

OVERSIGHT BOARD FOR THE REDEVELOPMENT SUCCESSOR AGENCY OF THE
CITY OF HEALDSBURG

RESOLUTION NO. OB3-2014

RESOLUTION OF OVERSIGHT BOARD FOR THE
REDEVELOPMENT SUCCESSOR AGENCY OF THE CITY OF
HEALDSBURG AUTHORIZING THE ISSUANCE OF
REFUNDING BONDS AND APPROVING THE FORMS OF
DOCUMENTS IN CONNECTION THEREWITH

WHEREAS, the California Legislature adopted, the Governor signed, and the California Supreme Court, in *California Redevelopment Association, et al. v. Matosantos*, (2012) 53 Cal.4th 231, upheld Assembly Bill x1 26 (“ABx1 26”); and

WHEREAS, ABx1 26 dissolved redevelopment agencies, including the former Redevelopment Agency of the City of Healdsburg (“Redevelopment Agency”), effective February 1, 2012; and

WHEREAS, as added by ABx1 26, California Health and Safety Code Sections 34171(j) and 34173 originally provided that a city or county that formed a redevelopment agency would serve as the successor agency to the dissolved redevelopment agency unless such city or county affirmatively elected not to fill that role; and

WHEREAS, as added by ABx1 26, California Health and Safety Code Section 34173(b) provides that the authority, rights, powers, duties and obligations previously vested with the former redevelopment agencies are vested in the successor agencies; and

WHEREAS, pursuant to ABx1 26, the City of Healdsburg has been serving as the successor agency to the Redevelopment Agency since February 1, 2012 (the “Successor Agency”); and

WHEREAS, AB 1484, enacted on June 27, 2012, amended ABx1 26 (together with AB 1484, the “Dissolution Law”) to clarify that successor agencies are separate public entities from their sponsoring city or county; and

WHEREAS, on July 16, 2012, the City of Healdsburg adopted a resolution acknowledging that the “Redevelopment Successor Agency of the City of Healdsburg” is the successor agency to the former Redevelopment Agency; and

WHEREAS, pursuant to Section 34179 of the Dissolution Law, an oversight board (the “Oversight Board”) has been established for the Successor Agency; and

WHEREAS, prior to its dissolution, the Former Agency issued its Sotoyome Community Development Project 2002 Tax Allocation Bonds, Series A in the principal amount of \$14,290,000 (the “2002A Bonds”) and 2002 Tax Allocation Bonds, Series C (Housing Set-Aside

Tax Revenues) in the principal amount of \$5,630,000 (the "2002C Bonds" and together with the 2002A Bonds, the "Prior Bonds"), for the purpose of financing and refinancing redevelopment activities; and

WHEREAS, the 2002A Bonds are currently outstanding in the principal amount of \$10,645,000 and the 2002C Bonds are currently outstanding in the principal amount of \$4,190,000; and

WHEREAS, Section 34177.5 of the Dissolution Law permits the Successor Agency to refinance the Prior Bonds, provided that certain savings and other parameters are met; and

WHEREAS, the Oversight Board adopted a resolution on February 4, 2014, directing the Successor Agency to undertake the refunding of the Prior Bonds and to engage the necessary financial professionals to accomplish the refunding, and adopted this resolution authorizing the issuance of refunding bonds; and

WHEREAS, pursuant to the foregoing direction, the Successor Agency has now determined to issue bonds to be designated its 2014 Tax Allocation Refunding Bond, Series A (the "Series A Bond") and 2014 Tax Allocation Refunding Bond, Series B (Housing Set-Aside) (the "Series B Bond" and together with the Series A Bond, the "Bonds") to refund all or a portion of the Prior Bonds (the "Refunded Bonds"); and

WHEREAS, the following documents and proposed agreements relating to the issuance, sale and delivery of the Bonds, which are incorporated herein by reference, have been presented to the Oversight Board of the Successor Agency (the "Board") for its review and approval:

1. an indenture with a trustee named therein that provides for the issuance of the Series A Bond (the "Series A Indenture"); and
2. an indenture with a trustee named therein that provides for the issuance of the Series B Bond (the "Series B Indenture"); and
3. an escrow agreement with an escrow agent named therein that provides for the irrevocable deposit of funds sufficient to repay the Refunded Bonds in a manner legally sufficient to defease the Refunded Bonds (the "Escrow Agreement").

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board for the Redevelopment Successor Agency of the City of Healdsburg that:

Section 1. Recitals. The Board finds and determines that the foregoing recitals are true and correct.

Section 2. Authorization of Officers to Execute and Deliver Documents. The Board hereby authorizes and directs the Successor Agency to approve, execute, and deliver the Series A Indenture, the Series B Indenture and the Escrow Agreement in substantially the form of each presented to the Board at this meeting, which documents are hereby approved, with such changes, insertions, revisions, corrections, or amendments as shall be approved by the Successor Agency executing such documents. The execution of the foregoing documents by the Successor shall constitute conclusive evidence of such officer's or officers' and the Board's approval of any such changes, insertions, revisions, corrections, or amendments to the respective forms of documents presented to the Board at this meeting.

Section 3. Authorization to Issue Bonds. Subject to the approval of the State of California Department of Finance, the Board hereby authorizes the issuance of the Bonds in accordance with the respective terms of the Series A Indenture and the Series B Indenture, as executed. The Bonds may be issued as a single issue or from time to time in separate series, as the Successor Agency shall determine. The approval of the issuance of the Bonds by the Successor Agency and the Oversight Board shall constitute the approval of each separate series of Bonds, without the need for any further approval from the Oversight Board; provided that, in conformity with Section 34177.5: (i) the total interest cost to maturity of each series of the Bonds plus the principal amount of the Bonds of such series does not exceed the total remaining interest cost to maturity on the Refunded Bonds refunded thereby plus the remaining principal of such Refunded Bonds and (ii) the principal amount of each series of the Bonds does not exceed the amount required to defease the Refunded Bonds refunded thereby, to establish customary debt service reserves and to pay related costs of issuance.

Section 4. Authorization of Sale. The Board hereby authorizes the sale of the Bonds by private placement with a bank or other financial institution; provided that the net present value of the debt service savings from the refunding is at least three percent (3%) of the par amount of the Refunded Bonds. The Successor Agency is hereby authorized to choose the method of sale in consultation with the Financial Advisor. The Board hereby authorizes the Successor Agency to negotiate the final terms of the sale of the Bonds to a bank or other financial institution in conjunction with Del Rio Advisors, LLC, as financial advisor, and Brandis Tallman LLC, as placement agent.

Section 5. Execution of the Bonds. The Successor Agency is hereby authorized and directed to execute each of the Bonds on behalf of the Successor Agency.

Section 6. General Authorization. The Board hereby authorizes and directs the Successor Agency to do any and all things and to execute and deliver any and all documents that they may deem necessary or advisable in order to complete the sale, issuance, and delivery of the Bonds and otherwise to carry out, give effect to, and comply with the terms and intent of this resolution. All actions heretofore taken by the Successor Agency that are in conformity with the purposes and intent of this resolution are hereby ratified, confirmed and approved in all respects.

Section 7. Effective Date. This resolution shall take effect immediately upon its passage.

PASSED, APPROVED AND ADOPTED by the Oversight Board for the Redevelopment Successor Agency of the City of Healdsburg this 4th day of April 2014, by the following vote:

AYES: Board Members: (4) Liles, Schaffner, Ward, and Vice Chairperson Ziedrich

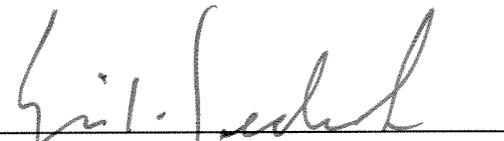
NOES: Board Members: (0) None

ABSENT: Board Members: (3) Herrington, Navarrette and Chairperson Plass

ABSTAINING: Board Members: (0) None

SO ORDERED:

ATTEST:


Eric Ziedrich, Vice Chairperson


Maria Curiel, Board Secretary