

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

629c



SUBMITTAL DATE:
March 21, 2005

FROM: Redevelopment Agency

SUBJECT: Agreement Regarding Redemption, Defeasance and Payment of 1997 Authority Bonds and 1997 Loan Agreements

RECOMMENDED MOTION: That the Board adopt Resolution No. 2005-01 approving the agreement regarding the redemption, defeasance and payment of 1997 Authority Bonds and 1997 Loan Agreements.

BACKGROUND: In 1997, the Public Financing Authority issued approximately \$69 million in tax allocation revenue bonds secured by loan agreements with the Redevelopment Agency for the County of Riverside ("Agency"). Based on an analysis of the outstanding principal and current market rates, the housing component of the bonds could be refunded with a potential net present value savings of approximately \$1.08 million. This represents a savings of 6% which is well above the minimum threshold of 3% savings that is typically recommended for refundings. The amount of the issue is expected to be \$19 million with a rating of Aaa/AAA.

It is recommended that the Board adopt Resolution No. 2005-1 which would allow for the redemption, defeasance and payment of the housing portion of the 1997 bonds and loan agreements. The transaction will be contingent upon the issuance of refunding bonds by the Agency resulting in net savings of a minimum of 3%. If the market fluctuates to a point where this is no longer possible, the sale will be cancelled.

BJH:RZ:DE:TE

Bradley J. Hudson

Bradley J. Hudson, Assistant County Executive Officer

S:\RDACOM\Forms\F11-PFA approval.doc

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

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

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

County Executive Office Signature *Rhonda King* **MAR 21 2005**
BY *Lea A. J. King*

Policy
 Consent
 Dep't Recomm.:
 Policy
 Consent
 Per Exec. Ofc.:

Prev. Agn. Ref.: none | **District:** all | **Agenda Number:**

5.1

RESOLUTION NO. 2005-01

RESOLUTION OF THE RIVERSIDE COUNTY PUBLIC FINANCING
AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF AN
AGREEMENT REGARDING REDEMPTION, DEFEASANCE AND
PAYMENT OF 1997 AUTHORITY BONDS AND 1997 LOAN
AGREEMENTS, AND AUTHORIZING OFFICIAL ACTIONS

WHEREAS, the County of Riverside (the "County"), and the Redevelopment Agency for the County of Riverside ("the Agency") have entered into a Joint Exercise of Powers Agreement, dated as of March 20, 1990 (the "Agreement"), creating the Riverside County Public Financing Authority (the "Authority");

WHEREAS, pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act") and the Agreement, the Authority is authorized to purchase bonds issued by the Agency;

WHEREAS, pursuant to the Act and the Agreement the Authority is further authorized to sell bonds so purchased to public or private purchasers at public or negotiated sale;

WHEREAS, the Authority has previously issued its \$69,625,000 original principal amount of Tax Allocation Revenue Bonds, 1997 Series A (County of Riverside Redevelopment Projects) (the "1997 Authority Bonds") and loaned the proceeds thereof (the "1997 Loans") to the Agency pursuant to six loan agreements (the "1997 Loan Agreements");

WHEREAS, the Agency used the proceeds received from the 1997 Loans to finance and refinance certain redevelopment activities, including the financing of low- and moderate-income housing in the County;

WHEREAS, for the purpose of refunding 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, in order to effectuate the refunding of the 1997 Authority Bonds and the 1997 Loan Agreements, the Authority will need to enter into, with the Agency and The Bank of New York Trust Company, N.A., as escrow trustee (the "Escrow Trustee"), an Agreement Regarding the Redemption, Defeasance and Payment of 1997 Authority Bonds and 1997 Loan Agreements (the "Agreement Regarding Redemption"); and

WHEREAS, the Board of Directors (the "Board") of the Authority has duly considered such transactions and wishes at this time to assist the Agency in the refunding described above;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Riverside County Public Financing Authority, as follows:

Section 1. Recitals True and Correct. The foregoing recitals are true and correct and this Authority so finds and determines.

Section 2. Sale of Bonds. The Authority hereby approves the Agreement Regarding Redemption in the form presented to this meeting, and the Chairman, the Vice Chairman, the Executive Director, the Assistant Executive Director and the Deputy Executive Director of the Agency (who is also an Assistant Secretary of the Authority), are hereby separately authorized and directed to execute the Agreement Regarding Redemption with such changes, insertions and omissions as may be approved by official executing said agreement.

Section 3. Official Action. The Chairman, the Vice Chairman, the Executive Director, the Assistant Executive Director, the Deputy Executive Director of the Agency, in her capacity as Assistant Secretary of the Authority, and the Secretary and any and all other officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, notices, consents, instruments of conveyance, amendments, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the transactions contemplated hereby and by the Agreement Regarding Redemption.

Section 4. 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 Board of Directors of the Riverside County Public Financing Authority at a regular meeting held on the 29th day of March, 2005, by the following vote:

AYES: Buster, Tavaglione, Stone, Wilson and Ashley

NAYES: None

ABSENT: None

ABSTAIN: None

The foregoing is certified to be a true copy of a resolution duly adopted by said Board of Supervisors on the date therein set forth.

NANCY ROMERO Clerk of said Board

By _____ Deputy