

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

851



FROM: Successor Agency to the Redevelopment Agency

SUBMITTAL DATE:
September 12, 2013

SUBJECT: In Principle Approval of a Countywide Redevelopment Bond Refunding Program

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve in principle the initiation of a County Redevelopment Bond Refunding Program.

BACKGROUND:

Summary

AB 1484 amended ABx1 26 (the Redevelopment Dissolution Bill) to expressly authorize the refunding of bonds. If approved, the proposed Riverside County redevelopment bond funding program will financially benefit the County, school districts, community college districts, and other taxing entities. These savings will result from the refunding of the bonds, which reduces the amount of the debt service payments. The savings in debt service is then distributed among all taxing entities. The County General Fund is a taxing entity for every SA in the County, and will benefit from every RDA refunding. Participation in the refunding program would be completely voluntary, and will be offered to cities with outstanding RDA debt.

(Continued on Page 2)

Rohini Dasika

Rohini Dasika
Senior Management Analyst

FORM APPROVED COUNTY COUNSEL
BY: *Dale A. Gardner* 9/11/13
DATE: 9/11/13
DALE A. GARDNER

Departmental Concurrence

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ variable	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: Savings from Bond Refunding will cover all associated costs

Budget Adjustment: None
For Fiscal Year: 13/14

C.E.O. RECOMMENDATION:

APPROVE

BY: *Christopher M. Hans*

County Executive Office Signature Christopher M. Hans

MINUTES OF THE BOARD OF SUPERVISORS

Positions Added
 Change Order

A-30
 4/5 Vote

Prev. Agn. Ref.:

District: ALL

Agenda Number:

4-1

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FORM 11: In Principle Approval of a Countywide Redevelopment Bond Refunding Program

DATE: September 12, 2013

PAGE: Page 2 of 2

BACKGROUND:

Summary (continued)

This potential for additional revenue to the County General Fund has led the Successor Agency to the Redevelopment Agency for the County of Riverside (County of Riverside SA) to explore the development of a Countywide Redevelopment Bond Refunding Program (Program). The objective of the Program will be to minimize the amount of time and effort required of each SA in the county to complete a bond refunding. The Program would be managed exclusively by the County, and each SA and Oversight Board would need to approve any proposed refunding of their debt in order to authorize the financing.

The County of Riverside SA has undertaken some preliminary investigation and has discovered that the County of Los Angeles has developed a redevelopment bond refunding program, with strong support from the California Department of Finance (DOF). The County of Riverside SA's financial advisor, C.M. deCrisis & Company, Inc. (deCrisis) has conducted a preliminary analysis to determine if any of the SAs located in Riverside County would be viable candidates for refunding. The analysis shows that several city SAs have bond issues that would qualify as refunding candidates within the next several months. Those city SAs with potential for savings through refunding have been surveyed, and the response to the proposed Program has been favorable.

In order to facilitate Program implementation, the County of Riverside SA has identified potential financing team members, including underwriters, bond counsel, disclosure counsel and staff who will lead the refunding effort for each participating city. The Program will track and analyze participating SA bonds to determine savings potential of bond refunding on an ongoing basis. SA Boards and Oversight Boards will need to adopt resolutions of participation to join the Program. All refunding deals are subject to review by the California Department of Finance (DOF).

The ultimate goal of initiating the Program is to facilitate the refunding of bonds for SAs in Riverside County in an efficient and cost-effective manner, while alleviating the SAs' administrative burden of managing their own financing. The County Team will lead the effort to prepare all legal documents and Official Statements, solicit credit ratings and market the bonds. Additionally, the County will take the lead in communicating with DOF, and obtaining a final and conclusive determination for Recognized Obligation Payment Schedules (ROPS) payments related to the refunding bonds.

Impact on Citizens and Businesses

Approval of the Program will be beneficial for the citizens of Riverside County. County residents and businesses will ultimately benefit from the surplus tax revenue that will be derived from the SA bond refundings, which will be distributed to taxing entities including the County General Fund, K-12 school districts, and community college districts. The taxing entities will then have additional revenue to put towards services for the residents of the county, and the purchase of goods from Riverside County businesses.

Financial Information

Legal, underwriter, administrative, and financial advisor costs can run \$250,000 per refunding. No refunding will be undertaken unless savings is 3% or more, including these issuance costs.