DAC Bond®

Municipal Market Disclosure Information Cover Sheet

This Filing Applies to:

1. City of Sacramento, TOT Revenue Bonds (Convention Center Complex), $283,315,000, 2018 Senior Series A, $195,815,000, 2018 Senior Series B (Federally Taxable), $20,610,000 and 2018 Subordinate Series C, $66,890,000, Dated: November 1, 2018
786073AB2, 786073AY2, 786073AC0, 786073AZ9, 786073AD8, 786073BA3, 786073AE6, 786073BB1, 786073AF3, 786073AG1, 786073BC9, 786073BD7, 786073AH9, 786073AJ5, 786073BE5, 786073BF2, 786073AK2, 786073BG0, 786073AL0, 786073BH8, 786073AM8, 786073AN6, 786073BJ4, 786073BK1, 786073AP1, 786073AQ9, 786073BL9, 786073BM7, 786073AR7, 786073BN5, 786073AS5, 786073AT3, 786073BP0, 786073AU0, 786073BQ8, 786073AV8, 786073BR6, 786073AW6, 786073BS4

2. Sacramento City Financing Authority, Refunding Revenue Bonds (Master Lease Program Facilities), 2015, $183,380,000, Dated: October 14, 2015
785849WD8, 785849WE6, 785849WF3, 785849WG1, 785849WH9, 785849WZ9, 785849WJ5, 785849WK2, 785849WL0, 785849WM8, 785849WN6, 785849WP1, 785849WQ9, 785849WR7, 785849WS5, 785849WT3

3. Sacramento City Financing Authority, $218,205,000 Consisting of: Capital Improvement Revenue Bonds, 2006 Series C (300 Richards Boulevard Building Acquisition), $28,825,000 and Taxable Capital Improvement Revenue Bonds, 2006 Series D (300 Richards Boulevard Building Acquisition), $2,430,000 and Refunding Revenue Bonds, 2006 Series E (Master Lease Program Facilities), $186,950,000, Dated: December 12, 2006
785849UX6, 785849UY4, 785849UZ1, 785849VA5, 785849VB3, 785849VC1, 785849VD9

4. Sacramento City Financing Authority, $151,135,000 Consisting of: Capital Improvement Revenue Bonds, 2006 Series A (Community Reinvestment Capital Improvement Program), $95,900,000 aand Taxable Capital Improvement Revenue Bonds, 2006 Series B (Community Reinvestment Capital Improvement Program), $55,235,000, Dated: June 15, 2006
785849TM2

TYPE OF FILING:

If information is also available on the Internet, give URL: www.dacbond.com

WHAT TYPE OF INFORMATION ARE YOU PROVIDING? (Check all that apply)

Financial / Operating Data Disclosures

Rule 15c2-12 Disclosure

- [ ] Annual Financial Information & Operating Data (Rule 15c2-12)
- [ ] Audited Financial Statements or ACFR (Rule 15c2-12)
- [ ] Failure to provide as required

Additional / Voluntary Disclosure

- [ ] Quarterly / Monthly Financial Information
- [ ] Change in Fiscal Year / Timing of Annual Disclosure
- [ ] Change in Accounting Standard
- [ ] Interim / Additional Financial Information / Operating Data
- [ ] Budget
- [ ] Investment / Debt / Financial Policy
- [ ] Information Provided to Rating Agency, Credit / Liquidity Provider or Other Third Party
- [ ] Consultant Reports
- [ ] Other Financial / Operating Data

Event Filing

Rule 15c2-12 Disclosure

- [ ] Principal / Interest Payment Delinquency
- [ ] Non-payment Related Default
- [ ] Unscheduled Draw on Debt Service Reserve Reflecting Financial Difficulties
- [ ] Unscheduled Draw on Credit Enhancement Reflecting Financial Difficulties
- [ ] Substitution of Credit or Liquidity Provider, or Its Failure to Perform
- [ ] Adverse Tax Opinion or Event Affecting the Tax-exempt Status of the Security
- [ ] Modification to the Rights of Security Holders
- [ ] Bond Call
- [ ] Defeasance
- [ ] Release, Substitution or Sale of Property Securing Repayment of the Security
- [ ] Rating Change

- [ ] Tender Offer / Secondary Market Purchases
- [ ] Merger / Consolidation / Acquisition and Sale of All or Substantially All Assets
- [ ] Bankruptcy, insolvency, receivership or similar event
- [ ] Successor, Additional or Change in Trustee
- [ ] Failure to Provide Event Filing Information as Required
- [ ] Financial Obligation - Incurrence and Agreement
- [ ] Financial Obligation - Event Reflecting Financial Difficulties

Additional / Voluntary Disclosure

- [ ] Amendment to Continuing Disclosure Undertaking
- [ ] Change in Obligated Person
- [ ] Notice to Investor Pursuant to Bond Documents
- [ ] Communication From the Internal Revenue Service
- [ ] Bid For Auction Rate or Other Securities
- [ ] Capital or Other Financing Plan
- [ ] Litigation / Enforcement Action
- [ ] Change of Tender Agent, Remarketing Agent or Other On-going Party
- [ ] Derivative or Other Similar Transaction
- [x] Other Event-based Disclosures

Moody's Rating Affirmation dated March 30, 2022

Asset-Backed Securities Filing

Additional / Voluntary Disclosure

- [ ] Initial Asset-Backed Securities Disclosure (SEC Rule 15Ga-1(c)(1))
- [ ] Quarterly Asset-Backed Securities Disclosure (SEC Rule 15Ga-1(c)(2)(i))
- [ ] Annual Asset-Backed Securities Disclosure (SEC Rule 15Ga-1(c)(2)(ii))
- [ ] Other Asset-Backed Securities Disclosure (e.g. notice of termination of duty to file reports pursuant to SEC Rule 15Ga-1(c)(3))

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Authorized By:
Name: Brian Wong
Title: Debt Manager
Entity: Sacramento, CA, City of

Digital Assurance Certification

Filing Certificate

DAC transmitted the Other Event-based Disclosures to EMMA/SID (if applicable) on behalf of Sacramento, CA, City of under their SEC Rule 15c2-12 Continuing Disclosure Agreement.

Transmission Details: P21191261

Date & Time Stamp:	04/05/2022
Document:	Other Event-based Disclosures: Moody's Rating Affirmation dated March 30, 2022
DAC Bond Coversheet:	Yes
Transmitted to:	MSRB-EMMA
Total CUSIPs associated with this Filing:	63
Filing made on Series:	2018A,B,C, 2015, 2006C,D,E, 2006A,B

Codes: P (Prerefunded), **R** (Refunded), **U** (Unrefunded), **E** (Escrowed), **A** (Advance Refunding), **D** (Defeased), **T** (Tendered), **V** (Derivatives), **UD** (Undetermined), **NLO** (No Longer Outstanding)

Red: Original CUSIPs - filing missed · **Blue:** Non-Original CUSIPs - filing missed · **Green:** Outstanding CUSIPs - filing made · **Black:** Inactive CUSIPs

1. Issue: City of Sacramento, TOT Revenue Bonds (Convention Center Complex), $283,315,000, 2018 Senior Series A, $195,815,000, 2018 Senior Series B (Federally Taxable), $20,610,000 and 2018 Subordinate Series C, $66,890,000, Dated: November 1, 2018

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   No missing CUSIPs for this bond issue

2. Issue: Sacramento City Financing Authority, Refunding Revenue Bonds (Master Lease Program Facilities), 2015, $183,380,000, Dated: October 14, 2015

   CUSIP: 785849WD8, 785849WE6, 785849WF3, 785849WG1, 785849WH9, 785849WJ5, 785849WZ9, 785849WK2, 785849WL0, 785849WM8, 785849WN6, 785849WP1, 785849WQ9, 785849WR7, 785849WS5, 785849WT3

   No missing CUSIPs for this bond issue

3. Issue: Sacramento City Financing Authority, $218,205,000 Consisting of: Capital Improvement Revenue Bonds, 2006 Series C (300 Richards Boulevard Building Acquisition), $28,825,000 and Taxable Capital Improvement Revenue Bonds, 2006 Series D (300 Richards Boulevard Building Acquisition), $2,430,000 and Refunding Revenue Bonds, 2006 Series E (Master Lease Program Facilities), $186,950,000, Dated: December 12, 2006

   CUSIP: 785849UX6, 785849UY4, 785849UZ1, 785849VA5, 785849VB3, 785849VC1, 785849VD9

   No missing CUSIPs for this bond issue

4. Issue: Sacramento City Financing Authority, $151,135,000 Consisting of: Capital Improvement Revenue Bonds, 2006 Series A (Community Reinvestment Capital Improvement Program), $95,900,000 aand Taxable Capital Improvement Revenue Bonds, 2006 Series B (Community Reinvestment Capital Improvement Program), $55,235,000, Dated: June 15, 2006

   CUSIP: 785849TM2

   No missing CUSIPs for this bond issue

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ADDITIONAL (VOLUNTARY) DISCLOSURE
RATINGS AFFIRMED

Dated: April 5, 2022

NOTICE IS HEREBY GIVEN that on March 30, 2022, Moody's Investors Service ("Moody's") affirmed the City of Sacramento's long-term issuer rating at "***Aa2***" and affirmed the outlook as ***stable***. Additionally, Moody's affirmed the long-term ratings with a stable* outlook for various Sacramento City Financing Authority and City of Sacramento bond issues. The rating affirmation impacted the following series of bonds:

Sacramento City Financing Authority

- 2006 Taxable Capital Improvement Revenue Bonds, Series B [*Aa3* rating affirmed]
- 2006 Refunding Revenue Bonds, Series E [*Aa3* rating affirmed]
- 2015 Refunding Revenue Bonds [*Aa3* rating affirmed]

City of Sacramento

- 2018 TOT Revenue Bonds, Senior Series A [*A1* rating affirmed]
- 2018 TOT Revenue Bonds, Senior Series B [*A1* rating affirmed]
- 2018 TOT Revenue Bonds, Subordinate Series C [*A2* rating affirmed]

*The outlook for the TOT Bonds was revised from *negative* to *stable*.

City of Sacramento

Brian Wong
Debt Manager

Attachment: Moody's Rating Action Report dated March 30, 2022

MOODY'S
INVESTORS SERVICE

Rating Action: Moody's affirms all outstanding ratings for the City of Sacramento, CA; outlook on TOT ratings revised to stable from negative

30 Mar 2022

New York, March 30, 2022 -- Moody's Investors Service has affirmed the City of Sacramento, CA's Aa2 issuer, Aa3 lease revenue bond, A1 senior lien transient occupancy tax (TOT) and A2 subordinate lien TOT ratings. The city's outstanding debt includes $562.2 million lease revenue bonds, $212.5 million senior lien TOT bonds and $65.7 million subordinate lien TOT bonds. The outlook is stable including the revision of the outlook to stable from negative on the TOT bonds.

RATINGS RATIONALE

The city's Aa2 issuer rating reflects the large tax base that continues to grow despite pandemic-driven effects on the regional economy. While unemployment rates increased, housing prices remained solid supported by the continued inflow of Bay Area residents seeking more affordable housing. The Aa2 rating also reflects the city's continued strong financial position, with most general fund tax revenue streams performing better than anticipated, offsetting weakness in charges for services. Fiscal 2021 was the second full year of Measure U revenue, a voter-approved, permanent increase in the override sales tax rate from a half cent to a full cent, which outperformed pre-pandemic estimates of an additional $45 million. Positively, the city began including the Measure U revenue in its formula for calculating its Economic Uncertainty Reserve, which is a significant portion of its growing available balances.

The city's fixed costs are somewhat elevated and will be an increased burden on the general fund because of prior year revenue declines in the city's Golden One Center lease revenue bond fund, parking enterprise fund and community center enterprise fund, which are dedicated to pay debt service. While the city has needed to provide general fund support to these funds in fiscal 2022 due to cumulative deficits, the revenue streams for these funds are recovering. Additionally, state and federal pandemic funding will lessen the need for general fund support as these revenues recover over the next three to five years. The city's debt level is moderate, but pension and OPEB liabilities are elevated. Notably, the city eliminated OPEB benefits for new employees in 2015 and funded an OPEB trust.

The Aa3 lease-backed ratings are one notch lower than the Aa2 issuer rating. For a California city, Moody's typically applies a one-notch distinction from the issuer rating, reflecting a standard California abatement lease legal structure and leased assets that we view as "more essential." The Aa3 rating applies to the city's 2015 Refunding Revenue Bonds (Master Lease Program Facilities), 2006 Capital Improvement Revenue Bonds, Series B Taxable, and 2006 Refunding Revenue Bonds, Series E (Master Lease Program Facilities), which benefit from the more essential nature of the leased assets within the city's Master Lease Program.

The A1 rating on the city's senior lien TOT revenue bonds reflects the economic strength of the Sacramento area, which has been the fastest growing large city in California with robust growth in travel and tourism, as well as the stabilizing influence of the state capital. Revenue per Available Room has fully recovered to pre-pandemic levels, supported in part by recent construction of additional hotel rooms, as well as full recovery of occupancy rates. Favorable debt structure and strong legal provisions are key credit features, but coverage dropped below 1.0 times in fiscal 2021, resulting in the city to support debt service with available balances in the community center enterprise fund and general fund. We consider the city's support of debt service to be governance factor driving this rating action. MADS coverage is expected to be above 1.0 times in fiscal 2022.

The A2 rating on the subordinate lien bonds reflects the shared features of the senior lien bonds, but the rating distinction reflects the subordinate lien pledge and weaker additional bonds test. There was no TOT available for subordinate debt service after payment of the senior lien bonds in fiscal 2021. This insufficiency was offset by the city's substantial balance in its community center fund available to pay debt service during the downturn. Coverage is expected to return to above 1.0 times in fiscal 2022. The demonstrated support by the city is also a governance factor driving this rating action.

RATING OUTLOOK

The stable outlook for the city's issuer and lease ratings reflects our view that the city's financial profile will remain consistent with the current rating level. The large amount of federal and state funding the city has received can be used to offset revenue declines that would otherwise require general fund support. Existing strong reserves combined with budget cuts will enable the city to weather pressures on both revenues and costs.

Revision of the outlook on the TOT bond ratings to stable reflects our view that the recovery of pledged revenues will be sufficient to maintain the credit profile of the bonds in the near term.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Sustained increases in reserves and liquidity

- Sustained growth in general fund and Measure U revenues

- Reduction of unfunded pension and OPEB liabilities

- Material improvement to resident wealth measures, including median family income and full value per capita

- Substantial growth in debt service coverage (TOT bonds)

- Trend of robust economic growth (TOT bonds)

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Protracted deterioration of fiscal position through deficit spending

- Material erosion of the tax base

- Material increase in general fund-supported debt

- Material growth in unfunded pension or OPEB liabilities

- Material decline in non-general fund revenue used to pay lease-backed debt, creating significant fiscal stress to the general fund, could result in widened notching (lease revenue bonds)

- Return to a decline of pledged revenue (TOT bonds)

- Depletion of available reserves (TOT bonds)

- Use of the debt service reserve surety (TOT bonds)

LEGAL SECURITY

The city's lease-backed obligations are secured by standard abatement leases benefiting from 24-month rental interruption insurance and surety-funded or cash-funded debt service reserves. The Aa3-rated bonds are secured by rental payments for use and occupancy of a variety of leased assets under a master lease agreement.

The TOT bonds are secured by a pledge of and lien on TOT taxes generated by the room tax on lodging businesses located within the City of Sacramento, net of a small portion of the TOT revenues used to support the general fund and the visitors' bureau, which are not pledged. The bonds are additionally secured by debt service reserve funds for each lien equal to the lesser of a standard three-prong test. The senior lien bonds have a 1.75 times maximum annual debt service (MADS) additional bonds test (ABT) and the subordinate lien bonds have a 1.15 times MADS ABT. The repayment of the bonds is also secured in part by a TOT revenue surplus account, which was established upon issuance with a current balance of $1.9 million, equal to approximately 10% of MADS.

PROFILE

Sacramento is located at the confluence of the Sacramento and American rivers in the northern Central Valley, 75 miles northeast of San Francisco (Aaa negative). The city encompasses 99 square miles and has over 500,000 residents as of 2018, making it the sixth largest city in the state. It was incorporated in 1849 and is the

California (Aa2 stable) state capital and the seat of Sacramento County (A1 stable). The full-service city is governed by a nine-member city council including an elected mayor.

METHODOLOGY

The principal methodology used in the special tax ratings was US Public Finance Special Tax Methodology published in January 2021 and available at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBM_1260087. The principal methodology used in the issuer rating was US Local Government General Obligation Debt published in January 2021 and available at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBM_1260094 . The principal methodology used in the lease ratings was Lease, Appropriation, Moral Obligation and Comparable Debt of US Local Governments Methodology published in March 2022 and available at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBM_1317546 . Alternatively, please see the Rating Methodologies page on www.moodys.com for a copy of these methodologies.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found at: https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

For ratings issued on a program, series, category/class of debt or security this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series, category/class of debt, security or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

The ratings have been disclosed to the rated entity or its designated agent(s) and issued with no amendment resulting from that disclosure.

These ratings are solicited. Please refer to Moody's Policy for Designating and Assigning Unsolicited Credit Ratings available on its website www.moodys.com.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at http://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1288235 .

At least one ESG consideration was material to the credit rating action(s) announced and described above.

The Global Scale Credit Rating on this Credit Rating Announcement was issued by one of Moody's affiliates outside the EU and is endorsed by Moody's Deutschland GmbH, An der Welle 5, Frankfurt am Main 60322, Germany, in accordance with Art.4 paragraph 3 of the Regulation (EC) No 1060/2009 on Credit Rating Agencies. Further information on the EU endorsement status and on the Moody's office that issued the credit rating is available on www.moodys.com.

The Global Scale Credit Rating on this Credit Rating Announcement was issued by one of Moody's affiliates outside the UK and is endorsed by Moody's Investors Service Limited, One Canada Square, Canary Wharf, London E14 5FA under the law applicable to credit rating agencies in the UK. Further information on the UK endorsement status and on the Moody's office that issued the credit rating is available on www.moodys.com.

Please see www.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the ratings tab on the issuer/entity page on www.moodys.com for additional regulatory disclosures for each credit rating.

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