration Date*
Deputy Sheriff's Association	481	6/21/2026
Sheriff's Managers Association	30	6/21/2026
Deputy District Attorney's Association	53	6/23/2024
Probation Peace Officers Association	189	6/21/2026
Firefighters Local 2046	210	7/4/2027
SEIU Local 620	2,061	6/23/2024
SEIU Local 721	470	6/23/2024
Engineers and Technicians Association	118	6/23/2024
Union of American Physicians and Dentists	35	12/6/2026
Civil Attorneys Association	27	6/23/2024
TOTAL	3,674	

* As of October 2023.
Source: County of Santa Barbara, Human Resources.

Retirement Program

General. The Santa Barbara County Employees' Retirement System (the "Retirement System") was organized under the provisions of the 1937 County Employees' Retirement Act (the "Retirement Act") and became effective on January 1, 1944. The Retirement System operates a cost-sharing multiple employer defined benefit plan. Members of the pension plans include all permanent employees working full time, or at least 50% part time for the County, and the following independent special districts: Carpinteria Cemetery District, Carpinteria-Summerland Fire Protection District, Goleta Cemetery District, Mosquito and Vector Management District of Santa Barbara County, Oak Hill Cemetery District, Santa Barbara County Air Pollution Control District, Santa Barbara County Association of Governments, Santa Barbara County Local Agency Formation Commission, Santa Maria Cemetery District, Summerland Sanitary District, and the Santa Barbara County Superior Court. The County and these 11 other participating employers are collectively referred to as the "Employers." Employees of the County represent approximately 92.57% of the membership within the Retirement System. During fiscal year 2022-23, the County made 92.7% of the annual Employer contributions to the Retirement System.

The Retirement System is administered by a board (the Retirement Board") consisting of nine members and two alternates. The Board of Supervisors appoints four Retirement Board members and the members of the Retirement System elect six members (including the two alternates). The County Treasurer is an ex-officio member of the Retirement Board.

SBCERS administers six County pension plans. With the passage of the Public Employees' Pension Reform Act ("PEPRA"), the County established a new pension plan, Plan 8, with two rate tiers – one for safety and one for general members. As of January 1, 2013, Plan 8 is the only pension plan available to new employees who do not establish reciprocity. PEPRA made several changes to the pension benefits that may be offered to employees hired on or after January 1, 2013, including increasing minimum retirement ages, increasing the percentage required for member contributions, and excluding certain types of compensation as pensionable. PEPRA has also created limits on pensionable compensation tied to the Social Security taxable wage base. The cumulative effect of these PEPRA changes will ultimately reduce the County's retirement costs. See Note 18 "Pensions" in Appendix _ to the Official Statement for a summary of the plans, benefits provided, eligible participants, County and employee contribution rates and active members for individual plans.

See Table 12 for a summary of the County's contribution to the Retirement System for the past five fiscal years.

The following table shows membership in the Retirement System for the last five calendar years.

TABLE 11
SANTA BARBARA COUNTY PUBLIC EMPLOYEES' RETIREMENT SYSTEM
MEMBER POPULATION
(AS OF JUNE 30)

	2019	***2020***	***2021***	***2022***	***2023***
Retirees and Beneficiaries[(1)]	4,519	4,844	4,906	5,075	5,231
Terminated Employees[(2)]	1,589	1,611	1,694	1,784	1,867
Active Plan Participants[(3)]	4,171	4,322	4,321	4,279	4,389
Vested	2,936	3,033	3,122	3,049	3,001
Non Vested	1,235	1,289	1,199	1,230	1,388

(1) Currently receiving benefits.
(2) Includes terminated employees entitled to benefit but not yet receiving them.
(3) Entitled to benefits but not yet receiving them.
Sources: Santa Barbara County Public Employees' Retirement System Financial Statements, for the fiscal years ended June 30, 2019 through 2023.

Funding Policy. Contributions to the Retirement System are made by members and Employers at rates recommended by an independent actuary, approved by the Retirement Board, which rates are then adopted by the Board of Supervisors. For certain bargaining units, a portion of the members' contribution is paid for by the County. Employee contributions are based upon each individual member's age of entry into the Retirement System. Member and employer contributions are allocated to various legally required reserve accounts.

An actuarial valuation is required under the Retirement Act at least every three years. The valuation must be completed by an Enrolled Actuary, covering the mortality, service, and compensation experience of the members and beneficiaries, and must evaluate the valuation assets and actuarially determined liabilities of the Retirement System. The Retirement Act requires the Retirement Board to recommend to the Board of Supervisors and the other Employers such changes in rates of interest, in the rate of contribution of members, and in the Employers' appropriations as necessary. Once the Retirement Board recommends any such changes, the Retirement Act requires the Employers to implement such changes. Current actuarial assumptions include 3% annual salary increases, 7% investment return, and 2.75% annual inflation.

Employer contributions are determined under the Entry Age Normal Cost Method, permitted by California Government Code Section 31453.5. The Entry Age Normal method defines the Normal Cost as the level percentage of salary necessary to fund the projected future benefit over the period from the date of entry to the date of separation from active service. The Actuarial Accrued Liability is that portion of the Actuarial Present Value of pension plan benefits and expenses that is not provided for by future Normal Costs. The difference between the Actuarial Accrued Liability and the Actuarial Value of Assets is called the "Unfunded Actuarial Accrued Liability" or "UAAL" and, until June 30, 2013, was amortized over a closed 17 year period (currently eight years) (subject to certain exceptions) from the date each new liability was first recognized. Under a new funding policy adopted as of June 30, 2009, the entire UAAL is amortized over a constant 17-year period. Effective with the June 30, 2014 valuation, any new sources of UAL due to actuarial gains and losses, assumption changes, or method changes are amortized over a closed 19-year period, with a five-year ramp up and four-year ramp down of the amortization payment at the beginning and end of the amortization period and 10 years of level payments as a percentage of payroll between the ramping periods. The Board also adopted a policy to replace the smoothed Actuarial Value of Assets with the Market Value of Assets for valuation purposes. These amortization and funding policies in conjunction are a type of policy known as direct rate smoothing.

Responsibility of Retirement Board. The Retirement Board is responsible for determining the specific allocation of the investments among the various asset classes considered prudent given the liability structure of the Retirement System. The long-term allocation guidelines are expressed in terms of ranges for each asset class to provide sufficient flexibility to take advantage of shorter-term market opportunities as they may occur. The asset allocation, which is the System's investment structure, is required to be sufficiently diversified to maintain risk at a reasonable level as determined by the Retirement Board without imprudently sacrificing return. The Retirement Board is required to determine performance benchmarks against which the asset allocation plan is reviewed to ensure that the asset mix remains appropriate to meet the long-term goals of the retirement program. The Retirement Board annually reviews its Investment Policy.

In accordance with the asset allocation guidelines the Retirement Board selects external investment managers with demonstrated experience and expertise whose investment styles collectively will implement the Investment Policy. The Retirement Board sets guidelines for these managers and regularly reviews their investment performance against stated objectives.

The net investment return on the market value of the Retirement System's assets for the year ended June 30, 2023 was 7.2% , compared to the 7.00% actuarial assumed rate of return that the Retirement System's actuary uses to calculate the normal Employer and employee contribution rates and the UAAL on a year-to-year basis (which is done by projecting into the future a variety of estimates, including how much is expected to be earned on the assets of the Retirement System in future years). If a lower investment return rate assumption were used, then the UAAL would be greater, as would the Employers' and employees' annual contributions for normal costs. The Employers are responsible for making contributions relating to UAAL. Conversely, the use of a higher investment return rate assumption would result in a smaller UAAL and smaller Employer and employee annual contributions. Actual investment results that are higher or lower than the assumed rate of return will also affect the UAAL and the Employers' annual contributions.

The table below sets forth historical information regarding the net investment return on the market value of the Retirement System's assets as compared to the increases in the Consumer Price Index.

TABLE 12
SANTA BARBARA COUNTY PUBLIC EMPLOYEES' RETIREMENT SYSTEM
HISTORICAL NET RETURN AT MARKET VALUES

Year Ended June 30	Net Return at Market Value	Increase in Consumer Price Index
2019	7.53%	1.6%
2020	0.78	0.6
2021	25.86	5.4
2022	-1.77	9.1
2023	7.17	3.0
Geometric Average		
5-Year	7.5	3.9
10-Year	7.2	2.7
20-Year	6.8	2.6

Source: Actuarial Valuation Report as of June 30, 2023 prepared by Cheiron.

Funding Status. Set forth below is ten-year historical trend information about the Retirement System.

TABLE 13
SANTA BARBARA COUNTY PUBLIC EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS
(In 000's)

Actuarial Valuation Date (June 30)	Market Value of Assets	Actuarial Liability (AL)	Unfunded AL	Funded Ratio	Covered Payroll	Unfunded as a % of Covered Payroll
2014	$2,513,630	$3,098,014	$584,384	81.1%	$323,831	180.5
2015	2,532,529	3,231,134	698,605	78.4	336,982	207.3
2016	2,554,539	3,356,333	801,794	76.1	346,975	231.1
2017	2,801,307	3,702,297	900,990	75.7	351,829	256.1
2018	3,002,019	3,888,126	886,107	77.2	353,016	251.0
2019	3,198,134	4,080,639	882,505	78.4	370,936	237.9
2020	3,193,932	4,297,728	1,103,796	74.3	386,137	285.9
2021	3,990,899	4,460,991	470,092	89.5	397,040	118.4
2022	3,896,843	4,713,760	816,917	82.7	403,732	202.3
2023	4,132,090	4,922,924	790,834	83.9	428,367	184.6

Source: Actuarial Valuation Report as of June 30, 2023 prepared by Cheiron.

Analysis of the dollar amounts of assets available for benefits, accrued liability and unfunded accrued liability in isolation can be misleading. Expressing net assets available for benefits as a percentage of the pension plan provides one indication of the funding status of the Retirement System. Analysis of this percentage over time indicates whether the Retirement System is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the system. Trends in unfunded accrued liability and annual covered payroll are both affected by inflation. Expressing the prefunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the Retirement System's progress made in accumulating sufficient assets to pay benefits when due.

An unfunded actuarial accrued liability is the present value of accrued plan benefits determined under the actuarial funding method used by the Retirement System to determine contributions. An unfunded actuarial accrued liability takes into account a member's service rendered to the calculation date and it includes the effect of projected salary increases. An unfunded actuarial accrued liability is the difference between the actuarial accrued liability and assets available to pay for the liability. The actuarial accrued liability has been calculated on a basis consistent with the funding method used by the Retirement System to calculate Employer contributions.

Significant assumptions used in the actuarial valuation of the Retirement System include (a) rate of return on the investment of present and future assets of 7.00% per year compounded annually, (b) projected salary increases of 3.00% per year attributable to inflation and varying percentages (based on years of service and other factors) attributable to merit and longevity increases, each compounded annually and (c) pre-retirement demographic assumptions based on experience analysis. Another important assumption is post-retirement mortality.

Contributions. The following table shows contributions by the County and County employees for the last five fiscal years.

TABLE 14
SANTA BARBARA COUNTY PUBLIC EMPLOYEES' RETIREMENT SYSTEM CONTRIBUTIONS
(Fiscal Years 2018-19 through 2023-24)

Fiscal Year (June 30)	***Employee Contributions***	***Employer Contributions***
2019	24,540,000	124,021,000
2020	29,485,000	131,338,000
2021	33,390,000	139,644,000
2022	34,279,000	149,819,000
2023	36,045,000	145,896,000
2024 (projected)	38,200,000	160,000,000

(1) Net of benefits paid, administrative costs, refund of contributions and other deductions.
Sources: Santa Barbara County Employees' Retirement System Comprehensive Annual Financial Report for the Years ended June 30, 2019 through June 30, 2023.

The Retirement System issues publicly available financial reports that include financial statements and required supplementary information. Copies of the reports may be obtained by writing the Santa Barbara County Employees' Retirement System, 3916 State Street, Suite 210, Santa Barbara, California 93105.

Other Plans. The County also provides deferred compensation plans for certain employees, as more particularly described in Note 20 to the County's audited financial statements included as APPENDIX B—"COUNTY'S AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2022-23." Total County contributions to such deferred compensation plans in Fiscal Year 2022-23 was approximately $176,000.

Other Post-Employment Benefits

Plan Description. The County's agent multiple-employer defined benefit postemployment healthcare plan (OPEB Plan) is administered by the Santa Barbara County Employees' Retirement System (SBCERS). The OPEB Plan is funded by the County and other plan sponsors, and is administered in accordance with §401(h) of the Internal Revenue Code (IRC). It was established on September 16, 2008, by the County Board of Supervisors who created a 401(h) Medical Trust.

On June 26, 2012, the County closed the OPEB Plan to new general employees, and on June 20, 2016, the OPEB Plan was closed to new County Safety members.

Other employer plan sponsors include the Carpinteria-Summerland Fire Protection District, Goleta Cemetery District, Santa Maria Cemetery District, Carpinteria Cemetery District, Summerland Sanitary District, Air Pollution Control District (APCD), the Santa Barbara County Association of Governments (SBCAG), and the Santa Barbara County Superior Court.

Plan Benefits. The OPEB Plan offers healthcare, vision, and dental benefits to eligible County retirees and their dependents. Benefits are provided by third party providers. The County negotiates health care insurance contracts with providers for both its active employees and the participating retired members of SBCERS. Retirees are offered the same health plans as active County employees, as well as enhanced senior plans for retirees on Medicare. Retiree premiums are rated separately from active County employees; as such, the County does not have a retiree premium implicit rate subsidy.

Retirees who elect to participate in a County-sponsored health insurance plan are eligible to receive an explicit subsidy for medical premiums funded by the County and other plan sponsors. The monthly subsidy is $15 per year of service. If the monthly premium for the health plan selected is less than $15 times the member's years of service, the subsidy is limited to the entire premium. The health plans include coverage for eligible spouses and dependents. After the member's death, a beneficiary is eligible to continue health plan coverage. The subsidy benefit will be equal to $15 per year of service times the survivor continuation percentage applicable for pension benefits.

If a member is eligible for a disability retirement benefit, the member can receive a monthly health plan subsidy of $187 per month or a subsidy of $15 per month per year of service, whichever is greater. This subsidy is treated as a nontaxable amount to the disabled recipient.

Retirees who choose not to participate in the County-sponsored health insurance plan receive a monthly benefit of $4 per year of service. This benefit, known as a Healthcare Reimbursement Arrangement, reimburses qualified health care expenses through a health savings account.

Funding Policy. On March 1, 2016, the County adopted a resolution approving an OPEB (401(h) Account) Funding Policy. This policy provides for funding the OPEB Plan at 4% of Covered Payroll for the 401(a) Pension Plan (see Note 21) (as opposed to the smaller covered payroll of the OPEB Plan). This funding policy went into effect on July 1, 2016. Employees are not required to contribute to the OPEB Plan. The following table shows County contributions relating to the OPEB Plan for the last five fiscal years.

TABLE 15
COUNTY OF SANTA BARBARA
OTHER POST EMPLOMENT BENEFIT PLAN CONTRIBUTIONS

Fiscal Year Ended	***County Contributions***
6/30/2019	$13,205,210
6/30/2020	13,561,662
6/30/2021	13,948,755
6/30/2022	14,376,778
6/30/2023	14,690,433

Source: County Financial Statements for the Fiscal Years ended June 30, 2019 through 2023.

See Note 19 in the Appendix __ "COUNTY OF SANTA BARBBARA ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2022" for information concerning the County OPEB Plan, including benefits provided, employees covered, Net OPEB Liability and actuarial assumptions.

Retirement System's Annual Financial Report. The Retirement System issues a publicly available annual financial report. The Retirement System's ACFR for the fiscal year ended June 30, 2023, which includes financial statements, note disclosures and required supplementary information for the OPEB Plan, may be obtained online at www.sbcers.org or by writing to the Santa Barbara County Employees' Retirement System at 130 Robin Hill Rd. Suite 100 Goleta, CA 93117.

Risk Management

Insurance. The County has established risk financing internal service funds where assets are set aside for claim settlements associated with such risks of loss up to certain limits. These funds have been established for losses related to torts, theft of or damage to and destruction of assets, errors and omissions, injuries to employees, natural disasters, medical malpractice, unemployment and providing health benefits to employees, retirees and their dependents. [During the last 10 Fiscal Years, there were no claims settlements that exceeded insurance coverage.

Excess coverage is provided through Public Risk Innovation, Solutions and Management (PRISM). PRISM is a member-directed risk sharing pool of public agencies committed to providing risk coverage programs and risk management services to its members. Self-insurance and Authority limits are as follows:

Type of Coverage	***Self-Insurance***	***CSAC Excess Insurance***
General Liability	$750,000	$25,000,000
Medical Malpractice	25,000	21,500,000
Workers' Compensation*	0	125,000

The County purchases property insurance from commercial companies through a pool comprised of a majority of Counties within the State. The shared policy limits for the County's "All Risk" coverage is $600 million with a $50,000 deductible. All property damage risks are covered on a per occurrence basis and insured at full replacement values up to the policy limits. The County also maintains earthquake coverage with shared policy limits of $565 million.

Wildfires. The County is exposed to a variety of wildfire hazard conditions ranging from very low levels of risk along the coastal portions of the County, to extreme hazards in the inland and chaparral covered hillsides of the Santa Ynez Mountains and the Los Padres National Forest. From time to time, the County has experienced significant wildfires, with loss of life and property. While the County's financial condition has not been materially adversely impacted in the past by wildfires, it has incurred firefighting and other costs. There can be no assurances that future wildfires will not materially adversely impact the County.

Flooding. From time to time, the County has experienced localized flooding after significant storms. In order to mitigate potential damages from storms and related flooding, the Santa Barbara County Flood Control and Water Conservation District owns and maintains an extensive network of debris and sediment basins throughout the County. The majority of these basins, over 20, are located in the South Coast area, where there is extensive history of debris flows and debris/sediment laden floods. These basins are primarily located upstream of at risk residences, businesses and infrastructure and intended to capture and control sediment and debris prior to downstream channels and bridges becoming filled and clogged, or worse, debris flows jumping out of creek banks. These basins are cleared and maintained annually, and as needed during emergency events, providing increased flooding and debris flow protection to the community. There can be no assurances that future flooding will not materially adversely impact the County.

Seismic Factors. Seismic activity occurs on a regular basis in the State. Periodically, the magnitude of a single seismic event can cause significant ground shaking and potential damage to property located at or near the center of such seismic activity. Both the City of Santa Barbara and the County have a program requiring the retrofitting of certain property to meet higher standards of earthquake safety. Implementation of this program is ongoing and will continue for some years. There has been no major earthquake with an epicenter located in the County since August 1978; however, a number of faults located both within and outside of the County could become the site of quake activity impacting the County. There can be no assurances that future earthquakes will not materially adversely impact the County.

Certain Pending Litigation

2017 Thomas Fire and 2018 Montecito Debris Flow. In 2018, the County and other public entities including the Santa Barbara County Flood Control and Water Conservation District, Santa Barbara County Fire Protection District, County of Ventura, Montecito Water District, City of Santa Barbara, City of Buenaventura, Montecito Fire Protection District, Carpinteria Summerland Fire Protection District, Ventura County Watershed Protection District, and Ventura County Fire Protection District (collectively, the "Public Entities"), filed suit in the Superior Court of the State of California for the County of Los Angeles against Southern California Edison Company and Edison International (collectively, "Edison") to recover damages from the 2017 Thomas Fire and 2018 Montecito debris flow. Those affirmative claims by the Public Entities were settled in 2019. Under that settlement, Edison was required to pay damages to the Public Entities, including the County, in the amount of $150 million. Of that amount, the County, County Fire Protection District, and Santa Barbara County Flood Control and Water Conservation District collectively received a gross settlement of approximately $64.9 million.

Also in connection with the 2017 Thomas Fire and 2018 Montecito debris flow, Edison also made settlement payments in excess of $1 billion to property owners and insurers that paid claims on behalf of property owners ("subrogation claims"). In 2019, Edison filed a cross-complaint against certain of the Public Entities, which included the County, City of Santa Barbara, Santa Barbara County Flood Control and Water Conservation District, California Department of Transportation, and Montecito Water District, seeking to recover from the Public Entities the settlement payments Edison made to the property owners and insurers described above in this paragraph. Any potential recovery against the County would be only a portion of the damages sought by Edison. The County denies Edison's allegations and is vigorously defending the litigation.

In November 2023, the Los Angeles County Superior Court granted the County's motion for summary adjudication that eliminated a significant portion of the potential liability from Edison's cross-complaint related to liability for individual plaintiff's claims. The County has filed a motion for summary adjudication related to the subrogation claims that is set for hearing in April 2024. The County cannot predict whether any decisions will be appealed or how long it will take for the litigation (including any appeals) to be resolved.

County Jail Stipulated Judgment and Remedial Plan. On July 17, 2020, the County entered into a Stipulated Judgment and Remedial Plan (the "Stipulated Judgment") setting forth certain remedial actions. (The Stipulated Judgment was subsequently amended on August 14, 2023.) The Stipulated Judgment relates to a class action lawsuit against the County in the U.S. District Court, Central District of California, concerning conditions of confinement in the County Jails. As part of its compliance with the Stipulated Judgment and Remedial Plan, the County is renovating the County's Main Jail Facility, which is being funded with a portion of the proceeds of the 2024 Certificates. (See "PLAN OF FINANCE – Santa Barbara County Main Jail Renovation.") The County also is considering future financings for the construction of new facilities at the Northern Branch Jail. (See "Future Financings.)

County ReSource Center. There is also a pre-litigation claim for damages against the County from MSB Investors, LLC related to the County's January 2024 termination of the contract for operation of the County's Resource Center at the Tajiguas Landfill. MSB claims damages of over $20 million. The County is vigorously defending this claim. The County expects that any amounts recoverable with respect to such claim would be payable from revenues of the Public Works Department, Resource Recovery and Waste Management Division Enterprise Fund, but it cannot be known at this time if the County General Fund could be impacted.

Other Lawsuits and Claims. There are a number of other lawsuits and claims pending against the County, including property damage, personal injury and wrongful death actions. These lawsuits and claims seek damages that, in the aggregate, could be in the tens of millions. While the County maintains insurance, there can be no assurances that a portion of the alleged damages might be in excess of the County's insurance limits or outside its policy coverage.

The County does not expect that the financial impact of adverse judgments in the matters described in this section, if any, would result in the County's failure to make Base Rental Payments when due.

Future Financings; Major County Capital Improvement Projects

The County regularly undertakes capital improvement and/or renewal and replacement programs for County facilities. Following is a discussion of two major projects under consideration by the County.

Jail Expansion. The County is currently considering the construction of new facilities at the Northern Branch Jail. Potential costs estimates range from approximately $94 million to approximately $160 million. The County is in the process of soliciting an architectural firm to develop design alternatives for the County's consideration. Final project design and bidding in anticipated to be completed by June 2026 with construction initiating shortly thereafter.

Calle Real Master Plan. The County approved a master plan for the renovation and/or repurposing on existing County's facilities in the City of Santa Barbara, and the construction of new facilities, which may include a new public administration building, behavioral wellness facilities, fire station, parking structure, public works facilities, and a new government building. The County is in the programmatic environmental review process. While the specific timing remains uncertain at this time, the County currently contemplates that the Plan will be implemented in seven phases over the next fifteen to twenty years, with construction of the first phase potentially commencing as soon as July 2026. The cost of implementation of the Plan is currently estimated to be $440 million (in 2023 dollars). The County has not yet determined financing sources for the Plan, but such sources could include the proceeds of borrowings payable from the County General Fund.

APPENDIX B

ECONOMIC AND DEMOGRAPHIC INFORMATION

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population

The following table sets forth annual population figures as of January 1 of each year for cities located within the County for each of the years listed:

TABLE B-1
COUNTY OF SANTA BARBARA
POPULATION OF CITIES WITHIN THE COUNTY
(As of January 1)

City	***2019***	***2020***	***2021***	***2022***	***2023***
Buellton	5,396	5,150	5,149	5,007	4,944
Carpenteria	13,314	13,155	13,178	12,866	12,711
Goleta	31,873	32,695	33,094	32,375	32,442
Guadalupe	7,650	8,039	8,554	8,467	8,515
Lompoc	43,722	44,394	43,951	43,733	43,493
Santa Barbara	92,927	87,476	88,131	86,279	85,418
Santa Maria	106,673	109,660	110,672	109,617	109,477
Solvang	5,577	5,820	5,838	5,694	5,669
Incorporated	307,132	306,389	308,567	304,038	302,669
County-Wide	449,795	448,229	441,625	443,156	440,557
California	39,605,361	39,538,223	39,286,510	39,078,674	38,940,231

Source: Data is from the State Department of Finance, Demographic Research Unit (with 2010 Benchmark).

Personal Income

The United States Department of Commerce, Bureau of Economic Analysis (the "BEA") produces economic account statistics that enable government and business decision-makers, researchers, and the public to follow and understand the performance of the national economy.

The BEA defines "personal income" as income received by persons from all sources, including income received from participation in production as well as from government and business transfer payments. Personal income represents the sum of compensation of employees (received), supplements to wages and salaries, proprietors' income with inventory valuation adjustment (IVA) and capital consumption adjustment (CCAdj), rental income of persons with CCAdj, personal income receipts on assets, and personal current transfer receipts, less contributions for government social insurance. Per capita personal income is calculated as the personal income divided by the resident population based upon the Census Bureau's annual midyear population estimates.

Table A-2 below presents the latest available total effective buying income and median household effective buying income for the County, the State and the nation for the calendar years 2017 through 2021.

TABLE B-2
SANTA BARBARA COUNTY AND CALIFORNIA
PERSONAL INCOME
(Calendar Years 2017 Through 2021)

Year and Area	*Personal Income (millions of dollars)*	*Per Capita Personal Income (dollars)*
2021		
County	33,037,087	73,995
State	3,006,183,929	76,614
United States	21,288,709,000	64,143
2020		
County	31,123,329	69,457
State	2,790,523,455	70,647
United States	19,812,171,000	59,765
2019		
County	28,509,928	63,586
State	2,567,425,620	64,919
United States	18,575,467,000	56,250
2018		
County	27,067,132	60,455
State	2,431,773,865	61,508
United States	17,671,054,000	53,786
2017		
County	25,867,804	57,835
State	2,318,280,905	58,804
United States	16,837,337,000	51,550

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

Industry and Employment

The largest industries in the County (Santa Barbara-Santa Maria-Goleta Metropolitan Statistical Area (an "MSA"), in terms of the percentage of employment in each respective industry, are estimated by the State Employment Development Department as set forth below. An MSA is a geographic entity defined by the U.S. Office of Management and Budget for use by federal statistical agencies in collecting, tabulating, and publishing federal statistics. A metropolitan area contains a core urban area of 50,000 or more population. Each metropolitan area consists of one or more counties and includes the counties containing the core urban area, as well as any adjacent counties that have a high degree of social and economic integration (as measured by commuting to work) with the urban core.

TABLE B-3
SANTA BARBARA-SANTA MARIA-GOLETA MSA
ANNUAL AVERAGE EMPLOYMENT[1]

Industry[2]	*2018*	*2019*	*2020*	*2021*	*2022*
Agriculture	22,900	24,100	25,200	27,000	29,400
Mining & Logging	1,000	1,000	700	600	600
Construction	8,800	8,900	8,800	9,300	9,700
Manufacturing	12,900	12,900	11,900	12,000	12,200
Trade, Trans. & Utilities	27,200	27,200	25,600	27,200	27,400
Information	4,000	4,100	3,900	4,000	4,500
Financial Activities	6,700	6,900	6,800	6,900	7,100
Prof. and Business Services	28,000	29,800	31,800	33,300	35,000
Educ. and Health Services	27,400	28,400	28,100	28,800	29,400
Leisure and Hospitality	28,200	29,000	21,900	24,300	28,200
Other Services	6,200	6,500	5,600	5,900	6,500
Government	39,000	39,400	36,500	35,200	34,200
Totals[3]	212,300	218,200	206,800	214,500	224,200

(1) Based on place of work.
(2) Based on the North American Industry Classification System or NAICS.
(3) "Totals" may not be precise due to independent rounding.
Source: State Employment Development Department, Labor Market Information Division.

The following table sets forth the major employers located in the County as of June 2022.

TABLE B-4
COUNTY OF SANTA BARBARA
CERTAIN MAJOR EMPLOYERS(1)
(as of June 30, 2023)

Company or Organization	*Jobs*	*Percent of Total County Employment*
Vandenberg Space Force Base	16,000	6.71%
UC Santa Barbara	10,973	4.60
County of Santa Barbara	6,308	2.65
Cottage Health	3,611	1.51
Santa Maria-Bonita School District	2,554	1.07
Santa Barbara Unified School District	2,500	1.05
Marian Regional Medical Center	2,177	0.91
Chumash Casino Resort	2,000	0.84
Santa Barbara City College	1,909	0.80
Lompoc Valley Medical Center	1,644	0.69
Total ten largest	49,676	20.84
Total all other	188,724	79.16
Total	238,400	100.00%

Sources: County of Santa Barbara 2023 Annual Comprehensive Financial Report

Unemployment statistics for the County, the State and the United States are set forth in the following table.

TABLE B-5
COUNTY OF SANTA BARBARA
COUNTY, STATE AND NATIONAL UNEMPLOYMENT DATA

	2018	*2019*	*2020*	*2021*	*2022*
County[(1)]	8,500	8,100	17,800	12,700	7,800
California[(1)]	819,600	795,300	1,924,000	1,387,100	811,100
United States					

(1) Data is not seasonally adjusted. The unemployment data for the County and State is calculated using unrounded data.
Source: State of California Employment Development Department Labor Market Information Division; U.S. Bureau of Labor Statistics.

Commercial Activity

The following table sets forth taxable transactions in the County for the years 2018 through 2022.

TABLE B-6
COUNTY OF SANTA BARBARA
TAXABLE SALES TRANSACTIONS
(In Thousands)

	2018	*2019*	*2020*	*2021*	*2022*
Motor Vehicle and Parts Dealers	836,759,252	833,784,167	837,761,058	944,360,114	974,476,176
Home Furnishings	272,769,315	258,888,823	248,639,394	315,919,077	304,208,674
Building Materials	576,590,923	580,527,356	650,472,564	685,142,513	701,072,945
Food and Beverage	449,905,831	453,643,550	470,101,091	495,830,841	521,096,599
Service Stations	564,181,990	589,390,743	415,558,762	619,658,215	817,104,588
Apparel Stores	360,075,927	363,162,646	281,820,776	387,315,504	408,051,165
General Merchandise	525,726,653	550,815,618	561,900,452	662,687,114	703,772,250
Food Stores	1,048,783,152	1,070,710,601	807,322,600	1,134,296,999	1,315,738,775
Other Retail	627,684,959	698,407,989	1,015,080,184	1,089,008,568	1,074,267,390
Subtotal	5,268,478,002	5,399,331,493	5,288,656,881	6,334,218,945	6,819,788,562
All Other Outlets	2,041,793,242	2,216,799,927	2,066,743,777	2,690,894,182	3,038,470,178
Total All Outlets	**7,310,271,244**	**7,616,131,420**	**7,355,400,658**	**9,025,113,127**	**9,858,258,740**

Source: California State Board of Equalization, Research and Statistics Division.

Building and Real Estate Activity

The following table provides an estimated building permit valuation summary for 2019 through 2023.

TABLE B-7
COUNTY OF SANTA BARBARA
BUILDING PERMIT VALUATIONS
(In Thousands)

	Single Family		*Residential Multifamily*		*Value of*			
Year	*Units*	*Valuation*	*Units*	*Valuation*	*Alt. & Add.*	*Total Res. Valuation*	*Nonresidential Valuation*	*Total[1]*
2019								
2020								
2021								
2022								
2023								

(1) Total represents the sum of residential and nonresidential building permit valuations. Data may not total due to independent rounding.
Source: Construction Industry Research Board.

Agriculture

The value of agricultural production in the County for 2018 through 2022 is presented in the following table.

TABLE B-8
COUNTY OF SANTA BARBARA
VALUE OF AGRICULTURAL PRODUCTION

	2018	*2019*	*2020*	*2021*	*2022*
Vegetable Crops	512,648,361	601,057,330	650,828,000	587,613,000	660,562,000
Wine Grapes	121,307,213	106,078,716	93,836,000	105,151,000	96,334,000
Fruit & Nut Crops	622,050,161	686,759,763	903,299,000	942,765,000	988,331,000
Livestock & Dairy	58,296,277	30,785,856	32,912,000	36,003,000	40,960,000
Rangeland, Field & Seed Crops	15,090,812	23,997,420	11,946,000	10,630,000	12,502,000
Cut Flowers & Cut Foliage	87,671,505	51,590,416	27,091,000	35,494,000	35,703,000
Nursery Products	103,820,835	97,624,558	98,567,000	119,137,000	95,318,000
Apiary Products	635,328	2,252,425	949,000	665,000	735,000

Source: County of Santa Barbara Department of Agriculture/Weights and Measures.

APPENDIX C

SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

APPENDIX D

AUDITED FINANCIAL STATEMENTS OF THE COUNTY FOR FISCAL YEAR 2023

APPENDIX E

PROPOSED FORM OF FINAL OPINION

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX G

BOOK ENTRY PROVISIONS