

# COUNTY-WIDE SUCCESSOR AGENCY OVERSIGHT BOARD OF YOLO COUNTY

## RESOLUTION NO. 2019-06

### **A RESOLUTION APPROVING THE ISSUANCE OF REFUNDING BONDS IN ORDER TO REFUND CERTAIN OUTSTANDING BONDS OF THE DISSOLVED DAVIS REDEVELOPMENT SUCCESSOR AGENCY, MAKING CERTAIN DETERMINATIONS WITH RESPECT TO THE REFUNDING BONDS AND PROVIDING FOR OTHER MATTERS RELATING THERETO**

**WHEREAS**, the Redevelopment Agency of the City of Davis (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”);

**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 Davis Redevelopment Successor Agency (the “Successor Agency”) has become the successor entity to the Former Agency;

**WHEREAS**, pursuant to Section 34179, this County-Wide Successor Agency Oversight Board of Yolo County (this “Oversight Board”) has been established;

**WHEREAS**, prior to dissolution of the Former Agency, in order to finance or refinance redevelopment activities within or of benefit to the Redevelopment Project the Former Agency entered into (i) \$9,265,000 aggregate principal amount of Davis Redevelopment Project 2003 Tax Allocation Bonds (the “2003 Bonds”), (ii) \$12,140,000 aggregate principal amount of Davis Redevelopment Project 2007 Tax Allocation Refunding Bonds (the “2007 Bonds”), (iii) \$8,675,000 aggregate principal amount of Davis Redevelopment Project 2007 Taxable Housing Tax Allocation Bonds (the “2007 Housing Bonds”), (iv) \$13,310,000 aggregate principal amount of Davis Redevelopment Project 2011 Subordinate Tax Allocation Bonds, Series A (the “2011A Bonds”), and (v) \$4,690,000 aggregate principal amount of Davis Redevelopment Project 2011 Subordinate Taxable Tax Allocation Bonds, Series B (the “2011B Bonds” and together with the 2011A Bonds, the “2011 Bonds”) (the 2003 Bonds, 2007 Bonds, 2007 Housing Bonds and 2011 Bonds are referred to herein as the “Prior Bonds”);

**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”);

**WHEREAS**, to determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency of its Davis Redevelopment Successor Agency 2019 Series A Tax Allocation Refunding Bonds (the “2019 Series A Bonds”) and/or Davis Redevelopment Successor Agency 2019 Series B Taxable Tax Allocation Refunding Bonds (the “2019 Series B Taxable Bonds”; together with the 2019 Series A Bonds, the “Refunding Bonds”), the Successor Agency has caused its municipal 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”);

**WHEREAS**, the Successor Agency by its resolution scheduled to be adopted on May 21, 2019 (the “Successor Agency Resolution”) anticipates approving the issuance of the Refunding Bonds pursuant to Section 34177.5(a)(1);

**WHEREAS**, in the Successor Agency Resolution, the Successor Agency authorized the execution and delivery of the Indenture of Trust, by and between the Successor Agency and U.S. Bank National Association, as trustee, providing for the issuance of the Refunding Bonds (the “Indenture”);

**WHEREAS**, the Oversight Board wishes to make certain determinations described below on which the Successor Agency will rely in undertaking the refunding proceedings and the issuance of the Refunding Bonds;

**WHEREAS**, Sections 34177.5(f) and 34180(b) require Oversight Board approval of the issuance of the Refunding Bonds; and

**NOW, THEREFORE, BE IT RESOLVED** by the Oversight Board as follows:

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

2. Determination of Savings. This Oversight Board acknowledges that the Debt Service Savings Analysis on file with the Clerk of the Oversight Board demonstrates that there are significant potential savings available to the Successor Agency and to applicable taxing entities in compliance with the Savings Parameters that would result from the issuance by the Successor Agency of the Refunding Bonds to refund and defease the Prior Bonds. The Oversight Board finds that the issuance of the Refunding Bonds is in the financial interests of the taxing entities provided that the limitations set forth in Section 34177.5(a)(1) are satisfied, and the Savings Parameters are achieved.

3. Direction and Approval of Issuance of the Bonds. As authorized by Sections 34177.5(f) and 34180(b), the Oversight Board hereby authorizes the Successor Agency to undertake the refunding proceedings and approves the issuance of the Refunding Bonds in the aggregate principal amount not to exceed the amount necessary to refund the Prior Bonds, pay issuance costs as permitted by applicable law, and establish required debt service reserves, provided that the principal and interest payable with respect to the Refunding Bonds complies in all respects with the requirements of the Savings Parameters. The Refunding 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 is necessary to comply with Federal tax laws. The Oversight Board’s approval of the issuance of the Refunding Bonds pursuant to this Resolution shall constitute the approval of each and every separate series of Refunding Bonds, and the sale of the Refunding Bonds in whole or in part, provided that in each such instance the Refunding Bonds so sold and delivered are in compliance with the Savings Parameters.

4. Determinations by the Oversight Board. 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 the City for administrative staff 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 all or a portion 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 requiring further approval of the Oversight Board; and

(c) The Successor Agency shall be entitled to receive its full Administrative Cost Allowance under Section 34183(a)(3) 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, if the Successor Agency is unable to complete the issuance 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 of the Refunding Bonds from such property tax revenues pursuant to Section 34183 without reduction in its Administrative Cost Allowance.

5. Further Related Actions. The Successor Agency is authorized to take all such further actions as necessary to implement the intent of this Resolution, including without limitation, the execution of agreements required in connection with the issuance and sale of the Refunding Bonds.

6. Effective Date. Pursuant to 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.

7. Transmittal. Staff to the Oversight Board are hereby directed to transmit this Resolution to the California Department of Finance.

The foregoing resolution was passed and adopted this 20th day of May, 2019, by the following vote:

AYES:

NOES:

ABSENT:

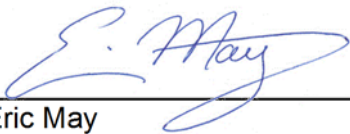
ABSTAIN:

APPROVED:

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Chair

Approved as to form:



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Eric May  
General Counsel