

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

451



FROM: Redevelopment Agency

SUBMITTAL DATE:
February 3, 2011

SUBJECT: Resolution Number 2011-008 Authorizing the Issuance, Sale, and Delivery of Two Series of Tax Allocation Housing Bonds

RECOMMENDED MOTION: That the Board of Directors adopt Resolution Number 2011-008 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 for the County of Riverside proposes to issue its not to exceed \$35,000,000 combined initial aggregate principal amount of its 2011 Tax Allocation Housing Bonds, Series A, and its 2011 Taxable Tax Allocation Housing Bonds, Series A-T, for the purpose of financing low- and moderate-income housing of benefit to the Agency's various redevelopment project areas.

Robert Field
Robert Field
Executive Director

FINANCIAL DATA	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:	2011/12

COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA: Yes

SOURCE OF FUNDS: Low and Moderate Income Housing Funds	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE
BY: *Jennifer L. Sargent*
County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
 BY: *Anita C. Willis*
 ANITA C. WILLIS
 DATE: 2-3-11
 Departmental Concurrence

Policy
 Consent
 Policy
 Consent

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

4.4

2 RESOLUTION NO. 2011-008

3
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

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

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

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

21 WHEREAS, in order to finance various low- and moderate- income housing
22 activities, the Agency desires to issue (i) its 2011 Tax Allocation Housing Bonds, Series
23 A (the "Series A Bonds") and (ii) its 2011 Taxable Tax Allocation Housing Bonds,
24 Series A-T (the "Series A-T Bonds" and, together with the Series A Bonds, the
25 "Bonds"), in a combined initial aggregate principal amount of not to exceed
26 \$35,000,000;

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

1 aggregate principal amount of 2004 Tax Allocation Housing Bonds, Series A (the "2004
2 Series A Bonds"), its outstanding \$37,000,000 aggregate principal amount of 2004
3 Taxable Tax Allocation Housing Bonds, Series A-T (the 2004 Series A-T Bonds" and,
4 together with the 2004 Series A Bonds, the "2004 Bonds"), its outstanding \$18,245,000
5 2005 Tax Allocation Housing Refunding Bonds, Series A (the "2005 Bonds"), its
6 outstanding \$15,885,000 aggregate principal amount of 2010 Tax Allocation Housing
7 Bonds, Series A (the "2010 Series A Bonds"), and its outstanding \$50,860,000
8 aggregate principal amount of 2010 Taxable Tax Allocation Housing Bonds, Series A-T
9 (the 2010 Series A-T Bonds" and, together with the 2010 Series A Bonds, the "2010
10 Bonds");

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

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

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

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

28 **NOW, THEREFORE, BE IT RESOLVED** by the Redevelopment Agency for the

1 County of Riverside, as follows:

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

4 2. Approval of Issuance of Series A Bonds; Approval of Third Supplement
5 to Indenture of Trust. Pursuant to the Redevelopment Law and the Series A Indenture
6 (as defined below), bonds of the Agency, designated as "Redevelopment Agency for
7 the county of Riverside 2011 Tax Allocation Housing Bonds, Series A" are hereby
8 authorized to be issued. The Series A Bonds will be issued pursuant to the Series A
9 Indenture, and will be in the form set forth in and will be executed as provided in the
10 Series A Indenture.

11 The Series A Bonds, which may be issued as both current interest bonds and
12 capital appreciation bonds, will be issued in accordance with, and pursuant to, the
13 terms and conditions set forth in the Indenture of Trust dated as of December 1, 2004
14 (the "Series A Original Indenture"), between the Agency and The Bank of New York
15 Trust Company, N.A., as trustee, as heretofore supplemented and amended by the
16 First Supplement to Indenture of Trust dated as of April 1, 2005 (the "Series A First
17 Supplement"), between the Agency and The Bank of New York Trust Company, N.A.,
18 as trustee, and the Second Supplement to Indenture of Trust dated as of May 1, 2010
19 (the "Series A Second Supplement") between the Agency and The Bank of New York
20 Mellon Trust Company, N.A. (the "Series A Trustee"), and as supplemented and
21 amended by the Third Supplement to Indenture of Trust expected to be dated as of
22 March 1, 2011 (the "Series A Third Supplement" and, together with the Series A
23 Original Indenture, the Series A First Supplement and the Series A Second
24 Supplement, the "Series A Indenture") between the Agency and the Series A Trustee.
25 The Series A Third Supplement, in the form presented to this meeting, is hereby
26 approved. The Executive Director, the Deputy Executive Director and the Finance
27 Director (the "Designated Officers") are, and each of them acting alone is, hereby
28 authorized and directed, for and in the name and on behalf of the Agency, to execute

1 and deliver the Series A Third Supplement, and the Secretary is hereby authorized and
2 directed, for and in the name and on behalf of the Agency, to attest the Designated
3 Officer's signature to each of the Series A Third Supplement, in said form, together with
4 such additions thereto or changes therein as are recommended or approved by the
5 Designated Officers, upon consultation with bond counsel to the Agency, including
6 such additions or changes as are necessary or advisable in accordance with Sections
7 6 and 8 hereof; provided that no additions or changes shall authorize: (i) a combined
8 initial aggregate principal amount of Series A Bonds and Series A-T Bonds in excess of
9 \$35,000,000, or result in a true interest cost on the Series A Bonds in excess of 8.50%
10 per annum. The approval of such additions or changes shall be conclusively
11 evidenced by the execution and delivery by the Agency of the Series A Third
12 Supplement. The date, maturity dates, aggregate principal amounts, annual maturity
13 amounts, interest rate or rates, interest payment dates, denominations, form,
14 registration privileges, manner of execution, place of payment, terms of redemption
15 and other terms of the 2011 Series A Bond shall be as provided in the Series A
16 Original Indenture and the Series A Third Supplement, as finally executed.

17 3. Approval of Issuance of Series A-T Bonds; Approval of Second
18 Supplement to Indenture of Trust. Pursuant to the Redevelopment Law and the Series
19 A-T Indenture (as defined below), bonds of the Agency, designated as
20 "Redevelopment Agency for the county of Riverside 2011 Tax Allocation Housing
21 Bonds, Series A-T" are hereby authorized to be issued. The Series A-T Bonds will be
22 issued pursuant to the Series A-T Indenture, and will be in the form set forth in and will
23 be executed as provided in the Series A-T Indenture.

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

1 Supplement") between the Agency and The Bank of New York Mellon Trust Company,
2 N.A. (the "Series A-T Trustee") and as supplemented by the Second Supplement to
3 Indenture of Trust expected to be dated as of March 1, 2011 (the "Series A-T Second
4 Supplement to Indenture" and, together with the Series A-T Original Indenture and the
5 Series A-T First Supplement, the "Series A-T Indenture"). The Series A-T Second
6 Supplement, in the form presented to this meeting, is hereby approved. The Executive
7 Director, the Deputy Executive Director and the Finance Director (the "Designated
8 Officers") are, and each of them acting alone is, hereby authorized and directed, for
9 and in the name and on behalf of the Agency, to execute and deliver the Series A-T
10 Second Supplement, and the Secretary is hereby authorized and directed, for and in
11 the name and on behalf of the Agency, to attest the Designated Officer's signature to
12 each of the Series A-T Second Supplement, in said form, together with such additions
13 thereto or changes therein as are recommended or approved by the Designated
14 Officers, upon consultation with bond counsel to the Agency, including such additions
15 or changes as are necessary or advisable in accordance with Sections 6 and 8 hereof;
16 provided that no additions or changes shall authorize: (i) a combined initial aggregate
17 principal amount of Series A-T Bonds and Series A Bonds in excess of \$35,000,000, or
18 result in a true interest cost on the Series A-T Bonds in excess of 10.25% per annum.
19 The approval of such additions or changes shall be conclusively evidenced by the
20 execution and delivery by the Agency of the Series A-T Second Supplement. The
21 date, maturity dates, aggregate principal amounts, annual maturity amounts, interest
22 rate or rates, interest payment dates, denominations, form, registration privileges,
23 manner of execution, place of payment, terms of redemption and other terms of the
24 2011 Series A-T Bond shall be as provided in the Series A-T Original Indenture and the
25 Series A-T Second Supplement, as finally executed.

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

1 4. Parity Bonds. The Bonds will be issued on a parity with the 2004 Bonds,
2 the 2005 Bonds and the 2010 Bonds pursuant to Section 3.04 of both of the Series A
3 Original Indenture and the Series A-T Original Indenture (collectively, the "Original
4 Indentures"). The Designated Officers are hereby authorized to take such actions as
5 are required to issue the Bonds as Parity Debt (as defined in the Original Indentures).

6 5. Sale of the Bonds. The Agency hereby authorizes and directs the
7 Designated Officers to negotiate the sale of the Bonds to Stone & Youngberg LLC and
8 E. J. De La Rosa & Co., Inc., as underwriters (collectively, the "Underwriter"). The
9 Bond Purchase Agreements, one each for Series A Bonds and the Series A-T Bonds,
10 by and among the Riverside County Public Financing Authority (the "Authority"), the
11 Underwriter and the Agency, pursuant to which the Agency agrees to sell the Bonds to
12 the Authority for re-sale to the Underwriter, and the Underwriter agrees to purchase the
13 Bonds from the Authority, be and the same are hereby approved, and the Designated
14 Officers are hereby authorized and directed to execute said documents, with such
15 changes, insertions and omissions as may be approved by such official, including
16 modifications to provide for the private placement of all or a portion of the Bonds and
17 the payment of placement agent fees, if any, so long as: (A) the combined initial
18 aggregate principal amount of the Series A Bonds and the Series A-T Bonds does not
19 exceed \$35,000,000, (B) the true interest cost on the Series A Bonds does not exceed
20 8.50% per annum, (C) the Underwriter's discount (exclusive of original issue discount)
21 on the Series A Bonds does not exceed 1.00%, (D) the true interest cost on the Series
22 A-T Bonds does not exceed 10.25% per annum, and (E) the Underwriter's discount
23 (exclusive of original issue discount) on the Series A-T Bonds does not exceed 1.00%.

24 6. Approval of Official Statement. The Official Statement, in the form
25 presented to this meeting, is hereby approved. The Designated Officers are, and each
26 of them acting alone is, hereby authorized and directed, for and in the name and on
27 behalf of the Agency, to execute the Official Statement in said form, together with such
28 additions thereto or changes therein as are recommended or approved by the

1 Designated Officers, upon consultation with disclosure counsel to the Agency, the
2 approval of such additions or changes to be conclusively evidenced by the execution
3 and delivery by the Agency of the Official Statement.

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

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

18 8. Official Action. All actions heretofore taken by the officers and agents of
19 the Agency with respect to the preparation of the Official Statements and the
20 Indentures, and the sale and issuance of the Bonds, are hereby approved, confirmed
21 and ratified, and the proper officers of the Agency, including the Designated Officers,
22 are hereby authorized and directed, for and in the name and on behalf of the Agency,
23 to do any and all things and take any and all actions and execute and deliver any and
24 all certificates, agreements and other documents which they, or any of them, may
25 deem necessary or advisable in order to consummate the lawful issuance and delivery
26 of the Bonds in accordance with this Resolution, including but not limited to those
27 certificates, agreements and other documents described in the Indentures and the
28 other documents herein approved, and any certificates, agreements or documents as

1 may be necessary to further the purpose hereof or provide additional security for the
2 Bonds, but which shall not create any obligation or liability of the Agency other than
3 with respect to the housing tax revenues pledged as security for the Bonds in the
4 Indentures and assets derived from the proceeds of the Bonds.

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

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FORM APPROVED COUNTY COUNSEL
BY: Anita C. Willis 2-3-11
ANITA C. WILLIS DATE