

**SUBMITTAL TO THE BOARD OF DIRECTORS OF THE PUBLIC FINANCE
AUTHORITY OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

667



FROM: COUNTY EXECUTIVE OFFICE **SUBMITTAL DATE:** July 15, 2003

SUBJECT: Issuance of Assessment Revenue Bonds Rancho Villages Project / AD No. 159, Series 2003 (Junior Lien Bonds)

RECOMMENDED MOTION:

That the Board approves and adopts Resolution No. PFA 2003-01 authorizing the issuance of Assessment Revenue Bonds Rancho Villages Project / AD No. 159, Series 2003 (Junior Lien Bonds), in a principal amount not to exceed \$5,000,000, and approving certain documents, and taking certain other actions in connection therewith.

BACKGROUND:

The Riverside County Public Financing Authority (the "Authority") is a joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement (the "Agreement") dated March 20, 1990, by and between the County of Riverside (the "County") and the Redevelopment Agency of the County of Riverside (the "Agency"). Under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), the Authority is authorized pursuant to Article 4 of the Act (the "Bond Law") to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations of the County and the Agency in order to provide financing for public capital improvements of the County and the Agency.

(Continued on Page 2)

Jerry Norris
Jerry Norris, Senior Management Analyst

FINANCIAL DATA:

CURRENT YEAR COST \$ 0
NET COUNTY COST \$ 0

ANNUAL COST \$ 0

IN CURRENT YEAR BUDGET: YES / NO / X

BUDGET ADJUSTMENT: YES/ NO/X **FOR FY:** 00/01

SOURCE OF FUNDS: Bond Proceeds

C. E. O. RECOMMENDATION: APPROVE

County Executive Officer Signature

Rhonda King

COUNTY COUNSEL

JUL 09 2003

Policy
Policy

Consent
Consent

Department Recommendation:
Per Executive Office:

Prev. Agn. ref.

Dist. 1 / 3

AGENDA NO.

5.1

Form 11
PFA No. 159 Reassessment Revenue Bonds
Page 2

The Board of Supervisors of the County has undertaken proceedings to establish and declare the necessity to issue bonds secured by revenues realized from the refunding bonds and assessment bonds it has purchased from Assessment District No. 159 (Rancho Villages) and Assessment District No. 159 Supplemental (Rancho Villages) (collectively, the "Assessment Districts").

The Board of the Authority (the "Authority Board") has previously issued revenue bonds for the purpose of acquiring bonds issued by the Assessment Districts.

Assessment District No. 159 (Rancho Villages) is proposing to issue limited obligation bonds in a principal amount not to exceed \$2,000,000 to finance, in part, two public improvements

Assessment district No. 159 Supplemental (Rancho Villages) is proposing to issue limited obligation improvement bonds in a principal amount not exceed \$3,000,000 to finance, in part, three public improvements.

The Authority Board now desires to authorize the issuance of its Assessment Revenue Bonds Rancho Villages Project / AD No. 159, Series 2003 (Junior Lien Bonds), pursuant to the provisions of the Marks-Roos Local Bond Pooling Act of 1985, being Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (respectively, the "Act" and the "Code"), in an aggregate principal amount not to exceed \$5,000,000 (the "Authority Bonds") pursuant to the terms of that certain Indenture of Trust, dated as of July 1, 1999 (the "Original Indenture"), as amended and supplemented by the First Supplemental Indenture of Trust, made and entered into as of December 1, 2000 (the "First Supplemental Indenture") and the Second Supplemental Indenture, made and entered into as of August 1, 2003 in order to acquire the District Bonds.

Resolution PFA No. 2003-01 provides for the issuance of said Assessment Revenue Bonds, which will purchase the Assessment Districts' Bonds and provides for the approval of the Second Supplemental Indenture of Trust, Purchase Contract and other documents related to the sale of said bonds.

RESOLUTION NO. PFA 2003-01

RESOLUTION OF THE BOARD OF DIRECTORS OF THE RIVERSIDE COUNTY PUBLIC FINANCING AUTHORITY AUTHORIZING THE ISSUANCE OF ITS ASSESSMENT REVENUE BONDS SERIES 2003 (JUNIOR LIEN BONDS) IN A PRINCIPAL AMOUNT NOT TO EXCEED FIVE MILLION DOLLARS (\$5,000,000) AND APPROVING CERTAIN DOCUMENTS AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Riverside County Public Financing Authority (the "Authority") is a joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement (the "Agreement") dated March 20, 1990, as amended on April 20, 1999, by and between the County of Riverside (the "County") and the Redevelopment Agency of the County of Riverside (the "Agency"), and under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), and is authorized pursuant to Article 4 of the Act (the "Bond Law") to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations of the County and the Agency in order to provide financing for public capital improvements of the County and the Agency; and

WHEREAS, the Board of Supervisors of the County has heretofore undertaken proceedings to establish and declare the necessity to issue bonds secured by land within Assessment District No. 159 (Rancho Villages) of the County (the "Original District") and Assessment District No. 159 Supplemental (Rancho Villages) of the County (the "Supplemental District" and together with the Original District, the "Districts") pursuant to the terms and provisions of the Municipal Improvement Act of 1913 (the "1913 Act"), constituting Division 12 of the Streets and Highways Code of the State of California, and the sale of bonds pursuant to the Improvement Bond Act of 1915 (the "1915 Act"), constituting Division 10 of the Streets and Highways Code of the State of California; and

WHEREAS, the Board of the Authority (the "Authority Board"), for the purpose of financing the construction and acquisition of certain public infrastructure improvements to benefit the land within the Districts has previously issued its Reassessment Revenue Bonds, 1999 Series A (Senior Lien Bonds) in the aggregate principal amount of \$38,985,000 (the "Series A Bonds") and its Reassessment Revenue Bonds, 1999 Series B (Junior Lien Bonds) in the aggregate principal amount of \$28,805,000 (the "Series B Bonds" and together with the Series A Bonds, the "1999 Bonds"), pursuant to and secured by the Original Indenture (hereinafter defined) and its Assessment Revenue Bonds, 2000 Series B (Junior Lien Bonds) in the aggregate

principal amount of \$780,000 (the "2000 Series B Bonds"), pursuant to and secured by the First Supplemental Indenture (hereinafter defined) in the manner provided therein; and

WHEREAS, certain improvements were authorized in the proceedings for formation of the Original District under Resolution No. 88-192, adopted on June 28, 1988, and the County now desires to finance the construction of certain improvements in the principal amount not to exceed \$2,000,000 for the benefit of properties in the Original District (the "Series D Improvements") as described in a report of the Assessment Engineer; and

WHEREAS, additional improvements were authorized in the proceedings for formation of the Supplemental District under Resolution No. 91-619, adopted on November 12, 1991, and the County now desires to finance the construction of certain improvements in the principal amount not to exceed \$3,000,000 for the benefit of properties in the Supplemental District (the "Series C Improvements") as described in a report of the Assessment Engineer; and

WHEREAS, the County has given notice to the owners of property to be charged for the Series D Improvements and the Series C Improvements and provided a period of not less than thirty days for the payment of assessments representing such improvements and has declared its intention to issue bonds representing unpaid assessments to finance the Series D Improvements and the Series C Improvements (the "District Bonds"), in accordance with the terms of the District Purchase Contract (the "District Purchase Contract") on file with the Secretary of the Authority; and

WHEREAS, the Authority Board now desires to authorize the issuance of its Assessment Revenue Bonds, Series 2003 (Junior Lien Bonds), pursuant to the provisions of the Marks-Roos Local Bond Pooling Act of 1985, being Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (respectively, the "Act" and the "Code"), in an aggregate principal amount not to exceed \$5,000,000 (the "Authority Bonds") pursuant to the terms of that certain Indenture of Trust, made and entered into as of July 1, 1999 (the "Original Indenture"), as amended and supplemented by the First Supplemental Indenture of Trust, made and entered into as of December 1, 2000 (the "First Supplemental Indenture") and the Second Supplemental Indenture, made and entered into as of August 1, 2003 (the "Second Supplemental Indenture" and together with the Original Indenture and the First Supplemental Indenture, the "Indenture"), which Second Supplemental Indenture is on file with the Secretary of the Authority, in order to acquire the District Bonds;

NOW, THEREFORE, IT IS HEREBY RESOLVED, FOUND, DETERMINED AND ORDERED by the Board of Directors of the Riverside County Public Financing Authority in regular session assembled as follows:

Section 1. Recitals; Public Benefit. Each of the above recitals is true and correct and is adopted by the Authority Board. The Authority Board hereby finds and determines that the issuance of the Authority Bonds and the acquisition of the District Bonds will result in significant public benefits of the type described in Section 6586(a) of the Code.

Section 2. Issuance of Bonds; Indenture. The issuance of the Authority Bonds shall be in an aggregate principal amount not to exceed \$5,000,000 with the exact principal amount of the District Bonds to be determined by the execution by the Authority of the Bond Purchase Agreement (hereinafter defined in accordance with Section 4 below). The Authority Bonds shall mature on the dates and pay interest at the rates set forth in the Bond Purchase Agreement to be executed on behalf of the Authority in accordance with Section 4 hereof. All other provisions of the Authority Bonds shall be governed by the terms and conditions of the Indenture on file with the Secretary of the Authority. The form of the Second Supplemental Indenture presented on July 15, 2003 is hereby ratified and approved and each of the Chairman, the Vice Chairman, the Secretary and the Executive Director or his or her designee (the "Executive Officer") of the Authority is authorized to execute the Second Supplemental Indenture in the form hereby ratified and approved, with such additions thereto and changes therein as the officer or officers executing the same deem necessary to cure any ambiguity or defect therein if such addition or change does not materially alter the substance or content thereof, or to conform any provisions therein to the Bond Purchase Agreement or the Official Statement (hereinafter defined in accordance with Section 7 below) delivered to the purchasers of Authority Bonds. Approval of such changes shall be conclusively evidenced by the execution and delivery of the Second Supplemental Indenture by such officers.

Section 3. Execution of Bonds; Trustee. The Authority Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chairman of the Authority, and the seal of the Authority or the County, or a facsimile thereof, shall be impressed or imprinted thereon and attested with the manual or facsimile signature of the Secretary. U.S. Bank National Association is hereby selected to be the trustee (the "Trustee") for the Authority Bonds. In the event the Trustee is unable or unwilling to act as Trustee for the Bonds, the Executive Director is hereby authorized and directed to select and engage another bank or trust company meeting the requirements set forth in Section 6.1 of the Original Indenture, as amended, to act as the trustee for the Authority Bonds under the terms of the Indenture.

Section 4. Bond Purchase Agreement. The form of the Bond Purchase Agreement, by and among the Authority, the County and Stone & Youngberg LLC (the "Underwriter"), presented on July 15, 2003 (the "Bond Purchase Agreement") is hereby approved and each of the Chairman, the Vice Chairman, the Secretary and the Executive Officer is hereby authorized to execute the Bond Purchase Agreement in the form so approved, with such additions thereto and changes therein as are necessary to conform the Bond Purchase Agreement to the dates, amounts, interest rates and other terms applicable to the Authority Bonds as of the sale date. Approval of such additions and changes shall be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement. The Executive Officer is authorized to determine the day on which the Authority Bonds are to be priced to produce the lowest borrowing cost for the Authority and may reject any terms presented by the Underwriter to the Authority if determined not to be in the best interest of the County or the Authority.

Section 5. District Purchase Contract. The form of the District Purchase Contract to be entered into between the Authority and the County pertaining to the District Bonds presented on July 15, 2003 (the "District Purchase Contract") is hereby approved and each of the Chairman, the Vice Chairman, the Secretary and the Executive Officer is hereby

authorized and directed to enter into a District Purchase Contract with the County for the acquisition by the Authority of the District Bonds in the form presented, with such additions therein and changes thereto as the officer or officers executing the same deem necessary to cure any defect or ambiguity, with such approval to be conclusively evidenced by the execution and delivery of the District Purchase Contract.

Section 6. Continuing Disclosure Agreement. The form of the Continuing Disclosure Agreement to be entered into by and among the Authority, the County on behalf of the Districts and U.S. Bank National Association, as initial dissemination agent, presented on July 15, 2003 (the "Continuing Disclosure Agreement") is hereby approved and each of the Chairman, the Vice Chairman, the Secretary and the Executive Officer is hereby authorized and directed to execute a Continuing Disclosure Agreement in the form presented, with such additions therein and changes thereto as the officer or officers executing the same deem necessary to cure any defect or ambiguity therein or to bring the agreement into compliance with Rule 15c2-12 of the Securities and Exchange Commission, with such approval to be conclusively evidenced by the execution and delivery of the Continuing Disclosure Agreement.

Section 7. Preliminary Official Statement. The form of the Preliminary Official Statement presented on July 15, 2003 (the "Preliminary Official Statement") is hereby approved and the Underwriter is hereby authorized to distribute the Preliminary Official Statement to prospective purchasers of the Authority Bonds in the form presented, together with such additions thereto and changes therein as are determined necessary by the Executive Director, to make the Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission, including, but not limited to, such additions and changes as are necessary to make the information therein on the owners of the property in the Districts and all other matters accurate and not misleading. The Executive Director of the Authority is hereby authorized to execute a final Official Statement (the "Official Statement") in the form of the Preliminary Official Statement, together with such changes as are determined necessary by the Executive Director, to make such Official Statement complete and accurate as of its date. The Underwriter is further authorized to distribute the final Official Statement for the Bonds and any supplement thereto to the purchasers thereof upon its execution on behalf of the Authority as described above.

Section 8. Additional Services. The Executive Director is authorized to provide for all services necessary to effect the issuance of the Authority Bonds. Such services shall include, but not be limited to, printing the Authority Bonds, obtaining appraisal, market absorption, financial and legal services, paying agent services and any other services deemed appropriate by the Executive Officer. The Executive Officer is authorized to pay for the cost of such services, together with other Costs of Issuance (as defined in the Indenture), with Authority Bond proceeds and other amounts deposited to the Costs of Issuance Fund established pursuant to the Indenture. Without further approval of the Authority Board, the total amount authorized to be disbursed by the Executive Director for Costs of Issuance (including the fee to be paid to the Underwriter) shall not exceed \$613,866.88.

Section 9. Further Actions. The Chairman, Vice Chairman, Secretary and Executive Officer and the other officers and staff of the Authority responsible for the fiscal

affairs of the Authority are hereby authorized and directed to take any actions and execute and deliver any and all documents as are necessary to accomplish the issuance, sale and delivery of the Authority Bonds in accordance with the provisions of this Resolution and the fulfillment of the purposes of the Authority Bonds as described in the Indenture. In the event that the Chairman of the Authority is unavailable to sign any document authorized for execution herein, any other member of the Authority Board may sign such document. Any document authorized herein to be signed by the Secretary of the Authority may be signed by a duly appointed deputy secretary.

Section 10. Effective Date. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 15th day of July, 2003.

**RIVERSIDE COUNTY PUBLIC FINANCING
AUTHORITY**

By: _____
Chairman of the Board of Directors

ATTEST:

Secretary of the Board of Directors