

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

337



FROM: Successor Agency to the Redevelopment Agency

SUBMITTAL DATE:
February 6, 2014

SUBJECT: Refunding of Outstanding Bonds of the Dissolved Redevelopment Agency, All Districts, [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Execute the Refunding Program Agreement by and between the Successor Agency to the Redevelopment Agency for the County of Riverside (Successor Agency) and the Riverside County Public Financing Authority (Authority), to participate in the County's RDA Bond Refunding Program as implemented by the Authority;
2. Adopt Resolution No. 2014-003, requesting direction to undertake proceedings for the refunding of outstanding bonds of the former Redevelopment Agency for the County of Riverside and providing for other matters relating thereto; and,
3. Direct staff to submit this item to the Oversight Board for approval.

BACKGROUND:

Summary

(commences on next page)

Rohini Dasika
Rohini Dasika
Senior Management Analyst

FORM APPROVED COUNTY COUNSEL
BY: *Dale A. Gardner* 1/30/14
DATE: _____
DALE A. GARDNER
Departmental Concurrence

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ N/A	\$ N/A	\$ N/A	\$ N/A	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ N/A	\$ N/A	\$ N/A	\$ N/A	
SOURCE OF FUNDS: N/A				Budget Adjustment:	No
				For Fiscal Year:	14/15

C.E.O. RECOMMENDATION:

APPROVE

BY: *Alex Gann*

County Executive Office Signature

Alex Gann

MINUTES OF THE BOARD OF SUPERVISORS

- A-30
- 4/5 Vote
- Positions Added
- Change Order

Prev. Agn. Ref.: 4-1, 9/24/13

District: All

Agenda Number:

4-1

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

FORM 11:

DATE:

PAGE: 2 of 2

BACKGROUND:

Summary (continued)

Prior to the dissolution of the Redevelopment Agency for the County of Riverside (Agency), the Agency issued \$102,785,000 in Series 2004 Tax Allocation Bonds for all redevelopment project areas, and \$75,225,000 in Series 2004 A and A-T tax allocation housing bonds. These bonds, with the exception of the \$37,000,000 in Series 2004 A-T Bonds, will reach their ten (10) year call date and are callable on October 1, 2014. The proximity to the call date makes a number of the bond maturities attractive refunding candidates. The Successor Agency wishes to refund the callable bonds in order to achieve debt service savings that will accrue to the benefit of the Successor Agency, the County, and other applicable taxing entities.

On September 24, 2013, the Board of Supervisors approved in principle the initiation of a County Redevelopment Bond Refunding Program (Agenda Item 4-1). The purpose of the program is to minimize the amount of time and effort required of each Successor Agency (SA) in the county to complete a bond refunding. The Program is managed by a finance team assembled by the County, and each SA and Oversight Board must approve any proposed refunding of RDA debt in order to authorize financing. The Riverside County Public Financing Authority will implement the refunding of the bonds.

The city of Indian Wells is currently participating in the program, and its SA and Oversight Board have approved an RDA bond refunding for 2003 bonds that reached their ten (10) year call date in September 2013. The Program team is working with the Department of Finance (DOF) to facilitate the review, and the deal is expected to close by March of 2014.

The Program team, is prepared to undertake the proceedings for refunding the 2004 County SA bonds. In order to proceed, the Board must enter into the Refunding Agreement to enable the Public Financing Authority to implement the refunding. In addition, adoption of Resolution No. 2014-003 is required by the DOF to be submitted to the Oversight Board, in order to initiate the process and provide DOF with notice of the upcoming refunding. After approval of Resolution No. 2014-003, the Program team will assemble the various required legal and underwriting documents and bring all the documents back to the Board for final approval in a few months. Once final approval is obtain by the SA and Oversight Board, the documents and reports will be submitted to the DOF for their approval prior to any bonds being sold.

The criteria for moving forward with the bond issuance will be an acceptable level of savings targeted at 3% or better of net present value savings.

Staff recommends execution of the Refunding Agreement, adoption of Resolution No. 2014-003, and submittal to the Oversight Board. These actions will allow the Program team to move forward with evaluating the terms of refunding to achieve the maximum debt service savings.

Impact on Citizens and Businesses

This item 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 this refunding. The savings in debt service payments that will be achieved by the refunding will be distributed to taxing entities including the County General Fund, K-12 school districts, and community college districts. The taxing entities will in turn have additional revenue to use for services for the residents of Riverside County.

REFUNDING PROGRAM AGREEMENT

This REFUNDING PROGRAM AGREEMENT (the "Agreement") is entered into as of _____, 2014, by and between the RIVERSIDE COUNTY PUBLIC FINANCING AUTHORITY, a joint powers authority, organized and existing under the laws of the State of California, and the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a public entity duly organized and existing under the laws of the State of California (the "Successor Agency");

WITNESSETH

WHEREAS, the Authority is a joint powers authority created pursuant to a Joint Exercise of Powers Agreement, dated as of March 20, 1990, by and between the County of Riverside (the "County") and the Redevelopment Agency for the County of Riverside, and is authorized pursuant to the Marks-Roos Local Bond Pooling Act (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code and pursuant to Section 34177.5(b) (unless otherwise noted, all Section references are to the Health and Safety Code) to purchase refunding bonds issued by the Successor Agency;

WHEREAS, pursuant to Section 34172, the Redevelopment Agency for the County of Riverside (the "Former Agency") has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173, the County of Riverside has become the Successor Agency to the Former Agency;

WHEREAS, prior to the dissolution, the Former Agency issued the following series of bonds (collectively, the "Prior Bonds"):

(i) Redevelopment Agency for the County of Riverside Redevelopment Project Area No. 1 2004 Tax Allocation Bonds, Series A, issued in the initial aggregate principal amount of \$24,865,000;

(ii) Redevelopment Agency for the County of Riverside Jurupa Valley Redevelopment Project Area 2004 Tax Allocation Bonds, Series B, issued in the initial aggregate principal amount of \$16,715,000;

(iii) Redevelopment Agency for the County of Riverside Mid-County Redevelopment Project Area 2004 Tax Allocation Bonds, Series C, issued in the initial aggregate principal amount of \$6,125,000;

(iv) Redevelopment Agency for the County of Riverside Desert Communities Redevelopment Project Area 2004 Tax Allocation Bonds, Series D, issued in the initial aggregate principal amount of \$34,840,000;

(v) Redevelopment Agency for the County of Riverside Interstate 215 Corridor Redevelopment Project Area 2004 Tax Allocation Bonds, Series E, issued in the initial aggregate principal amount of \$20,240,000;

(vi) Redevelopment Agency for the County of Riverside Housing 2004 Tax Allocation Bonds, Series A, issued in the initial principal amount of \$38,225,000; and,

(viii) Redevelopment Agency for the County of Riverside Housing 2004 Taxable Tax Allocation Bonds, Series A-T, issued in the initial principal amount of \$37,000,000.

WHEREAS, Section 34177.5 authorizes the Successor Agency to undertake proceedings for the refunding of outstanding bonds and other obligations of the Former Agency, subject to conditions precedent contained in Section 34177.5;

WHEREAS, the County of Riverside (the "County") has developed a program (the "Refunding Program") to be implemented by the Authority for the purpose of assisting successor agencies within the County in refunding outstanding bonds and other obligations in order to provide debt service savings to such successor agencies and to provide savings in the costs and other efficiencies with respect to such refundings;

WHEREAS, the Successor Agency has determined to issue bonds (the "Refunding Bonds") to provide funds to refund the Prior Bonds and, in connection with such issuance, to participate in the Refunding Program with the goal of refunding the Prior Bonds in order to achieve debt service savings that will accrue to the benefit of both the Successor Agency and to applicable taxing entities;

WHEREAS, the Authority has determined to issue its bonds (the "Authority Bonds") to provide funds to purchase the Refunding Bonds from the Successor Agency; and

WHEREAS, the Authority and the Successor Agency desire to enter into this Agreement in order to set forth the manner in which the Authority shall provide assistance to the Successor Agency under the Refunding Program, as well as other matters relating to the issuance of the Authority Bonds and the Refunding Bonds;

NOW THEREFORE, the Authority and the Successor Agency in consideration of the mutual obligations herein provided, agree as follows:

1. Issuance of Authority Bonds and Refunding Bonds. The Authority shall use its best efforts to issue the Authority Bonds and the Successor Agency, subject to market conditions affecting the ability to meet the Successor Agency's debt service savings goal, shall use its best efforts to issue the Refunding Bonds, provided that, upon written notice given by either the Authority or the Successor Agency to the other that it is not able to issue the Authority Bonds or the Refunding Bonds, as applicable, this Agreement shall be of no further force and effect, except that the Successor Agency shall, to the extent possible, reimburse the County for any compensation or expenses paid or due and owing to the Fiscal Consultant and/or to other consultants, to rating agencies, to trustees and to others, as provided in paragraph 4.

2. Related Successor Agency Obligations. The Successor Agency shall provide staff support to the Authority as reasonably required by the Authority and its staff and consultants, shall cooperate in obtaining necessary information from the trustee for the Refunding Bonds, shall provide records and reports as reasonably requested, and shall review and approve all official statement and continuing disclosure related to the Successor Agency.

3. Program Manager. For purposes of the proceedings for the issuance of the Refunding Bonds and on an ongoing basis thereafter, the Authority shall make available County Staff to function as the manager of the Refunding Program (the "Program Manager"), who will act as liaison between Successor Agency Staff and the Riverside County Auditor-Controller in matters relating to the issuance of the Refunding Bonds, and all matters relating to:

(i) the semi-annual application of property tax revenues in the Redevelopment Property Tax Trust Fund to the payment of debt service on the Refunding Bonds;

(ii) the semi-annual preparation of applicable Recognized Obligation Payment Schedules with respect to debt service payment requirements; and

(iii) the timing and amounts of semi-annual debt service to be set forth on the Recognized Obligations Payment Schedules.

(iv) compiling annual information needed to comply with continuing disclosure requirements and other forms of reporting assistance related to Refunding Bonds as reasonably required.

(v) monitoring redevelopment related legislation and changes in law that may impact the Refunding Bonds or the Successor Agency.

Additionally, the Program Manager will work with the Fiscal Consultant in connection with the matters set forth in Section 5 below.

4. Bond Issuance Proceedings. The Authority shall engage and utilize the services of the Authority's bond consultants, attorneys, underwriters and financial consultants and advisors to complete the issuance of the Authority Bonds and the Refunding Bonds and, with respect to such issuance, shall obtain an acceptable level of savings targeted at 3% or better of net present value savings. The Authority's financing professionals shall coordinate their activities in such a way as to minimize the impact on the Successor Agency staff and, in this regard, shall obtain as much information as possible directly from the Riverside County Auditor-Controller and the Riverside County Assessor.

5. Fiscal Consultant. The Authority shall engage a fiscal consultant (the "Fiscal Consultant") that is acceptable to the Successor Agency and that is judged by the Authority to be experienced in matters relating to the collection and application of property tax revenues under the Community Redevelopment Law, including Sections 34182 and 34183, who will:

(i) provide assistance in the preparation of initial disclosure upon sale of the Authority Bonds and the purchase of the Refunding Bonds;

(ii) provide assistance in the preparation of continuing disclosure with respect to the Refunding Bonds for purposes of compliance with federal securities laws; and

(iii) If requested by the Successor Agency, provide assistance in the preparation of continuing disclosure with respect to other outstanding tax allocation bonds or other obligations issued by the Former Agency.

6. Bond Issuance Costs, Compensation and Reimbursements. Bond issuance costs, including Successor Agency staff costs, County staff costs, legal services, rating agency fees, trustee fees and other consultant costs shall be paid, as a cost of issuance of the Refunding Bonds. To the extent permitted by law and approved by the Successor Agency's Oversight Board and the California Department of Finance, the Successor Agency agrees to reimburse the County from property tax revenues as a recognized enforceable obligation

pursuant to Section 34183 and the applicable Recognized Obligation Payment Schedules of the Successor Agency for reasonable costs incurred in the event proceedings for the refunding of the Prior Bonds is abandoned.

IN WITNESS WHEREOF, THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, has caused this Agreement to be signed in its name by its Executive Director and attested by its Secretary, and the RIVERSIDE COUNTY PUBLIC FINANCING AUTHORITY has caused this Agreement to be signed in its name by its Executive Director and attested by its Secretary, all as of the day and year first above written.

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE

By: _____
Chairman

ATTEST:

Secretary

RIVERSIDE COUNTY PUBLIC FINANCING AUTHORITY

By: _____
Executive Director

ATTEST:

Secretary

FORM APPROVED COUNTY COUNSEL
BY: DALE A. GARDNER 1/30/19
DATE

1 BOARD OF SUPERVISORS

COUNTY OF RIVERSIDE

2 SUCCESSOR AGENCY

3
4 **RESOLUTION OF THE SUCCESSOR AGENCY FOR THE REDEVELOPMENT**
5 **AGENCY FOR THE COUNTY OF RIVERSIDE REQUESTING DIRECTION TO**
6 **UNDERTAKE PROCEEDINGS FOR THE REFUNDING OF OUTSTANDING**
7 **BONDS OF THE FORMER REDEVELOPMENT AGENCY FOR THE COUNTY**
8 **OF RIVERSIDE AND PROVIDING FOR OTHER MATTERS RELATING**
9 **THERETO**
10

11 **WHEREAS**, pursuant to Section 34172(a) of the California Health and Safety Code
12 (all Section references hereinafter being to such Code), the Redevelopment Agency for
13 the County of Riverside (the "Former Agency") has been dissolved and no longer exists as
14 a public body, corporate and politic, and pursuant to Section 34173, the County of Riverside
15 has become the successor entity to the Former Agency (the "Successor Agency");
16

17 **WHEREAS**, prior to the dissolution of the Former Agency, the Former Agency issued
18 the following series of bonds for the purpose of financing and refinancing
19 redevelopment activities (collectively, the "Prior Bonds"):

- 20 (i) Redevelopment Agency for the County of Riverside Redevelopment
21 Project Area No. 1 2004 Tax Allocation Bonds, Series A, issued in the
22 initial aggregate principal amount of \$24,865,000; and,
- 23 (ii) Redevelopment Agency for the County of Riverside Jurupa Valley
24 Redevelopment Project Area 2004 Tax Allocation Bonds, Series B,
25 issued in the initial aggregate principal amount of \$16,715,000; and,
- 26 (iii) Redevelopment Agency for the County of Riverside Mid-County
27 Redevelopment Project Area 2004 Tax Allocation Bonds, Series C,
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FORM APPROVED COUNTY COUNSEL
BY: *Wesley G. Gardner*
DATE: 1/5/14
WESLEY GARDNER

1 issued in the initial aggregate principal amount of \$6,125,000; and,

2 (iv) Redevelopment Agency for the County of Riverside Desert Communities
3 Redevelopment Project Area 2004 Tax Allocation Bonds, Series D,
4 issued in the initial aggregate principal amount of \$34,840,000;

5 (v) Redevelopment Agency for the County of Riverside Interstate 215
6 Corridor Redevelopment Project Area 2004 Tax Allocation Bonds, Series
7 E, issued in the initial aggregate principal amount of \$20,240,000;

8 (vi) Redevelopment Agency for the County of Riverside Housing 2004 Tax
9 Allocation Bonds, Series A, issued in the initial principal amount of
10 \$38,225,000; and,

11 (vii) Redevelopment Agency for the County of Riverside Housing 2004
12 Taxable Tax Allocation Bonds, Series A-T, issued in the initial principal
13 amount of \$37,000,000.

14 **WHEREAS**, Section 34177.5 authorizes the Successor Agency to undertake
15 proceedings for the refunding of outstanding bonds and other obligations of the Former Agency,
16 subject to the conditions precedent contained in Section 34177.5;

17 **WHEREAS**, pursuant to Code Section 34179, an oversight board (the "Oversight
18 Board") has been established for the Successor Agency and representatives of the Successor
19 Agency and the Oversight Board have informally discussed the possibility of refunding the Prior
20 Bonds;
21

22 **WHEREAS**, the County of Riverside (the "County"), a political subdivision of the State of
23 California and taxing entity recipient of property tax revenues, represented by voting
24 membership on the Oversight Board, has developed a program (the "Refunding Program") to
25 assist successor agencies within the County to refund tax allocation bonds pursuant to AB 1484
26 in order to provide debt service savings to successor agencies, efficiencies in the issuance
27 process and cost of issuance savings;
28

1 **WHEREAS**, the Riverside County Public Financing Authority (the "Authority") a Joint
2 Powers Authority, organized and existing under the laws of the State of California, created
3 pursuant to a Joint Exercise of Powers Agreement, dated March 20, 1990, by and between the
4 County of Riverside and the Former Agency pursuant to the Marks-Roos Local Bond Pooling
5 Act, will, in connection with the Refunding Program, purchase refunding bonds issued by
6 successor agencies within the County, including the Successor Agency;

7 **WHEREAS**, the Successor Agency has determined to participate in the Refunding
8 Program with the goal of refunding the Prior Bonds to achieve debt service savings that will
9 accrue to the benefit of both the Successor Agency and the applicable taxing entities as a result
10 of the refunding; and

11 **WHEREAS**, the Successor Agency requests that the Oversight Board direct the
12 Successor Agency to undertake such refunding proceedings, it being understood that such
13 direction by the Oversight Board will enable the Successor Agency to recover its related costs in
14 connection with the refunding proceedings, as authorized by Section 34177.5(f);

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

17 **Section 1. Determination to Refund Prior Bonds.** The Successor Agency hereby
18 determines that it intends to refund the Prior Bonds in accordance with and pursuant to
19 California Health and Safety Code Section 34177.5. The Successor Agency hereby determines
20 to utilize the County's Refunding Program in connection with the issuance of its refunding
21 bonds. The appropriate officers of the Successor Agency are hereby authorized and directed to
22 enter into the Refunding Program Agreement with the Authority in the form presented to the
23 Successor Agency.

24 **Section 2. Filing of Resolution.** The Secretary of the Successor Agency is hereby
25 authorized and directed to file a certified copy of this Resolution with the Oversight Board, and,
26 as provided in California Health and Safety Code Section 34180(j), with the Riverside County
27
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1 Administrative Officer, the Riverside County Auditor-Controller and the California Department of
2 Finance.

3 **Section 3. Request for Direction.** The Oversight Board is hereby requested to direct
4 the Successor Agency to undertake the refunding of the Prior Bonds.

5
6 **Section 4. Preparation of Proceedings.** Upon receipt of the direction of the Oversight
7 Board, the Successor Agency will cause the preparation of appropriate proceedings for the
8 issuance of bonds to refund the Prior Bonds, and will submit such proceedings to the Oversight
9 Board for approval in accordance with the provisions of California Health and Safety Code
10 Sections 34177.5 and 34180.

11
12 **Section 5. Appointments.** C.M. de Crinis & Co., Inc, as financial advisor, Citigroup
13 Global Markets Inc., as lead underwriter, Jones Hall, A Professional Law Corporation, as bond
14 counsel, and Best Best & Kreiger LLP, as disclosure counsel, are hereby appointed to act on
15 behalf of the Successor Agency for purposes of the proceedings for the issuance of the
16 refunding bonds. Upon receipt of direction from the Oversight Board, the Successor Agency will
17 engage a fiscal consultant to undertake the preparation of the necessary report for the issuance
18 of the bonds to refund the Prior Bonds.

19 **Section 6. Effective Date.** This resolution shall take effect from and after the date of
20 approval and adoption thereof.