

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

RESOLUTION NO. OB3-2017

RESOLUTION OF THE 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, AND
AUTHORIZING THE FILING OF THE RESOLUTION AND
PLAN OF REFUNDING AND SAVINGS ANALYSIS WITH
THE APPROPRIATE PARTIES

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, 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 (the “Successor 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 2010 Tax Allocation Bonds in the principal amount of \$21,065,000 (the “Prior Bonds”), for the purpose of financing redevelopment activities; and

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”); and

WHEREAS, the Oversight Board adopted Resolution No. OB2-2017 on July 19, 2017, directing the Successor Agency to undertake the refunding of the Prior Bonds and to engage necessary financial professional to accomplish the refunding; and

WHEREAS, the Successor Agency has provided an analysis of the potential savings that will accrue to the Successor Agency and applicable taxing entities as a result of such refunding (the “Plan of Refunding and Savings Analysis”), which is on file with the Secretary of the Oversight Board; and

WHEREAS, the Successor Agency adopted Resolution No. RSA3-2017 on September 5, 2017 (the “Successor Agency Resolution”) approving the issuance of its Successor Agency to the Redevelopment Agency of the City of Healdsburg Sotoyome Community Development Project 2017 Tax Allocation Refunding Bonds (the “Refunding Bonds”), pursuant to the Refunding Law; and

WHEREAS, this Oversight Board has completed its review of the refunding proceedings and wishes at this time to give its approval to the foregoing.

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

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference. The Successor Agency Resolution described in the Recitals is hereby ratified and adopted.

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 Plan of Refunding and Savings Analysis on file with the Secretary of the Oversight Board, which Plan of Refunding and Savings Analysis is hereby approved.

Section 3. Direction and Approval of Issuance of the Bonds. As authorized by Section 34177.5(f), the 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 Refunding Bonds pursuant to Section 34177.5(a)(1) and under other applicable provisions of the California Health and Safety Code and the Refunding Law and as provided in the Successor Agency Resolution in the aggregate principal amount of not to exceed \$20,500,000, provided that the Refunding Bonds are in compliance with the Savings Parameters at the time of sale and delivery, as shall be certified to by Del Rio Advisors, LLC, as Municipal Advisor to the Successor Agency, upon delivery of the Refunding Bonds or any part thereof.

The execution and delivery of an indenture pursuant to which the Refunding Bonds will be issued, together with all other documents and actions set forth in the Successor Agency Resolution, are hereby approved. In particular, the form of the Purchase Contract with the Underwriter is hereby approved; provided, that the Underwriter's discount set forth in the Purchase Contract shall not exceed 0.65%.

In connection with the sale and issuance of the Refunding Bonds, the Successor Agency is authorized to purchase a municipal bond insurance policy or a reserve account surety bond(s) for the Refunding Bonds if the Successor Agency determines that the purchase of either or both reduces the true interest cost of the Refunding Bonds thereby increasing the savings obtained through the issuance of the Refunding Bonds and the refunding of the Prior Bonds.

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. 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 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 Sonoma 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 34171(b) without any deductions with respect to continuing costs related to 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 the Refunding Bonds from such property tax revenues pursuant to Section 34183 without reduction in its Administrative Cost Allowance.

Section 6. Transmittal. The Redevelopment Successor Agency is hereby directed to transmit this Resolution to the California Department of Finance.

Section 7. Further 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.

Section 8. Certification by the Secretary. The Secretary to the Oversight Board shall certify to the adoption of this Resolution.

Section 9. 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, APPROVED AND ADOPTED by the Oversight Board for the Redevelopment Successor Agency of the City of Healdsburg this 6th day of September, 2017, by the following vote:

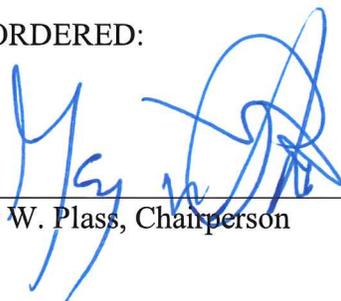
AYES: Boardmembers: (5) Adams, Gleason, Schaffner, Tambornini, and Chairperson Plass

NOES: Boardmembers: (0) None

ABSENT: Boardmembers: (2) Herrington and Ziedrich

ABSTAINING: Boardmembers: (0) None

SO ORDERED:



Gary W. Plass, Chairperson

ATTEST:



Maria Curiel, 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. OB3-2017 duly adopted by the Oversight Board at a special meeting held on the 6th day of September, 2017.



Maria Curiel, Board Secretary