

RESOLUTION NO. OBSARDA2017-004

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
TO THE HIGHLAND REDEVELOPMENT AGENCY APPROVING THE ISSUANCE BY
THE SUCCESSOR AGENCY OF SUBORDINATE TAX ALLOCATION
REFUNDING BONDS AND TAKING RELATED ACTIONS**

RECITALS:

WHEREAS, the former Highland Redevelopment Agency (the "Former RDA") was a redevelopment agency duly formed pursuant to the Community Redevelopment Law, set forth in Part 1 of Division 24 of the Health and Safety Code of the State of California ("HSC"); and

WHEREAS, the Former RDA previously issued multiple series of bonds to finance redevelopment projects, including its Highland Redevelopment Project Area No. 1 Tax Allocation Bonds, Series 2007 in the principal amount of \$42,645,000 (the "2007 Bonds"); and

WHEREAS, the 2007 Bonds were issued pursuant to an indenture, dated as of June 1, 1994 (the "1994 Indenture"), by and between the Former RDA and U.S. Bank National Association (formerly, Seattle First National Bank), as trustee, as supplemented by four supplemental indentures (the 1994 Indenture, as supplemented, being referred to herein as the "Senior Indenture"), and

WHEREAS, as of the date of this Resolution, there remains \$35,825,000 in principal amount of 2007 Bonds outstanding; and

WHEREAS, pursuant to AB X1 26 (which became effective at the end of June 2011) and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal 4th 231 (2011), the Former RDA was dissolved as of February 1, 2012, the Successor Agency to the Highland Redevelopment Agency (the "Successor Agency"), as the successor to the Former RDA, was constituted and an Oversight Board to the Successor Agency (the "Oversight Board") was established; and

WHEREAS, pursuant to HSC Section 34177.5(a), the Successor Agency is authorized to issue bonds (the "Refunding Bonds") to refund the 2007 Bonds, to provide savings to the Successor Agency, provided that

(A) the total interest cost to maturity on the Refunding Bonds plus the principal amount of the Refunding Bonds shall not exceed the total remaining interest cost to maturity on the 2007 Bonds, plus the remaining principal of the 2007 Bonds to be refunded, and

(B) the principal amount of the Refunding Bonds shall not exceed the amount required to defease the refunded 2007 Bonds, to establish customary debt service reserves and pay related costs of issuance; and

WHEREAS, the Successor Agency desires to issue Refunding Bonds to refund the currently outstanding 2007 Bonds to achieve debt service savings; and

WHEREAS, the Refunding Bonds will be issued under the authority of HSC Section 34177.5 and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and

WHEREAS, the Refunding Bonds will be issued pursuant to, and will be secured by a pledge of property tax revenues as provided in, an indenture (the "Subordinate Indenture") on a subordinate basis to the bonds outstanding under the Senior Indenture; and

WHEREAS, proceeds from the sale of Refunding Bonds will be used to (i) provide funds for the redemption of the 2007 Bonds (either through the establishment of a defeasance escrow or direct payment thereof on the redemption date), (ii) fund a deposit into the Reserve Account (as defined in the Subordinate indenture), if such deposit is required pursuant to the terms of the Subordinate Indenture, and (iii) pay costs of issuance of the Refunding Bonds, and

WHEREAS, the Board of Directors of the Successor Agency has adopted its Resolution No. SARDA2017-004 on May 9, 2017 (the "Successor Agency Resolution"), approving the Successor Agency's issuance of the Refunding Bonds, in one or more series, in an aggregate principal amount not exceeding \$37,000,000 and authorizing the Successor Agency's execution and delivery of the Subordinate Indenture (substantially in the form attached to the Successor Agency Resolution), and

WHEREAS, the Oversight Board has received a copy of the Successor Agency Resolution; and

WHEREAS, there has been presented to the Oversight Board an analysis of the potential debt service savings that will accrue as a result of issuance of the Refunding Bonds; and

WHEREAS, pursuant to HSC Sections 34177.5(f) and 34180, the issuance of the Refunding Bonds is subject to the Oversight Board's prior approval; and

WHEREAS, the Oversight Board desires to adopt this Resolution to approve the issuance of the Refunding Bonds.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE HIGHLAND REDEVELOPMENT AGENCY HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Oversight Board hereby approves the Successor Agency Resolution and the issuance of the Refunding Bonds, in an aggregate principal amount not exceeding \$37,000,000. The Oversight Board approves the pledge of the property tax revenues to secure the Refunding Bonds pursuant to the terms of the Subordinate Indenture.

Section 3. The members of this Oversight Board and the staff of the Successor Agency are hereby authorized, jointly and severally, to do all things which they may deem necessary or proper to effectuate the purposes of this Resolution.

PASSED, APPROVED AND ADOPTED this 11th day of May, 2017.


Larry McCallon
Chair

ATTEST:


Betty Hughes, MMC
Secretary

May 3, 2017

Chuck Dantuono, Director of Administrative Services/City Treasurer
 City of Highland
 27215 E. Base Line Street
 Highland, CA 92346

(Proposed) 2017 Tax Allocation Bonds (Est.) Refunding Savings

A. \$42,645,000 Highland Redevelopment Agency
 Highland Redevelopment Project Area No. 1
 Tax Allocation Bonds, Series 2007

1. Total remaining principal and interest payments:	\$ 58,434,420.00
2. Estimated principal and interest payments on 2017 Subordinated Tax Allocation Refunding Bond issue:	<u>\$ 54,419,100.54</u>
3. Estimated debt service savings by issuing 2017 Bonds	\$ 4,015,319.46

B. Debt Service Schedule:

<u>Year</u>	<u>Prior Debt Service</u>	<u>Est. 2017 Bonds Debt Service</u>	<u>Est. Savings</u>
2017	\$ 2,628,200.00	\$ 2,505,133.04	\$ 123,066.96
2018	2,630,950.00	2,447,424.00	183,526.00
2019	2,628,662.50	2,446,194.00	182,468.50
2020	2,629,157.50	2,445,098.00	184,059.50
2021	2,631,637.50	2,449,984.50	181,653.00
2022	2,629,362.50	2,445,882.50	183,480.00
2023	2,631,262.50	2,448,493.50	182,769.00
2024	2,630,687.50	2,447,493.50	183,194.00
2025	2,639,412.50	2,453,246.50	186,166.00
2026	2,634,812.50	2,450,274.50	184,538.00
2027	2,637,362.50	2,453,614.00	183,748.50
2028	2,636,587.50	2,453,462.00	183,125.50
2029	2,637,487.50	2,453,961.00	183,526.50
2030	2,639,825.00	2,454,739.50	185,085.50
2031	2,638,362.50	2,451,213.50	187,149.00
2032	2,638,100.00	2,453,253.00	184,847.00
2033	2,643,800.00	2,460,285.00	183,515.00
2034	2,639,987.50	2,456,706.50	183,281.00
2035	3,666,900.00	3,412,579.00	254,321.00
2036	3,670,375.00	3,413,583.00	256,792.00
2037	<u>3,671,487.50</u>	<u>3,416,480.00</u>	<u>255,007.50</u>
Totals	\$58,434,420.00	\$ 54,419,100.54	\$ 4,015,319.46



Douglas P. Anderson
Managing Principal

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF HIGHLAND)

I, BETTY HUGHES, Secretary of the Oversight Board of the Successor Agency to the Highland Redevelopment Agency of the City of Highland, California, do hereby certify Oversight Board of the Successor Agency to the Redevelopment Agency Resolution No. OBSARDA2017-004 was duly and regularly adopted by the Oversight Board of the Successor Agency to the Highland Redevelopment Agency, Highland, California, at a special meeting thereof held on the 11th day of May, 2017, by the following vote:

AYES Haller, Huff, Mainez, McCallon

NOES: None

ABSTAIN: None

ABSENT: Christakos, Saks, Viricel

Dated this 11th day of May, 2017.



BETTY HUGHES, MMC
SECRETARY