

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

RESOLUTION NO. OB5-2014

RESOLUTION OF THE OVERSIGHT BOARD OF THE  
SUCCESSOR AGENCY TO THE REDEVELOPMENT  
AGENCY OF THE CITY OF HEALDSBURG DIRECTING THE  
SUCCESSOR AGENCY TO REFUND BONDS ISSUED BY  
THE FORMER REDEVELOPMENT AGENCY OF THE CITY  
OF HEALDSBURG

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 (the “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, all subsequent “Section” references are to the California Health and Safety Code; and

WHEREAS, as added by ABx1 26, 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, this oversight board (the “Oversight Board”) has been established for the Successor Agency; and

WHEREAS, prior to its dissolution, the Redevelopment Agency issued its Sotoyome Community Development Project 2003 Tax Allocation Bonds, Series A (Taxable) in the principal amount of \$13,000,000 (the “2003A Bonds”) and 2003 Tax Allocation Bonds, Series B (Housing Set-Aside Tax Revenues) (Taxable) in the principal amount of \$6,370,000 (the “2003B Bonds”) and together with the 2003A Bonds, the “Prior Bonds”), for the purpose of financing redevelopment activities; and

WHEREAS, the 2003A Bonds have an outstanding principal amount of approximately \$9,555,000 and the 2003B Bonds are currently outstanding in the principal amount of approximately \$4,700,000; and

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

WHEREAS, the Successor Agency has requested Del Rio Advisors, LLC to prepare an analysis of the potential savings that will accrue to the Successor Agency and applicable taxing entities as a result of such refunding (the “Debt Service Savings Analysis”), a copy of which analysis dated August 11, 2014 is attached as Exhibit A to this Resolution; and

WHEREAS, Section 34177.5(f) authorizes the Oversight Board to direct the Successor Agency to commence a bond refunding transaction, so long as the Successor Agency is able to recover its related costs in connection with the transaction; and

WHEREAS, the Debt Service Savings Analysis has been presented to the Oversight Board for its evaluation at this meeting.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board of the Successor Agency that:

1. Determination of Savings. The Oversight Board has determined that there are significant potential savings available to the Successor Agency and applicable taxing entities by refunding the Prior Bonds, as evidenced by the Debt Service Savings Analysis.
2. Filing of Debt Service Savings Analysis. The Secretary to the Successor Agency is hereby authorized and directed to file the Debt Service Savings Analysis, together with a certified copy of this Resolution of the Oversight Board, with the Sonoma County Administrative Officer and Auditor-Controller and the State of California Department of Finance, as provided in Sections 34179(h) and 34180(j).
3. Request for Direction. The Oversight Board hereby directs the Successor Agency to undertake the refunding of the Prior Bonds pursuant to Section 34177.5(a)(1) for the purpose of incurring indebtedness to provide savings to the Successor Agency and applicable taxing entities.

4. Preparation for Proceedings. The Oversight Board directs the Successor Agency to cause the preparation of appropriate documentation for the issuance of bonds to refund the Prior Bonds and to submit such documentation to the Oversight Board for approval in accordance with the provisions of Sections 34177.5 and 34180.
5. Appointments. The Successor Agency is hereby authorized to appoint Del Rio Advisors, LLC, as municipal advisor, Brandis Tallman LLC, as placement agent, and Meyers Nave, as bond counsel, to act on behalf of the Successor Agency in the preparation of the bond refunding transaction.
6. Authorizations. The Oversight Board further authorizes the Successor Agency to take such other actions as it deems necessary or convenient to expedite the process of review of the refunding transaction by the California Department of Finance.

PASSED, APPROVED AND ADOPTED by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Healdsburg this 23rd day of September 2014, by the following vote:

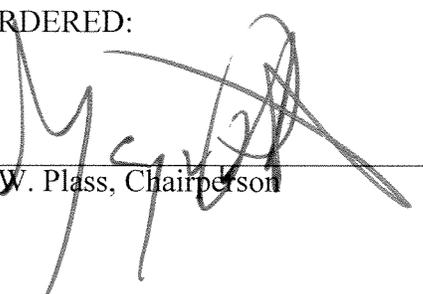
AYES: Board Members: (5) Brown, Liles, Schaffner, Ziedrich and Chairperson Plass

NOES: Board Members: (0) None

ABSENT: Board Members: (2) Herrington and Navarrette

ABSTAINING: Board Members: (0) None

SO ORDERED:

  
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Gary W. Plass, Chairperson

ATTEST:

  
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Maria Curiel, Board Secretary

I, MARIA CURIEL, Secretary to the Oversight Board for the Redevelopment Successor Agency of the City of Healdsburg, do hereby certify that the foregoing is a full, true, and correct copy of Resolution No. OB5-2014 duly adopted by the Oversight Board at a special meeting held on the 23<sup>rd</sup> day of September, 2014.

  
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Maria Curiel, Board Secretary

**EXHIBIT A**  
**August 11, 2014**  
**Debt Service Savings Analysis**

<b>Combined Refunding Results</b>		
Outstanding Amount:	\$ 14,255,000	
Refunding Amount:	\$ 14,656,400	Estimate
Total Cash Flow Savings:	\$ 1,543,218	Including all Costs
Average Annual Savings:	\$ 99,221	Including all Costs
Net Present Value Savings:	\$ 1,103,060	Including all Costs
Net Present Value Savings % New:	7.53%	
Net Present Value Savings % Prior:	7.74%	
Average Interest Rate (Prior):	5.97%	
Average Interest Rate (New):	4.75%	
Final Maturity (Prior):	8/1/2031	
Final Maturity (New):	8/1/2031	
Call Date:	Any Date @ 100%	30 Days Notice
(1) Net present value savings in excess of 3.00% of the prior bonds are generally considered significant.		
(2) Interest rates are subject to change with market conditions		
<b>Series A Refunding Results</b>		
Outstanding Amount:	\$ 9,555,000	
Refunding Amount:	\$ 9,794,200	Estimate
Total Cash Flow Savings:	\$ 1,056,764	Including all Costs
Average Annual Savings:	\$ 69,563	Including all Costs
Net Present Value Savings:	\$ 761,512	Including all Costs
Net Present Value Savings % New:	7.78%	
Net Present Value Savings % Prior:	7.97%	
(1) Net present value savings in excess of 3.00% of the prior bonds are generally considered significant.		
<b>Series B Refunding Results</b>		
Outstanding Amount:	\$ 4,700,000	
Refunding Amount:	\$ 4,862,200	Estimate
Total Cash Flow Savings:	\$ 486,454	Including all Costs
Average Annual Savings:	\$ 29,657	Including all Costs
Net Present Value Savings:	\$ 341,548	Including all Costs
Net Present Value Savings % New:	7.02%	
Net Present Value Savings % Prior:	7.27%	
(1) Net present value savings in excess of 3.00% of the prior bonds are generally considered significant.		