

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 31, 2017

NEW ISSUERATING

BOOK-ENTRY

Standard & Poor's: "___"

(See "CONCLUDING INFORMATION - Rating on the 2017 Bonds" herein)

Interest on the 2017 Bonds is not intended to be excluded from gross income for federal income tax purposes. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California ("Bond Counsel") subject, however, to certain qualifications described herein, under existing law, the 2017 Bonds constitute "New Clean Renewable Energy Bonds" within the meaning of Section 54C of the Internal Revenue Code of 1986, and are eligible for the credit payable by the federal government to the County under Section 6431(f) of the Tax Code. In the further opinion of Bond Counsel, interest on the 2017 Bonds is exempt from California personal income taxes. See "TAX MATTERS" herein.

\$7,900,000*

**SANTA CRUZ COUNTY CAPITAL FINANCING AUTHORITY
TAXABLE LEASE REVENUE BONDS, 2017 SERIES A
(DIRECT PAY SUBSIDY NEW CLEAN RENEWABLE ENERGY BONDS)**

Dated: Date of Delivery**Due: June 1, as Shown on the Inside Cover Page.**

The Santa Cruz County Capital Financing Authority Taxable Lease Revenue Bonds, 2017 Series A (Direct Pay Subsidy New Clean Renewable Energy Bonds) (the "2017 Bonds") are being issued to (i) finance the acquisition and installation of photovoltaic energy

- LARGE ATTACHMENTS -

Attachments exceeding 30 printed pages not included in the downloadable (pdf) full agenda packet are available in 'web view' on the County's Meeting Portal at - <https://santacruzcountyca.iqm2.com>

(Click on today's meeting date to locate the item & attachments)

Materials are also available for viewing in person during normal business hours at:

Clerk of the Board, Government Center Building, 701 Ocean St., 5th floor, Room 520, Santa Cruz, CA

rates were determined at the applicable credit rate determined under section 54A(b)(3) of the Tax Code. See "THE 2017 BONDS - Designation of the 2017 Bonds as New Clean Renewable Energy Bonds" herein.

Interest on the 2017 Bonds is payable semiannually on June 1 and December 1 of each year, commencing on June 1, 2018, until maturity or earlier redemption. See "THE 2017 BONDS - General Provisions" and "THE 2017 BONDS - Redemption" herein.

THE 2017 BONDS DO NOT CONSTITUTE AN OBLIGATION OF THE AUTHORITY FOR WHICH THE AUTHORITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE AUTHORITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE OBLIGATION OF THE COUNTY TO PAY LEASE PAYMENTS DOES NOT CONSTITUTE AN OBLIGATION 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. THE OBLIGATION OF THE COUNTY TO PAY LEASE PAYMENTS DOES NOT CONSTITUTE A DEBT OR LIABILITY OF THE COUNTY, THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

The cover page contains certain information for quick reference only. It is not a summary of the issue. Potential investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. See "RISK FACTORS" herein for a discussion of special risk factors that should be considered in evaluating the investment quality of the 2017 Bonds.

The 2017 Bonds are offered, when, as and if issued, subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel. Certain legal matters will be passed on for the County and the Authority by the County Counsel, and by Norton Rose Fulbright US LLP, Los Angeles, California, as Disclosure Counsel, and for the Underwriter by its counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California. It is anticipated that the 2017 Bonds, in book-entry form, will be available for delivery on or about December 7, 2017 through the facilities of The Depository Trust Company (see "APPENDIX E - THE BOOK-ENTRY SYSTEM" herein).

The date of the Official Statement is _____, 2017.

STIFEL

* Preliminary, subject to change.

or amendment. Under no circumstances shall shall there be any sale of these securities in any such jurisdiction.

This Preliminary Official Statement and the information contained this Preliminary Official Statement constitute an offer to sell or a solicitation in which such offer, solicitation or sale would be unlawful.

\$7,900,000*
SANTA CRUZ COUNTY CAPITAL FINANCING AUTHORITY
TAXABLE LEASE REVENUE BONDS, 2017 SERIES A
(DIRECT PAY SUBSIDY NEW CLEAN RENEWABLE ENERGY BONDS)

MATURITY SCHEDULE
(Base CUSIP®† 80181P)

Maturity Date	Principal	Interest	Reoffering	Reoffering	CUSIP®†
<u>June 1</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Price</u>	
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					

* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the County, the Authority, the Municipal Advisor or the Underwriter and are included solely for the convenience of the holders of the Bonds. None of the County, the Authority, the Municipal Advisor or the Underwriter is responsible for the selection or use of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

**SANTA CRUZ COUNTY CAPITAL FINANCING AUTHORITY
SANTA CRUZ, CALIFORNIA**

COUNTY GOVERNING BOARD

John Leopold, *Supervisor, 1st District*
Zach Friend, *Supervisor, 2nd District*
Ryan Coonerty, *Supervisor, 3rd District*
Greg Caput, *Supervisor, 4th District*
Bruce McPherson, *Supervisor, 5th District*

COUNTY OFFICIALS

Carlos Palacios, *County Administrative Officer*
Edith Driscoll, *Auditor-Controller-Treasurer-Tax Collector*
Sean Saldavia, *Assessor-Recorder*
Dana McRae, *County Counsel*
Nicole Coburn, *Assistant County Administrative Officer*
Carol Johnson, *Interim Director of General Services*

PROFESSIONAL SERVICES

Bond Counsel

Jones Hall, A Professional Law Corporation
San Francisco, California

Disclosure Counsel

Norton Rose Fulbright US LLP
Los Angeles, California

Municipal Advisor

Harrell & Company Advisors, LLC
Orange, California

Trustee

The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the offer and sale of the 2017 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract with the purchasers of the 2017 Bonds.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the 2017 Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the County or any other parties described in this Official Statement.

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

Limit of Offering. No dealer, broker, salesperson or other person has been authorized by the Authority or the County to give any information or to make any representations in connection with the offer or sale of the 2017 Bonds other than those contained herein and if given or made, such other information or representation must not be relied upon as having been authorized by the Authority, the County, the Municipal Advisor or the Underwriter. 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 2017 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Preparation of this Official Statement. The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof. This Official Statement is submitted in connection with the sale of the 2017 Bonds 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 2017 Bonds, the Lease Agreement, the Indenture or other documents, are made subject to the provisions of such documents and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the County Clerk for further information. See “INTRODUCTION - Summaries Not Definitive.”

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

2017 Bonds are Exempt from Securities Laws Registration. The issuance, sale and delivery of the 2017 Bonds has not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the execution, sale and delivery of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934.

Stabilization of Prices. In connection with this offering, the Underwriter may overallocate or effect transactions which stabilize or maintain the market price of the 2017 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the 2017 Bonds to certain dealers and others at prices lower than the public offering prices set forth on the inside cover page hereof and said public offering prices may be changed from time to time by the Underwriter.

County Website. The County maintains a website. The information on such website is not part of this Official Statement and is not intended to be relied on by investors with respect to the 2017 Bonds unless specifically set forth or incorporated herein.

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