

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

692



**SUBMITTAL DATE:**  
May 6, 2010

**FROM:** Redevelopment Agency

**SUBJECT:** Resolution Number 2010-024, Authorizing the Issuance, Sale and Delivery of Two Series of Tax Allocation Housing Bonds

**RECOMMENDED MOTION:** That the Board of Directors adopt Resolution Number 2010-024, authorizing the issuance, sale and delivery of two series of tax allocation housing bonds, authorizing the execution and delivery of related documents, and approving actions in connection therewith.

**BACKGROUND:** The Redevelopment Agency (RDA) for the County of Riverside proposes to issue tax allocation bonds in an amount not-to-exceed \$74,500,000, for the purpose of funding various proposed projects creating, improving or preserving the stock of affordable housing throughout the unincorporated areas of the County of Riverside. The RDA proposes a Series A of tax exempt tax allocation housing bonds, in an amount not-to-exceed \$19,500,000, in combination with a Series A-T of taxable tax allocation housing bonds, in an amount not-to-exceed \$55,000,000.

*Dan Martinez*

Robert Field  
Executive Director  
By Dan Martinez, Deputy Executive Director

<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:	10/11

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

<b>SOURCE OF FUNDS:</b> Low and Moderate Income Housing Funds	<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  
*Jennifer L. Sargent*  
BY: \_\_\_\_\_  
Jennifer L. Sargent

**County Executive Office Signature**

FORM APPROVED COUNTY COUNSEL  
BY: *W.A. Gardner*  
DALE A. GARDNER  
DATE: 4/27/10

Departmental Concurrence

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

Prev. Agn. Ref.: N/A      District: ALL      Agenda Number:

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

4.1

2  
3 RESOLUTION NUMBER 2010-024

4 A RESOLUTION OF THE REDEVELOPMENT AGENCY FOR THE COUNTY OF  
5 RIVERSIDE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF TWO  
6 SERIES OF TAX ALLOCATION HOUSING BONDS, AUTHORIZING THE  
7 EXECUTION AND DELIVERY OF RELATED DOCUMENTS, AND APPROVING  
8 ACTIONS IN CONNECTION THEREWITH

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

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

15  
16 WHEREAS, under the Redevelopment Law, twenty percent (20%) of the tax revenues  
17 payable to the Agency pursuant to the Redevelopment Plan are required to be set aside in a Low  
18 and Moderate Income Housing Fund for use in increasing the supply of low- and moderate-  
19 income housing in the County;

20  
21 WHEREAS, in order to finance various low- and moderate- income housing activities,  
22 the Agency desires to issue (i) its not to exceed \$19,500,000 aggregate principal amount of its  
23 2010 Tax Allocation Housing Bonds, Series A (the "Series A Bonds") and (ii) its not to exceed  
24 \$55,000,000 aggregate principal amount of its 2010 Taxable Tax Allocation Housing Bonds,  
25 Series A-T (the "Series A-T Bonds" and, together with the Series A Bonds, the "Bonds");

26  
27 WHEREAS, the Bonds will be payable from Housing Tax Revenues (as defined in the  
28 Original Indentures) on a parity with the Agency's outstanding \$38,225,000 aggregate principal

FORM APPROVED COUNTY COUNSEL  
BY *Wesley Gardner* 4/27/10 DATE  
WESLEY A. GARDNER

1 amount of 2004 Tax Allocation Housing Bonds, Series A (the "2004 Series A Bonds"), its  
2 outstanding \$37,000,000 aggregate principal amount of 2004 Taxable Tax Allocation Housing  
3 Bonds, Series A-T (the 2004 Series A-T Bonds" and, together with the 2004 Series A Bonds,  
4 the "2004 Bonds"), and its \$18,245,000 2005 Tax Allocation Housing Refunding Bonds, Series  
5 A (the "2005 Bonds");  
6

7 **WHEREAS**, Jones Hall, as disclosure counsel to the Agency, has caused to be prepared  
8 a form of the Official Statement for the Bonds (the "Official Statement"), the form of which is  
9 on file with the Secretary;  
10

11 **WHEREAS**, the Agency, with the aid of its staff, has reviewed the Official Statement,  
12 and the Agency wishes at this time to approve such transactions and documents in the public  
13 interest of the Agency;  
14

15 **WHEREAS**, the Agency proposes to sell the Bonds to the Riverside County Public  
16 Financing Authority (the "Authority") which will concurrently sell the Bonds to the Underwriter  
17 (as defined below), all on the terms and conditions herein set forth and as provided in the form  
18 of Bond Purchase Agreements (the "Purchase Agreements") on file with the Secretary; and  
19

20 **WHEREAS**, all conditions, things and acts required to exist, to have happened and to  
21 have been performed precedent to and in the issuance of the Series A Bonds and the Series A-T  
22 Bonds, as contemplated by this resolution and the documents referred to herein, exist, have  
23 happened and have been performed in due time, form and manner as required by the laws of the  
24 State of California, including the Redevelopment Law.  
25

26 **NOW, THEREFORE, BE IT RESOLVED** by the Redevelopment Agency for the County of  
27 Riverside, as follows:  
28

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

3  
4 2. Approval of Issuance of Series A Bonds; Approval of Second Supplement to Indenture  
5 of Trust. Pursuant to the Redevelopment Law and the Series A Indenture (as defined  
6 below), bonds of the Agency, designated as "Redevelopment Agency for the county of  
7 Riverside 2010 Tax Allocation Housing Bonds, Series A" in an aggregate principal  
8 amount not to exceed \$19,500,000, are hereby authorized to be issued. The Series A  
9 Bonds will be issued pursuant to the Series A Indenture, and will be in the form set forth  
10 in and will be executed as provided in the Series A Indenture.

11  
12 The Series A Bonds will be issued in accordance with, and pursuant to, the terms and  
13 conditions set forth in the Indenture of Trust dated as of December 1, 2004 (the "Series  
14 A Original Indenture"), between the Agency and The Bank of New York Trust  
15 Company, N.A., as trustee, as heretofore supplemented by the First Supplement to  
16 Indenture of Trust dated as of April 1, 2005 (the "Series A First Supplement"), between  
17 the Agency and The Bank of New York Trust Company, N.A., as trustee, and as  
18 supplemented by the Second Supplement to Indenture of Trust expected to be dated as  
19 of May 1, 2010 (the "Series A Second Supplement" and, together with the Series A  
20 Original Indenture and the Series A First Supplement, the "Series A Indenture")  
21 between the Agency and The Bank of New York Mellon Trust Company, N.A. (the  
22 "Series A Trustee"). The Series A Second Supplement, in the form presented to this  
23 meeting, is hereby approved. The Executive Director, the Deputy Executive Director  
24 and the Finance Director (the "Designated Officers") are, and each of them acting alone  
25 is, hereby authorized and directed, for and in the name and on behalf of the Agency, to  
26 execute and deliver the Series A Second Supplement, and the Secretary is hereby  
27 authorized and directed, for and in the name and on behalf of the Agency, to attest the  
28 Designated Officer's signature to each of the Series A Second Supplement, in said form,

1 together with such additions thereto or changes therein as are recommended or approved  
2 by the Designated Officers, upon consultation with bond counsel to the Agency,  
3 including such additions or changes as are necessary or advisable in accordance with  
4 Sections 6 and 8 hereof; provided that no additions or changes shall authorize: (i) an  
5 aggregate principal amount of Series A Bonds in excess of \$19,500,000, or result in a  
6 true interest cost on the Series A Bonds in excess of 6.95% per annum. The approval of  
7 such additions or changes shall be conclusively evidenced by the execution and delivery  
8 by the Agency of the Series A Second Supplement. The date, maturity dates, aggregate  
9 principal amounts, annual maturity amounts, interest rate or rates, interest payment  
10 dates, denominations, form, registration privileges, manner of execution, place of  
11 payment, terms of redemption and other terms of the 2010 Series A Bond shall be as  
12 provided in the Series A Original Indenture and the Series A Second Supplement, as  
13 finally executed.

- 14  
15 3. Approval of Issuance of Series A-T Bonds. Pursuant to the Redevelopment Law and the  
16 Series A-T Indenture (as defined below), bonds of the Agency, designated as  
17 "Redevelopment Agency for the county of Riverside 2010 Tax Allocation Housing  
18 Bonds, Series A-T" in an aggregate principal amount not to exceed \$55,000,000, are  
19 hereby authorized to be issued. The Series A-T Bonds will be issued pursuant to the  
20 Series A-T Indenture, and will be in the form set forth in and will be executed as  
21 provided in the Series A-T Indenture.

22  
23 The Series A-T Bonds will be issued in accordance with, and pursuant to, the terms and  
24 conditions set forth in the Indenture of Trust dated as of December 1, 2004 (the "Series  
25 A-T Original Indenture"), between the Agency and The Bank of New York Trust  
26 Company, N.A., as trustee, as supplemented by the First Supplement to Indenture of  
27 Trust expected to be dated as of May 1, 2010 (the "Series A-T First Supplement" and,  
28 together with the Series A-T Original Indenture, the "Series A-T Indenture") between

1 the Agency and The Bank of New York Mellon Trust Company, N.A. (the "Series A-T  
2 Trustee"). The Series A-T First Supplement, in the form presented to this meeting, is  
3 hereby approved. The Executive Director, the Deputy Executive Director and the  
4 Finance Director (the "Designated Officers") are, and each of them acting alone is,  
5 hereby authorized and directed, for and in the name and on behalf of the Agency, to  
6 execute and deliver the Series A-T First Supplement, and the Secretary is hereby  
7 authorized and directed, for and in the name and on behalf of the Agency, to attest the  
8 Designated Officer's signature to each of the Series A-T First Supplement, in said form,  
9 together with such additions thereto or changes therein as are recommended or approved  
10 by the Designated Officers, upon consultation with bond counsel to the Agency,  
11 including such additions or changes as are necessary or advisable in accordance with  
12 Sections 6 and 8 hereof; provided that no additions or changes shall authorize: (i) an  
13 aggregate principal amount of Series A-T Bonds in excess of \$55,000,000, or result in a  
14 true interest cost on the Series A-T Bonds in excess of 9.50% per annum. The approval  
15 of such additions or changes shall be conclusively evidenced by the execution and  
16 delivery by the Agency of the Series A-T First Supplement. The date, maturity dates,  
17 aggregate principal amounts, annual maturity amounts, interest rate or rates, interest  
18 payment dates, denominations, form, registration privileges, manner of execution, place  
19 of payment, terms of redemption and other terms of the 2010 Series A-T Bond shall be  
20 as provided in the Series A-T Original Indenture and the Series A-T First Supplement,  
21 as finally executed.

22  
23 Pursuant to Section 5903 of the Government Code of the State of California, the Agency  
24 hereby determines that the Series A-T Bonds will be subject to all applicable federal  
25 income taxation;

- 26  
27 4. Parity Bonds. The Bonds will be issued on a parity with the 2004 Bonds and the 2005  
28 Bonds pursuant to Section 3.04 of both of the Series A Original Indenture and the Series

1 A-T Original Indenture (collectively, the "Original Indentures"). The Designated  
2 Officers are hereby authorized to take such actions as are required to issue the Bonds as  
3 Parity Debt (as defined in the Original Indentures).  
4

- 5 5. Sale of the Bonds. The Agency hereby authorizes and directs the Designated Officers to  
6 negotiate the sale of the Bonds to Wedbush Securities (the "Underwriter"), on behalf of  
7 itself and Stone & Youngberg LLC. The Bond Purchase Agreements, one each for  
8 Series A Bonds and the Series A-T Bonds, by and among the Riverside County Public  
9 Financing Authority (the "Authority"), the Underwriter and the Agency, pursuant to  
10 which the Agency agrees to sell the Bonds to the Authority for re-sale to the  
11 Underwriter, and the Underwriter agrees to purchase the Bonds from the Authority, be  
12 and the same are hereby approved, and the Designated Officers are hereby authorized  
13 and directed to execute said documents, with such changes, insertions and omissions as  
14 may be approved by such official, including modifications to provide for the private  
15 placement of all or a portion of the Bonds and the payment of placement agent fees, if  
16 any, so long as: (A) the aggregate principal amount of the Series A Bonds does not  
17 exceed \$19,500,000, the true interest cost on the Series A Bonds does not exceed 6.95%  
18 per annum, and the Underwriter's discount (exclusive of original issue discount) on the  
19 Series A Bonds does not exceed 0.95%; and so long as (B) the aggregate principal  
20 amount of the Series A-T Bonds does not exceed \$55,000,000, the true interest cost on  
21 the Series A-T Bonds does not exceed 9.50% per annum, and the Underwriter's discount  
22 (exclusive of original issue discount) on the Series A-T Bonds does not exceed 0.95%.

23  
24 Notwithstanding anything else herein to the contrary, the Series A Bonds may be issued  
25 in part or in whole as "Build America Bonds" under and within the meaning of Section  
26 54AA of the Internal Revenue Code of 1986 (the "Code"). The amount of any  
27 anticipated interest subsidy payments received pursuant to Section 54AA of the Code by  
28 or on behalf of the Agency in respect of the Series A Bonds that are issued as Build

1 America Bonds shall be considered in determining the true interest cost of the Series A  
2 Bonds. The Agency hereby directs the Designated Officers, each acting alone, to  
3 determine, based on advice from the Underwriter and the Agency's Financial Advisor,  
4 whether it is feasible and in the best interests of the Agency to provide for the issuance  
5 of all or a portion of the Series A Bonds as Build America Bonds. If a Designated  
6 Officer determines that it is in the best interests of the Agency to provide for the  
7 issuance of all or a portion of the Series A Bonds as Build America Bonds, the  
8 Designated Officers are authorized to make the necessary election in the name and on  
9 behalf of the Agency as required by the Code.

10  
11 6. Approval of Official Statement. The Official Statement, in the form presented to this  
12 meeting, is hereby approved. The Designated Officers are, and each of them acting  
13 alone is, hereby authorized and directed, for and in the name and on behalf of the  
14 Agency, to execute the Official Statement in said form, together with such additions  
15 thereto or changes therein as are recommended or approved by the Designated Officers,  
16 upon consultation with disclosure counsel to the Agency, the approval of such additions  
17 or changes to be conclusively evidenced by the execution and delivery by the Agency of  
18 the Official Statement.

19  
20 The Underwriter is hereby authorized and directed to distribute copies of the Official  
21 Statement to persons who express an interest in the purchase of the Bonds, and the  
22 Underwriter is directed to deliver such copies to all actual purchasers of the Bonds. The  
23 Underwriter is hereby authorized and directed to distribute copies of the preliminary  
24 official statement relating to the Bonds. The Designated Officers are, and each of them  
25 acting alone is, hereby authorized to execute a certificate to the effect that such  
26 preliminary official statement and the Official Statement, as of their respective dates, are  
27 deemed final by the Agency for purposes of Rule 15c2-12 under the Securities  
28 Exchange Act of 1934, as amended.



1  
2 7. Municipal Bond Insurance. The Designated Officers, each acting alone, are hereby  
3 authorized and directed to obtain a municipal bond insurance policy for the Bonds if it is  
4 determined, upon consultation with the Underwriter and the Financial Advisor to the  
5 Agency, that such municipal bond insurance policy will reduce the true interest costs  
6 with respect to the Bonds.

7  
8 8. Official Action. All actions heretofore taken by the officers and agents of the Agency  
9 with respect to the preparation of the Official Statements and the Indentures, and the sale  
10 and issuance of the Bonds, are hereby approved, confirmed and ratified, and the proper  
11 officers of the Agency, including the Designated Officers, are hereby authorized and  
12 directed, for and in the name and on behalf of the Agency, to do any and all things and  
13 take any and all actions and execute and deliver any and all certificates, agreements and  
14 other documents which they, or any of them, may deem necessary or advisable in order  
15 to consummate the lawful issuance and delivery of the Bonds in accordance with this  
16 Resolution, including but not limited to those certificates, agreements and other  
17 documents described in the Indentures and the other documents herein approved, and  
18 any certificates, agreements or documents as may be necessary to further the purpose  
19 hereof or provide additional security for the Bonds, but which shall not create any  
20 obligation or liability of the Agency other than with respect to the housing tax revenues  
21 pledged as security for the Bonds in the Indentures and assets derived from the proceeds  
22 of the Bonds.

23  
24 9. Effective Date. This resolution shall take effect from and after the date of approval and  
25 adoption thereof.

26  
27 The foregoing resolution was passed and adopted by the Redevelopment Agency for the County  
28 of Riverside at a regular meeting held on the 4th day of May, 2010.