

AGENDA
THURSDAY OCTOBER 19, 2017
OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR
THE COUNTY OF RIVERSIDE
CONFERENCE ROOM D, 5th FLOOR – COUNTY ADMINISTRATIVE CENTER
4080 Lemon Street, Riverside, California 92501
(Clerk 951-955-1060)

1:30 P.M.

Pledge of Allegiance to the Flag

Roll Call

OPENING COMMENTS:

BOARD MEMBERS

ADMINISTRATIVE ACTION:

1. Approval of Meeting Minutes – September 14, 2017
2. Consideration and approval of OB Resolution 2017-017, Issuance of Housing Bonds in order to refund certain outstanding bonds of the dissolved Redevelopment Agency.

DISCUSSION:

1. Discussion and update regarding Riverside County Consolidated Oversight Board

EXECUTIVE SESSION:

With respect to every item of business to be discussed in closed session pursuant to Government Code Section 54956.9 (d)(2):
Conference with Legal Counsel – Anticipated Litigation, significant exposure to litigation.

ORAL COMMUNICATIONS FROM THE AUDIENCE ON ANY MATTER WHICH DOES NOT APPEAR ON THE BOARD'S AGENDA:

MEETING ADJOURNED TO: ___ January ___, 2018

Accommodation under the Americans with Disabilities act and agenda in alternate formats are available upon request. **Requests must be made at least 72 hours prior to the meeting.** Later requests will be accommodated to the extent feasible. Please telephone Lisa Wagner at the Clerk of the Board office at (951) 955-1063, from 8:00 a.m. to 5:00 p.m., Monday through Thursday.

MINUTES OF THE
OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR
THE COUNTY OF RIVERSIDE
CONFERENCE ROOM D, 5th FLOOR – COUNTY ADMINISTRATIVE CENTER
4080 Lemon Street, Riverside, California 92501
(Clerk 951-955-1060)

THURSDAY, September 14, 2017

1:00 P.M.

Pledge of Allegiance to the Flag

Roll Call

Chuck Washington was absent.

OPENING COMMENTS:

BOARD MEMBERS

ADMINISTRATIVE ACTION:

1. Approval of Meeting Minutes – April 20, 2017

On motion of Paul Jessup, seconded by Aaron Hake and duly carried by unanimous vote, the Meeting Minutes of April 20, 2017, were received and filed.

2. Consideration and approval of Resolution 2017-010, Transfer of Successor Agency Property, APNs 177-051-001, 177-051-002, 177-051-003, 181-111-015, 181-030-011, 443-050-006, and 426-180-020, various locations throughout the County of Riverside, to the Housing Authority of the County of Riverside, to be retained for future development.

On motion of Paul Jessup, seconded by Aaron Brown and duly carried by unanimous vote, Resolution No. 2017-010 was approved as recommended.

3. Consideration and approval of Resolution 2017-011, Sale of Successor Agency property, APN 174-150-022, Jurupa, to Rubinvest, LP, for \$1,195,000.00.

On motion of Paul Jessup, seconded by Aaron Brown and duly carried by unanimous vote, Resolution No. 2017-011 was approved as recommended.

4. Consideration and approval of Resolution 2017-012, Sale of Successor Agency Property, APN 723-222-002, Mecca to County of Riverside for \$8,500.00.

On motion of Paul Jessup, seconded by Aaron Brown and duly carried by unanimous vote, Resolution No. 2017-012 was approved as recommended.

5. Consideration and approval of Resolution 2017-013, Acceptance of APN 426-180-020, Nuevo, from the Housing Authority to the Successor Agency.

On motion of Paul Jessup, seconded by Aaron Brown and duly carried by unanimous vote, Resolution No. 2017-013 was approved as recommended.

6. Consideration and approval of Resolution 2017-014, Sale of Successor Agency Property, APNs 329-020-009 and 329-020-022, Menifee, to Fuel Distributors, LLC, for \$1,522,204.

On motion of Paul Jessup, seconded by Aaron Brown and duly carried by unanimous vote, Resolution No. 2017-014 was approved as recommended.

7. Consideration and approval of Resolution 2017-008, Amended Recognized Obligation Payment Schedule.

On motion of Aaron Brown, seconded by Paul Jessup and duly carried by unanimous vote, Resolution No. 2017-008 was approved as recommended.

8. Consideration and approval of Resolution 2017-015, Transfer of Successor Agency property, APN 759-060-024, Thermal, to the County of Riverside for governmental use (public safety purposes) pursuant to Health & Safety Code Section 34181(a)(1).

On motion of Paul Jessup, seconded by Aaron Hake and duly carried by unanimous vote, Resolution No. 2017-015 was approved as recommended.

9. Consideration and approval of Resolution 2017-016, terminating the Façade Improvement Program, various forgivable loan agreements and Façade Easement Agreements.

On motion of Paul Jessup, seconded by Aaron Brown and duly carried by unanimous vote, Resolution No. 2017-016 was approved as recommended.

DISCUSSION:

Discussion regarding Oversight Board consolidation and disbanding current Board.

ORAL COMMUNICATIONS FROM THE AUDIENCE ON ANY MATTER WHICH DOES NOT APPEAR ON THE BOARD'S AGENDA: *No Public Comment*

MEETING ADJOURNED TO: October 19, 2017

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**OVERSIGHT BOARD
FOR THE
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
FOR THE
COUNTY OF RIVERSIDE**

Reports, Discussion and Action Items

Meeting Date: October 19, 2017

Action: **Adopt Resolution No. 2017-017, A Resolution of the Oversight Board for the Successor Agency to the Redevelopment Agency for the County of Riverside Approving the Issuance of Housing Refunding Bonds, Making Certain Determinations With Respect to the Refunding Bonds and Providing Others Matters Relating Thereto**

Background:

On September 24, 2013, the Board of Supervisors approved in principle the initiation of a County Redevelopment Bond Refunding Program (Agenda Item 4-1). On February 11, 2014, the Board of Supervisors executed the Refunding Program Agreement and approved Successor Agency Resolution No. 2014-003, requesting direction to undertake proceedings for the refunding of outstanding bonds of the former Redevelopment Agency for the County of Riverside. To date, the Agency has successfully completed 18 refundings with total savings in excess of \$114 million.

On August 10, 2017, the County Debt Advisory Committee (DAC) approved the issuance of refunding tax allocation bonds to refinance the 2010 Housing Series A-T and the 2011 Housing Series A bonds. On August 29, 2017, the Board of Supervisors adopted Successor Agency Resolution no. 2017-019, authorizing the issuance of the refunding bonds.

The bonds will be issued by the Successor Agency. The term of the existing bonds will not be extended by the issuance of the refunding bonds. The refunding bonds comply with the savings parameters set forth in Section 34177.5 (a) (1) of the Health and Safety Code and with the County's Board Policy B-24 II (J).

The anticipated amount of the proposed bond issues, savings percentages, and savings amounts are shown in the table below.

2017 Series Housing Summary

Series	2010 A-T Housing Bonds	2011 Series A Housing Bonds	Combined
New Issue Size	\$52,725,000	\$29,141,594	\$81,866,594
NPV Savings	\$5,202,000	\$3,423,000	\$8,625,000
NPV Savings as % of re funded bonds	11.76%	17.35%	13.49%
Average Annual Savings	\$295,625	\$188,550	\$484,175

It is expected that these refunding bonds will be issued in February 2018. Staff is bringing forward this request for approval from the Oversight Board at this time due to the requirements for review by Department of Finance (DOF”) as specified in AB 1484.

Recommendation: Staff recommends adoption of Resolution No. 2017-017, A Resolution of the Oversight Board for the Successor Agency to the Redevelopment Agency for the County of Riverside Approving the Issuance of Housing Refunding Bonds, Making Certain Determinations With Respect to the Refunding Bonds and Providing Other Matters Relating Thereto.

Attachments:

- Resolution No. 2017-017 of the Oversight Board for the Successor Agency to the Redevelopment Agency for the County of Riverside
- BOS Agenda Item 4.6 – 8/29/17

http://rivcocob.org/proceeds/2017/p2017_08_29_files/04.06001.pdf

RESOLUTION OB NO. 2017-017

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE APPROVING THE ISSUANCE OF HOUSING REFUNDING BONDS, MAKING CERTAIN DETERMINATIONS WITH RESPECT TO THE REFUNDING BONDS AND PROVIDING OTHER MATTERS RELATING THERETO

WHEREAS, the Redevelopment Agency for the County of Riverside (the "Former Agency") was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State (the "Law");

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, all Section references hereinafter being to such Code), the Former Agency has been dissolved and no longer exists, and pursuant to Section 34173, the Successor Agency to the Redevelopment Agency for the County of Riverside (the "Successor Agency") has become the successor entity to the Former Agency;

WHEREAS, pursuant to Section 34179, this Oversight Board has been established for the Successor Agency;

WHEREAS, the Oversight Board is informed by the Successor Agency that the Former Agency previously issued its (i) Redevelopment Agency for the County of Riverside 2010 Taxable Tax Allocation Housing Bonds, Series A-T (the "2010 Series A-T Bonds") in the initial aggregate principal amount of \$50,860,000, and (ii) Redevelopment Agency for the County of Riverside 2011 Tax Allocation Housing Bonds, Series A (the "2011 Series A Bonds" and, together with the 2010 Series A-T Bonds, the "Prior Bonds") in the initial aggregate principal amount of \$14,093,027.60, in each case for the purpose of financing low- and moderate-income housing within the County of Riverside;

WHEREAS, Section 34177.5 authorizes the Successor Agency to issue refunding bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law") for the purpose of achieving debt service savings within the parameters set forth in Section 34177.5(a)(1) (the "Savings Parameters");

WHEREAS, to determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency of its 2017 Taxable Tax Allocation Housing Refunding Bonds, Series A-T (the "2017 Series A-T Bonds") and its 2017 Tax Allocation Housing Refunding Bonds, Series B (the "2017 Series B Bonds" and, together with the 2017 Series A-T Bonds, the "Refunding Bonds"), the Successor Agency has caused its municipal advisor, C.M. de Crinis & Co., Inc. (the "Municipal Advisor"), to prepare an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the Refunding Bonds to refund all of the outstanding Prior Bonds (the "Debt Service Savings Analysis");

WHEREAS, the Successor Agency by its resolution adopted on August 29, 2017 (the "Successor Agency Resolution") approved the issuance of the Refunding Bonds pursuant to Section 34177.5(a)(1);

WHEREAS, in the Successor Agency Resolution, the Successor Agency approved the issuance of the Refunding Bonds and authorized the execution and delivery of the Third Supplement to Indenture of Trust, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee, providing for the issuance of the 2017 Series A-T Bonds (the "Third Supplement") and Eighth Supplement to Indenture of Trust, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee, providing for the issuance of the 2017 Series B Bonds (the "Eighth Supplement" and, together with the Third Supplement, the "Supplements");

WHEREAS, in the Successor Agency Resolution, the Successor Agency also requested that this Oversight Board (i) direct the Successor Agency to undertake the refunding proceedings and approve the issuance of the Refunding Bonds pursuant to the Successor Agency Resolution and the Supplements and (iii) that this Oversight Board make certain determinations described below on which the Successor Agency will rely in undertaking the refunding proceedings and the issuance of the Refunding Bonds;

WHEREAS, the Successor Agency has determined to sell the Refunding Bonds to Citigroup Global Markets Inc. and Raymond James & Associates, Inc. (collectively, the "Original Purchasers") pursuant to the terms of a Bond Purchase Agreement to be entered into by and between the Successor Agency and the Original Purchasers;

WHEREAS, following approval by the Oversight Board of the issuance of the Refunding Bonds by the Successor Agency and upon submission of the Oversight Board Resolution to the California Department of Finance, the Successor Agency will, with the assistance of its Disclosure Counsel, the Municipal Advisor and the Fiscal Consultant to the Successor Agency, cause to be prepared a form of Official Statement for the Refunding Bonds describing the Refunding Bonds and containing material information relating to the Successor Agency and the Refunding Bonds, the preliminary form of which will be submitted to the Successor Agency for approval for distribution by the Original Purchasers, as underwriters of the Refunding Bonds, to persons and institutions interested in purchasing the Refunding Bonds; and

WHEREAS, this Oversight Board has completed its review of the refunding proceedings and the Debt Service Savings Analysis and wishes at this time to give its approval to the foregoing;

NOW THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Determination of Savings. This Oversight Board has determined that there are significant potential savings available to the Successor Agency and to applicable taxing entities in compliance with the Savings Parameters by the issuance by the Successor Agency of the Refunding Bonds to refund and defease the Prior Bonds, all as evidenced by the Debt Service Savings Analysis on file with the Secretary of the Oversight Board, which Debt Service Savings Analysis is hereby approved.

Section 3. Direction and Approval of Issuance of the Bonds. As authorized by Section 34177.5(f), this Oversight Board hereby directs the Successor Agency to undertake the refunding proceedings and as authorized by Section 34177.5(f) and Section 34180, this Oversight Board hereby directs and approves the issuance by the Successor Agency of the 2017 Series A-T Bonds and the 2017 Series B Bonds pursuant to Section 34177.5(a)(1) and under other applicable provisions of the Law and the Refunding Law and as provided in the Successor Agency Resolution and the Supplements in the aggregate principal amount of not to exceed \$95,000,000, provided that the principal and interest payable with respect to the Refunding Bonds complies in all respects with the requirements of the Savings Parameters with respect thereto, as shall be certified to by the Municipal Advisor upon delivery of the Refunding Bonds or any part thereof. If the issuance of the 2017 Series A-T Bonds and the 2017 Series B Bonds occurs in 2018, the Successor Agency may in its discretion re-designate the 2017 Series A-T Bonds as the "Successor Agency to the Redevelopment Agency For the County of Riverside 2018 Taxable Tax Allocation Housing Refunding Bonds, Series A-T" and the 2017 Series B Bonds as the "Successor Agency to the Redevelopment Agency For the County of Riverside 2018 Tax Allocation Housing Refunding Bonds, Series A."

Section 4. Sale and Delivery of Refunding Bonds in Whole or in Part. The Oversight Board hereby approves the sale and delivery of the Refunding Bonds in whole, provided that there is compliance with the Savings Parameters. However, if such Savings Parameters cannot be met with respect to the whole of the Refunding Bonds, then the Oversight Board approves the sale and delivery of the Refunding Bonds from time to time in part. In the event the Refunding Bonds are initially sold in part, the Successor Agency is hereby authorized to sell and deliver additional parts of the Refunding Bonds without the prior approval of this Oversight Board provided that in each such instance the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters.

Section 5. Determinations by the Oversight Board. As requested by the Successor Agency, based upon the full record before it which includes but is not limited to staff reports, testimony and other materials and evidence provided, the Oversight Board makes the following determinations upon which the Successor Agency shall rely in undertaking the refunding proceedings and the issuance of the Refunding Bonds:

(a) The Successor Agency is authorized, as provided in Section 34177.5(f), to recover its costs related to the issuance of the Refunding Bonds from the proceeds of the Refunding Bonds, including the cost of reimbursing its administrative staff for time spent with respect to the authorization, issuance, sale and delivery of the Refunding Bonds;

(b) The application of proceeds of the Refunding Bonds by the Successor Agency to the refunding and defeasance of the Prior Bonds, as well as the payment by the Successor Agency of costs of issuance of the respective Refunding Bonds, as provided in Section 34177.5(a), shall be implemented by the Successor Agency promptly upon sale and delivery of the Refunding Bonds, notwithstanding Section 34177.3 or any other provision of law to the contrary, without the approval of the Oversight Board, the California Department of Finance, the Riverside County Auditor-Controller or any other person or entity other than the Successor Agency; and

(c) The Successor Agency shall be entitled to receive its full Administrative Cost Allowance under Section 34183(a)(3) without any deductions with respect to continuing costs related to each of the Refunding Bonds, such as trustee's fees, auditing

and fiscal consultant fees and continuing disclosure and rating agency costs (collectively, "Continuing Costs of Issuance"), and such Continuing Costs of Issuance shall be payable from property tax revenues pursuant to Section 34183. In addition and as provided by Section 34177.5(f), if the Successor Agency is unable to complete the issuance of any of the Refunding Bonds for any reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings with respect to such Refunding Bonds from such property tax revenues pursuant to Section 34183 without reduction in its Administrative Cost Allowance.

Section 6. Severability. The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

Section 7. Effective Date. Pursuant to Health and Safety Code Section 34177(f) and Section 34179(h), this Resolution shall be effective five (5) business days after proper notification hereof is given to the California Department of Finance unless the California Department of Finance requests a review of the actions taken in this Resolution, in which case this Resolution will be effective upon approval by the California Department of Finance.

PASSED AND ADOPTED by the Oversight Board for the Successor Agency to the Redevelopment Agency for the County of Riverside at a regular meeting held on this ____ day of _____, 2017, by the following vote, to wit:

Lisa Brandl
Chairperson