

**RESOLUTION NO. OSB 2018-02**

**RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY CITY OF ROHNERT PARK APPROVING THE ISSUANCE AND SALE OF TAX ALLOCATION REFUNDING BONDS BY THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF ROHNERT PARK AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, the Community Development Commission of the City of Rohnert Park (the "Prior Agency") was a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers under and pursuant to the provisions of the Community Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code of the State of California) (the "Law"), and the powers of the Prior Agency included the power to issue bonds for any of its corporate purposes;

**WHEREAS**, the Redevelopment Plan for the Rohnert Park Redevelopment Project was adopted and approved, and subsequently amended, in compliance with all requirements of the Law, and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plan, as amended, have been duly complied with;

**WHEREAS**, the Prior Agency has previously incurred the obligations listed on Exhibit A hereto (collectively, the "Prior Obligations");

**WHEREAS**, on June 28, 2011, the California Legislature adopted ABx1 26 (the "Dissolution Act") and ABx1 27 (the "Opt-in Bill");

**WHEREAS**, the California Supreme Court subsequently upheld the provisions of the Dissolution Act and invalidated the Opt-in Bill, resulting in the dissolution of the redevelopment component of the Prior Agency as of February 1, 2012;

**WHEREAS**, the redevelopment powers, assets and obligations of the Prior Agency were transferred on February 1, 2012, to the Successor Agency to the Community Development Commission of the City of Rohnert Park (the "Successor Agency");

**WHEREAS**, on or about June 27, 2012, AB 1484 was adopted as a trailer bill in connection with the 2012-13 State of California Budget;

**WHEREAS**, California Health and Safety Code Section 34177.5(a)(1) authorizes successor agencies to refund outstanding bonds or other indebtedness provided that: (i) the total interest cost to maturity on the refunding bonds or other indebtedness, plus the principal amount of the refunding bonds or other indebtedness, does not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded, plus the remaining principal of the bonds or other indebtedness to be refunded; and (ii) the principal amount of the refunding bonds or other indebtedness does not exceed the amount required to defease the bonds or other indebtedness to be refunded, to establish customary debt service reserves and to pay related costs of issuance;

**WHEREAS**, California Health and Safety Code Section 34177.5(a)(2) authorizes successor agencies to issue bonds or other indebtedness to finance debt service spikes, including balloon maturities, provided that: (i) the existing indebtedness is not accelerated, except to the extent

necessary to achieve substantially level debt service; and (ii) the principal amount of the bonds or other indebtedness shall not exceed the amount required to finance the debt service spikes, including establishing customary debt service reserves and paying related costs of issuance;

**WHEREAS**, the Oversight Board for the Successor Agency City of Rohnert Park (the "Oversight Board") now desires to authorize and approve the issuance of tax allocation refunding bonds (the "2018 Bonds") in an aggregate principal amount sufficient to refund all or a portion of the Prior Obligations pursuant to AB 1484, and to irrevocably set aside a portion of the proceeds of such 2018 Bonds in a separate segregated trust fund which will be used to refund the outstanding Prior Obligations being refunded, to pay costs in connection with the issuance of the 2018 Bonds and to make certain other deposits as required by the Indenture (as defined below);

**WHEREAS**, the 2018 Bonds shall be secured by a pledge of property tax revenues authorized by California Health and Safety Code Section 34177.5(a) and (g), pursuant to the provisions of Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"); and

**WHEREAS**, the Oversight Board desires to approve all matters relating to the issuance and sale of the 2018 Bonds as required by Sections 34177.5 (f) and 34180 of the Health and Safety Code of the State of California.

**BE IT RESOLVED** by the Oversight Board for the Successor Agency City of Rohnert Park that it does hereby find, determine, resolve and order as follows:

Section 1. Each of the foregoing recitals is true and correct.

Section 2. The issuance by the Successor Agency to the Community Development Commission of the City of Rohnert Park of the 2018 Bonds in an aggregate principal amount sufficient to refund all or a portion of the Prior Obligations for the purposes of achieving debt service savings and/or financing debt service spikes and paying any associated costs or fees in connection with such refunding, and the pledge of property tax revenues to the 2018 Bonds pursuant to the Indenture approved by Section 2 of the Successor Agency Resolution (as authorized by California Health and Safety Code Section 34177.5(a) and (g)) is hereby approved. The 2018 Bonds may be issued as a single issue, or from time to time in separate series, each of which may be issued on a taxable or tax-exempt basis, as the Successor Agency shall determine. The approval of the issuance of the 2018 Bonds by the Successor Agency and the Oversight Board shall constitute the approval of each and every separate series of 2018 Bonds and the sale of the 2018 Bonds at a public or private sale.

The outstanding principal amount of the Prior Obligations that will be refunded is \$23,395,000, and they bear interest rates ranging from 4.00% to 5.25%. It is anticipated that the refunding of the Prior Obligations will produce significant reductions (well over \$100,000) in debt service payments, although actual reductions in debt service may differ from current projections based on market conditions when the 2018 Bonds are sold. Any debt service savings will result in the receipt by the City of increased property tax revenues. This same reduction in annual debt service payments on the Prior Obligations frees up additional property tax revenues for distribution to other affected taxing entities, such as the County of Sonoma, schools (K-12, community colleges and the County Office of Education), the County Library and other special districts.

Section 3. The Successor Agency is authorized and directed to prepare, approve and execute such other documents, including, as necessary, a Bond Purchase Agreement, a private placement memorandum, an Official Statement, a Continuing Disclosure Agreement, Escrow Agreements for the Prior Obligations and any additional agreements as may be required to carry out the purposes hereof without the need for any further approval from the Oversight Board.

Section 4. The Chair of the Oversight Board and the other officers and members of staff having responsibility for the affairs of the Oversight Board are hereby authorized and directed to execute such documents and certificates as they determine are necessary or appropriate to assist the Successor Agency in the issuance of the 2018 Bonds.

Section 5. Pursuant to the provisions of California Health and Safety Code Section 34177.5(f), the Successor Agency is expressly authorized to recover its related costs in connection with the transaction approved hereby, irrespective of whether the 2018 Bonds are issued.

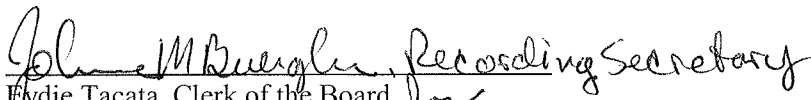
Section 6. This Resolution shall take effect immediately upon its adoption.

**DULY AND REGULARLY ADOPTED** this 29<sup>th</sup> day of January, 2018.

**OVERSIGHT BOARD FOR THE SUCCESSOR  
AGENCY CITY OF ROHNERT PARK**

  
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Mary Grace Pawson, Vice Chair

**ATTEST:**

  
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John M. Buehler, Recording Secretary  
for  
Eydie Tacata, Clerk of the Board

Downey: Aye Jolley: Absent Mackenzie: Aye Thompson: Aye Zane: Aye Pawson: Aye Masterson: Absent

AYES: ( 5 ) NOES: ( 0 ) ABSENT: ( 2 ) ABSTAIN: ( 0 )

## **EXHIBIT A**

### **PRIOR OBLIGATIONS**

1. Payments due with respect to the Community Development Commission of the City of Rohnert Park, Rohnert Park Redevelopment Project, Tax Allocation Bonds, Series 2001 pursuant to the Rohnert Park Senior Center Loan Agreement by and between the Prior Agency and the Rohnert Park Financing Authority, dated as of June 1, 2001

2. Ninety percent (90%) of the payments due with respect to the Rohnert Park Financing Authority Lease Revenue Refunding Bonds, Series 2003 pursuant to the Second Amendment to Reimbursement Agreement, dated as of July 1, 2003, by and between the City of Rohnert Park and the Community Development Commission of the City of Rohnert Park

3. Community Development Commission of the City of Rohnert Park, Rohnert Park Redevelopment Project, Housing Tax Allocation Bonds, Series 2007H

4. Community Development Commission of the City of Rohnert Park, Rohnert Park Redevelopment Project, Tax Allocation Bonds, Series 2007R