

# OAKLAND OVERSIGHT BOARD

RESOLUTION No. 2015- 2

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**A RESOLUTION APPROVING THE ISSUANCE OF REFUNDING BONDS BY THE OAKLAND REDEVELOPMENT SUCCESSOR AGENCY, AND MAKING CERTAIN DETERMINATIONS WITH RESPECT TO THE REFUNDING BONDS AND PROVIDING FOR OTHER MATTERS RELATING THERETO**

**WHEREAS**, the Redevelopment Agency of the City of Oakland (the "Former Agency") was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State (the "Law"); and

**WHEREAS**, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, all Section references hereinafter being to such Code), the Former Agency has been dissolved and no longer exists, and pursuant to Section 34173, the Oakland Redevelopment Successor Agency (the "Successor Agency") has become the successor entity to the Former Agency; and

**WHEREAS**, pursuant to Section 34179, this Oversight Board (the "Oversight Board") has been established for the Successor Agency; and

**WHEREAS**, the Oversight Board is informed by the Successor Agency that, prior to dissolution of the Former Agency, the Former Agency issued the following series of bonds (collectively, the "Prior Bonds") for the purpose of financing and refinancing the redevelopment activities of the Former Agency:

(i) \$2,195,000 initial aggregate principal amount of Redevelopment Agency of the City of Oakland Subordinated Housing Set Aside Revenue Refunding Bonds, Series 2006A;

(ii) \$82,645,000 initial aggregate principal amount of Redevelopment Agency of the City of Oakland Subordinated Housing Set Aside Revenue Bonds, Series 2006A-T (Federally Taxable);

(iii) \$13,780,000 initial aggregate principal amount of Redevelopment Agency of the City of Oakland Central City East Redevelopment Project Tax Allocation Bonds, Series 2006A-TE;

(iv) \$28,770,000 initial aggregate principal amount of Redevelopment Agency of the City of Oakland Coliseum Area Redevelopment Project Tax Allocation Bonds, Series 2006B-TE; and

(v) \$4,945,000 initial aggregate principal amount of Redevelopment Agency of the City of Oakland Broadway/MacArthur/San Pablo Redevelopment Project Tax Allocation Bonds, Series 2006C-TE; and

**WHEREAS**, Section 34177.5 authorizes the Successor Agency to issue refunding bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law") for the purpose of achieving debt service savings within the parameters set forth in Section 34177.5(a)(1) (the "Savings Parameters"); and

**WHEREAS**, to determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency of its Oakland Redevelopment Successor Agency Subordinated Tax Allocation Refunding Bonds, Series 2015-TE (the "Series 2015-TE Refunding Bonds") and its Oakland Redevelopment Successor Agency Taxable Subordinated Tax Allocation Refunding Bonds, Series 2015-T (the "Taxable Series 2015-T Refunding Bonds" and, together with the Series 2015-TE Refunding Bonds, the "Refunding Bonds"), the Successor Agency has caused its financial advisor, Fieldman, Rolapp & Associates, Inc. (the "Financial Advisor"), to prepare an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the Refunding Bonds to refund the Prior Bonds (the "Debt Service Savings Analysis"); and

**WHEREAS**, the Successor Agency has, on April 21, 2015, heretofore adopted a resolution (the "Successor Agency Resolution") approving the issuance of the Refunding Bonds pursuant to Section 34177.5(a)(1); and

**WHEREAS**, the Successor Agency has provided the final version of the Successor Agency Resolution to the Oversight Board; and

**WHEREAS**, in the Successor Agency Resolution, the Successor Agency approved the issuance of the Refunding Bonds and authorized the execution and delivery of the Indenture of Trust (the "Indenture"), by and between the Successor Agency and Zions First National Bank, as trustee, pursuant to which the Refunding Bonds will be issued; and

**WHEREAS**, the Successor Agency proposes to sell the Refunding Bonds to RBC Capital Markets, LLC and Stifel, Nicolaus & Company, Incorporated (collectively, the "Original Purchaser"), pursuant to the terms of the Purchase Agreement (the "Purchase Agreement") to be entered into by the Successor Agency and the Original Purchaser;

**WHEREAS**, following approval by the Oversight Board of the issuance of the Refunding Bonds by the Successor Agency and upon submission of the Oversight Board Resolution to the California Department of Finance, the Successor Agency will, with the assistance of its disclosure counsel, Curlls Bartling P.C., the Financial Advisor, and its fiscal consultant, HdL Coren & Cone, cause to be prepared a form of Official Statement for the Refunding Bonds describing the Refunding Bonds and containing material information relating to the Successor Agency and the Refunding Bonds, the preliminary form of which will be submitted to the Successor Agency for approval for distribution by the Original Purchaser, as underwriter of the Refunding Bonds, to persons and institutions interested in purchasing the Refunding Bonds; and

**WHEREAS**, the Oversight Board has completed its review of the refunding proceedings and the Debt Service Savings Analysis and wishes at this time to give its approval to the foregoing;

Based on the foregoing recitals and the documentation presented to the Oakland Oversight Board at a public meeting, the Oakland Oversight Board does resolve as follows:

**Section 1. Recitals.** The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

**Section 2. Determination of Savings.** The Oversight Board has determined that there are significant potential savings available to the Successor Agency and to applicable taxing entities in compliance with the Savings Parameters by the issuance by the Successor Agency of the Refunding Bonds to refund and defease the Prior Bonds, all as evidenced by the Debt Service Savings Analysis presented to this meeting, which Debt Service Savings Analysis is hereby approved.

**Section 3. Direction and Approval of Issuance of the Refunding Bonds.** As authorized by Section 34177.5(f), the Oversight Board hereby directs the Successor Agency to undertake the refunding proceedings, and as authorized by Section 34177.5(f) and Section 34180, the Oversight Board hereby directs and approves the issuance by the Successor Agency of the Refunding Bonds pursuant to and in accordance with Section 34177.5(a)(1) and under other applicable provisions of the Law and the Refunding Law and as provided in the Successor Agency Resolution and the Indenture in a combined aggregate principal amount of not to exceed \$115,000,000, provided that the principal and interest payable with respect to the Refunding Bonds and the Prior Bonds being refunded complies in all respects with the requirements of the Savings Parameters with respect thereto, as shall be certified to by the Financial Advisor upon delivery of the Refunding Bonds or any part thereof.

In connection with the sale and issuance of the Refunding Bonds, the Successor Agency is authorized to purchase a municipal bond insurance policy or a reserve account surety bond for the Refunding Bonds if the Successor Agency determines that the purchase of either or both reduces the true interest cost of the Refunding Bonds

thereby increasing the savings obtained through the issuance of the Refunding Bonds and the refunding of the Prior Bonds.

**Section 4. Sale and Delivery of Refunding Bonds in Whole or in Part.** The Oversight Board hereby approves the sale and delivery of the Refunding Bonds in whole, provided that there is compliance with the Savings Parameters. However, if such Savings Parameters cannot be met with respect to the whole of the Refunding Bonds, then the Oversight Board approves the sale and delivery of the Refunding Bonds from time to time in part. In the event the Refunding Bonds are initially sold in part, the Successor Agency is hereby authorized to sell and deliver additional parts of the Refunding Bonds without the prior approval of the Oversight Board provided that in each such instance the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters.

**Section 5. Determinations by the Oversight Board.** Based upon the full record before it, which includes but is not limited to staff reports, testimony, and other materials and evidence provided, the Oversight Board makes the following determinations upon which the Successor Agency shall rely in undertaking the refunding proceedings and the issuance of the Refunding Bonds:

(a) The Successor Agency is authorized, as provided in Section 34177.5(f), to recover its costs related to the issuance of the Refunding Bonds from the proceeds of the Refunding Bonds, including the cost of reimbursing its administrative staff for time spent with respect to the authorization, issuance, sale and delivery of the Refunding Bonds;

(b) The application of proceeds of the Refunding Bonds by the Successor Agency to the refunding and defeasance of the Prior Bonds, as well as the payment by the Successor Agency of costs of issuance of the Refunding Bonds, as provided in Section 34177.5(a), shall be implemented by the Successor Agency promptly upon sale and delivery of the Refunding Bonds, notwithstanding Section 34177.3 or any other provision of law to the contrary, without the approval of the Oversight Board, the California Department of Finance, the Alameda County Auditor-Controller or any other person or entity other than the Successor Agency; and

(c) The Successor Agency shall be entitled to receive its full Administrative Cost Allowance under Section 34171(b) without any deductions with respect to continuing costs related to the Refunding Bonds, such as trustee's fees, auditing and fiscal consultant fees and continuing disclosure and rating agency costs (collectively, "Continuing Costs of Issuance"), and such Continuing Costs of Issuance shall be payable from property tax revenues pursuant to Section 34183. In addition and as provided by Section 34177.5(f), if the Successor Agency is unable to complete the issuance of any of the Refunding Bonds for any reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings

with respect to the Refunding Bonds from such property tax revenues pursuant to Section 34183 without reduction in its Administrative Cost Allowance.

**Section 6. Further Determinations.** Pursuant to Health and Safety Code Section 34177(h), the Oversight Board further finds and determines, based on information provided, that: (a) the Successor Agency has made, and will continue to make, diligent efforts to assure that the lowest long-term cost financing is obtained with the Refunding Bonds; (b) the Refunding Bonds will not provide for any bullets or spikes and shall not use variable rates of interest; and (c) the Successor Agency has made, and will continue to make, use of an independent financial advisor in issuing the Refunding Bonds.

**Section 7. Effective Date.** Pursuant to Health and Safety Code Section 34177(f) and Section 34179(h), this Resolution shall be effective five (5) business days after proper notification hereof is given to the California Department of Finance unless the California Department of Finance requests a review of the actions taken in this Resolution, in which case this Resolution will be effective upon approval by the California Department of Finance.

ADOPTED, OAKLAND, CALIFORNIA, April 27, 2015

PASSED BY THE FOLLOWING VOTE:

AYES - ORTIZ, MULVEY, MOSS, RINNE, TUCKER

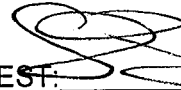
NOES-

ABSENT-

ABSTENTION-

EXCUSED - CARLSON

ATTEST:



SECRETARY, OAKLAND  
OVERSIGHT BOARD