

**SUBMITTAL TO THE BOARD OF DIRECTORS OF THE  
REDEVELOPMENT AGENCY  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

6290



**FROM:** Redevelopment Agency

**SUBMITTAL DATE:**  
March 21, 2005

**SUBJECT:** Approval of Issuance of 2005 Housing Refunding Bonds – refunding the housing portion of the 1997 Tax Allocation Bonds

**RECOMMENDED MOTION:** That the Board adopt Resolution No. RDA 2005-11:

1. Authorizing the issuance of the Redevelopment Agency for the County of Riverside 2005 Tax Allocation Housing Refunding Bonds, Series A in an aggregate principal amount not to exceed \$25,000,000;
2. Approving and authorizing the execution of the First Supplement to Indenture of Trust which supplements the Indenture of Trust for the Agency's 2004 Series A Housing Bonds; and,
3. Authorizing the negotiated sale of the 2005 Series A Bonds to Citigroup Global Markets Inc.

Departmental Concurrence

**BACKGROUND:** In 1997, \$69 million in tax allocation revenue bonds were issued to fund redevelopment projects within the Agency's project areas. Based on current market rates, the housing component of the bonds could be refunded with a net present value savings of \$1.08 million. This represents a savings of 6% which is well above the minimum threshold of 3% that is typically recommended for refundings. The amount of the issue is expected to be \$19 million with a rating of Aaa/AAA. Citigroup Global Markets was selected to underwrite the bonds based on their ability to complete the transaction for the same competitive price recently agreed to for the issuance of the Agency's 2004 bonds. It is recommended that the Board adopt Resolution No. RDA 2005-11 so that the Agency can proceed with issuing the bonds. The sale will be contingent upon obtaining in minimum net savings of 3%. If the market fluctuates to a point where this is no longer possible, the sale will be cancelled.

*Bradley J. Hudson*  
\_\_\_\_\_  
Bradley J. Hudson  
Executive Director

BJH:RZ:DE:TE

S:\RDACOMRDA\_ADMIN\2004 Bond Issue\F11 Final Approval.doc

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	no
	Annual Net County Cost:	\$ 0	For Fiscal Year:	na

**COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA:** yes

<b>SOURCE OF FUNDS:</b> n/a	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/5 Vote</b>	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:** **APPROVE** **FORM APPROVED COUNTY COUNSEL**

MAR 21 2005

BY Lee A. Jancovics

**County Executive Office Signature** *Bronda King*

- Dept't Recomm.:  Consent  Policy
- Per Exec. Ofc.:  Consent  Policy

3002 WVB 53 W111-30  
CLERK 120 100 11 2005  
RECEIVED RIVERSIDE CONRLA

**Prev. Agn. Ref.:** **District:** all **Agenda Number:** 4.2

**ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD**

**RESOLUTION NO. 2005-11**

**A RESOLUTION OF THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF TAX ALLOCATION HOUSING REFUNDING BONDS, AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS, AND APPROVING ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, the Redevelopment Agency for the County of Riverside (the "Agency") has adopted redevelopment plans for various project areas (collectively, the "Redevelopment Plan") under Part 1 of Division 24 of the Health and Safety Code of the State of California (the "Redevelopment Law");

**WHEREAS**, the Redevelopment Law, and particularly Chapter 6 thereof, authorizes redevelopment agencies to incur indebtedness for any of their corporate purposes;

**WHEREAS**, under the Redevelopment Law, twenty percent (20%) of the tax revenues payable to the Agency pursuant to the Redevelopment Plan are required to be set aside in a Low and Moderate Income Housing Fund for use in increasing the supply of low- and moderate-income housing in the County;

**WHEREAS**, the Agency entered into six loan agreements (as hereinafter defined, the "1997 Loan Agreements") in connection with the issuance by the Riverside County Public Financing Authority (the "Authority") of its \$69,625,000 original principal amount of Tax Allocation Revenue Bonds, 1997 Series A (County of Riverside Redevelopment Projects) (the "1997 Authority Bonds");

**WHEREAS**, pursuant to the 1997 Loan Agreements, the Authority loaned the Agency the proceeds of the 1997 Bonds, and the Agency used the proceeds of such loans (as further defined herein, the "1997 Loans") to finance and refinance certain redevelopment activities, including the financing of low- and moderate-income housing in the County;

**WHEREAS**, the portion of the 1997 Loans used to finance low and moderate income housing is payable from the Housing Tax Revenues;

**WHEREAS**, for the purpose of refinancing the portion of the 1997 Loans used to finance low- and moderate-income housing in the County, and to redeem a corresponding portion of the 1997 Authority Bonds, the Agency proposes to issue, pursuant to the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 (Section 53570 et seq.) of the Government Code of the State of California (the "Refunding Law"), its \$25,000,000 aggregate principal amount of its Redevelopment Agency for the County of Riverside 2005 Tax Allocation Housing Refunding Bonds, Series A (the "2005 Series A Bonds");

**WHEREAS**, the 2005 Series A Bond will be payable from Housing Tax Revenues (as defined in the Indentures) on a parity with the Agency's outstanding \$38,225,000 aggregate principal amount of 2004 Tax Allocation Housing Bonds, Series A (the "2004 Series A Bonds")

and its outstanding \$37,000,000 aggregate principal amount of 2004 Taxable Tax Allocation Housing Bonds, Series A-T (the 2004 Series A-T Bonds" and, together with the 2004 Series A Bonds, the "2004 Bonds");

**WHEREAS**, Jones Hall, as disclosure counsel to the Agency, has caused to be prepared a form of the Official Statement for the 2005 Series A Bond (the "Official Statement"), the form of which is on file with the Secretary;

**WHEREAS**, the Agency, with the aid of its staff, has reviewed the Official Statement, and the Agency wishes at this time to approve such documents in the public interest of the Agency;

**WHEREAS**, the Agency proposes to sell the 2005 Series A Bond to the Underwriter (as defined below), all on the terms and conditions herein set forth and as provided in the form of Purchase Agreement (the "Purchase Contract") on file with the Secretary; and

**WHEREAS**, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the 2005 Series A Bonds, as contemplated by this resolution and the documents referred to herein, exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Refunding Law and the Redevelopment Law.

**NOW, THEREFORE, BE IT RESOLVED** by the Redevelopment Agency for the County of Riverside, as follows:

1. Recitals True and Correct. The Agency hereby finds and declares that the above recitals are true and correct.

2. Approval of Issuance of 2005 Series A Bonds. Pursuant to the Refunding Law and the Indenture (as hereinafter defined), bonds of the Agency, designated as "Redevelopment Agency for the County of Riverside 2005 Tax Allocation Housing Refunding Bonds, Series A" in an aggregate principal amount not to exceed \$25,000,000, are hereby authorized to be issued. The 2005 Series A Bonds, in the form set forth in and otherwise in accordance with the Indenture, shall be executed as provided in the Indenture.

3. Approval of First Supplement to Indenture of Trust. The First Supplement to Indenture of Trust (the "First Supplement"), which supplements the Indenture of Trust dated as of December 1, 2004, pursuant to which the 2004 Series A Bonds were issued (together with the First Supplement, the "Indenture"), between the Agency and The Bank of New York Trust Company, N.A., as trustee, in the form presented to this meeting, is hereby approved. The Executive Director, the Deputy Executive Director and the Finance Director (the "Designated Officers") are, and each of them acting alone is, hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver the First Supplement, and the Secretary is hereby authorized and directed, for and in the name and on behalf of the Agency, to attest the Designated Officer's signature to each of the First Supplement, in said form, together with such additions thereto or changes therein as are recommended or approved by the Designated Officers, upon consultation with bond counsel to the Agency, including such additions or changes as are necessary or advisable in accordance with Section 8 hereof; provided that the issuance of the 2005 Series A Bonds and the refunding of the 1997 Bonds and the 1997 Loan Agreements shall result in net debt service savings of at least 3% on a present value basis, and, provided further, that no additions or changes shall authorize an aggregate principal amount of 2005 Series A Bonds in excess of \$25,000,000, or result in an

interest cost on the 2005 Series A Bonds in excess of 5.5% per annum. The approval of such additions or changes shall be conclusively evidenced by the execution and delivery by the Agency of the First Supplement. The date, maturity dates, aggregate principal amounts, annual maturity amounts, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the 2005 Series A Bond shall be as provided in the Indenture, as finally executed.

4. Sale of the 2005 Series A Bond. The Agency hereby authorizes and directs the Designated Officers to negotiate the sale of the 2005 Series A Bonds to Citigroup Global Markets Inc. (the "Underwriter"). The Purchase Agreement is hereby approved, and the Designated Officers are hereby authorized and directed to execute said document, with such changes, insertions and omissions as may be approved by such official, including modifications to provide for the private placement of all or a portion of the 2005 Series A Bond and the payment of placement agent fees, if any, so long as the aggregate principal amount of the 2005 Series A Bonds does not exceed 25,000,000, the interest cost on the 2005 Series A Bonds does not exceed 5.5% per annum, the Underwriter's discount (exclusive of original issue discount) on the 2005 Series A Bonds does not exceed one half of one percent (1/2%), and the issuance of the 2005 Series A Bonds and the refunding of the 1997 Bonds and the 1997 Loan Agreements results in net debt service savings of at least 3% on a present value basis.

5. Approval of Official Statement. The Official Statement, in the form presented to this meeting, is hereby approved. The Designated Officers are, and each of them acting alone is, hereby authorized and directed, for and in the name and on behalf of the Agency, to execute the Official Statement in said form, together with such additions thereto or changes therein as are recommended or approved by the Designated Officers, upon consultation with disclosure counsel to the Agency, the approval of such additions or changes to be conclusively evidenced by the execution and delivery by the Agency of the Official Statement.

The Underwriter is hereby authorized and directed to distribute copies of the Official Statement to persons who express an interest in the purchase of the 2005 Series A Bond, and the Underwriter is directed to deliver such copies to all actual purchasers of the 2005 Series A Bond. The Underwriter is hereby authorized and directed to distribute copies of the preliminary official statement relating to the 2005 Series A Bond. The Designated Officers are, and each of them acting alone is, hereby authorized to execute a certificate to the effect that such preliminary official statement and the Official Statement, as of their respective dates, are deemed final by the Agency for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended.

6. Municipal Bond Insurance. The Designated Officers, each acting alone, are hereby authorized and directed to obtain a municipal bond insurance policy for the 2005 Series A Bond if it is determined, upon consultation with the Underwriter and the Financial Advisor to the Agency, that such municipal bond insurance policy will reduce the true interest costs with respect to the 2005 Series A Bond.

7. Agreement Regarding Redemption, Defeasance and Payment of 1997 Authority Bonds and 1997 Loan Agreements. The Agreement Regarding the Redemption, Defeasance and Payment of 1997 Authority Bonds and 1997 Loan Agreements (the "Agreement Regarding Redemption") among the Authority, the Agency and The Bank of New York Trust Company, as escrow trustee, in the form presented to this meeting, is hereby approved. The Designated Officers are, and each of them acting alone is, hereby authorized and directed, for and in the name and on behalf of the Agency, to execute the Agreement Regarding Redemption in said form, together with such additions thereto or changes therein as are recommended or approved

by the Designated Officers, upon consultation with disclosure counsel to the Agency, the approval of such additions or changes to be conclusively evidenced by the execution and delivery by the Agency of the Agreement Regarding Redemption .

8. Official Action. All actions heretofore taken by the officers and agents of the Agency with respect to the preparation of the Official Statements, the First Supplement and the Agreement Regarding Redemption, and the sale and issuance of the 2005 Series A Bond and the refunding of the 1997 Authority Bonds and the 1997 Loan Agreements, are hereby approved, confirmed and ratified, and the proper officers of the Agency, including the Designated Officers, are hereby authorized and directed, for and in the name and on behalf of the Agency, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the 2005 Series A Bond in accordance with this Resolution, including but not limited to those certificates, agreements and other documents described in the Indentures and the other documents herein approved, and any certificates, agreements or documents as may be necessary to further the purpose hereof, including the refunding of a portion of the 1997 Authority Bonds and of a portion of the 1997 Loan Agreements, or provide additional security for the 2005 Series A Bond, but which shall not create any obligation or liability of the Agency other than with respect to the housing tax revenues pledged as security for the 2005 Series A Bond in the Indentures and assets derived from the proceeds of the 2005 Series A Bond.

9. Effective Date. This resolution shall take effect from and after the date of approval and adoption thereof.

The foregoing resolution was passed and adopted by the Redevelopment Agency for the County of Riverside at a regular meeting held on the 29th day of March, 2005, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(S E A L)

Attest:

By: \_\_\_\_\_  
Secretary