

REDEVELOPMENT SUCCESSOR AGENCY OF THE CITY OF HAYWARD

RESOLUTION NO. RSA-_____

Introduced by Agency Member _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HAYWARD, ACTING AS THE GOVERNING BOARD OF THE REDEVELOPMENT SUCCESSOR AGENCY OF THE CITY OF HAYWARD, A SEPARATE LEGAL ENTITY, APPROVING THE ISSUANCE OF REFUNDING BONDS IN ORDER TO REFUND CERTAIN OUTSTANDING BONDS OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD, APPROVING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST AND REFUNDING INSTRUCTIONS, APPROVING THE SALE OF THE REFUNDING BONDS TO AN UNDERWRITER, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

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 Redevelopment Agency of the City of Hayward (the "Former Agency") has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173, the Redevelopment Successor Agency of the City of Hayward (the "Successor Agency") has become the successor entity to the Former Agency;

WHEREAS, prior to dissolution of the Former Agency, for the purpose of financing redevelopment activities of the Former Agency, the Former Agency issued two outstanding series of bonds (the "Outstanding Bonds"):

- (i) \$44,790,000 Redevelopment Agency of the City of Hayward Downtown Hayward Redevelopment Project Tax Allocation Bonds, Series 2004 ("2004 Bonds") and
- (ii) \$11,800,000 Redevelopment Agency of the City of Hayward Downtown Hayward Redevelopment Project Tax Allocation Bonds, Series 2006 ("2006 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 Redevelopment Successor Agency of the City of Hayward 2016 Tax Allocation Refunding Bonds (the "Refunding Bonds"), the Successor Agency has caused its municipal advisor, NHA Advisors, LLC (the "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 Outstanding Bonds (the "Debt Service Savings Analysis");

WHEREAS, the Successor Agency desires at this time to approve the issuance of the Refunding Bonds and to approve the form of and authorize the execution and delivery of the

Indenture of Trust, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee, providing for the issuance of the Refunding Bonds (the "Indenture"), and the Irrevocable Refunding Instructions to be delivered to Wells Fargo Bank, N.A., as trustee of the Outstanding Bonds, to be dated as of the date of the issuance and delivery of the Refunding Bonds (the "Refunding Instructions");

WHEREAS, pursuant to Section 34179, an oversight board (the "Oversight Board") has been established for the Successor Agency;

WHEREAS, the Successor Agency wishes to request that the Oversight Board approve and direct the issuance of the Refunding Bonds and the other actions of the Successor Agency that are set forth in and contemplated by pursuant to this Resolution;

WHEREAS, the Successor Agency further wishes to request that the Oversight Board 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, the Successor Agency has determined to sell the Refunding Bonds to an underwriter (the "Underwriter") to be selected by the City's Finance Director following distribution of a Request for Proposals to qualified underwriters identified by the Finance Director in consultation with the Municipal Advisor;

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 (defined below) and the Municipal Advisor, cause to be prepared a form of Official Statement 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 Underwriter to persons and institutions interested in purchasing the Refunding Bonds;

NOW, THEREFORE, BE IT RESOLVED that the City Council, acting as the Governing Board of the Redevelopment Successor Agency of the City of Hayward, hereby finds, resolves and determines that the foregoing recitals are true and correct, and, together with information provided by Successor Agency staff and the public, form the basis for the approvals, findings, resolutions and determinations set forth below:

1. Determination of Savings. The Successor Agency hereby determines 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 provide funds to refund and defease the Outstanding Bonds, all as evidenced by the Debt Service Savings Analysis on file with the Successor Agency, which Debt Service Savings Analysis is hereby approved.

2. Approval of Issuance of the Refunding Bonds. The Successor Agency hereby authorizes and approves the issuance of the Refunding Bonds under the Law and the Refunding Law in the aggregate principal amount of not to exceed \$45,000,000, provided that the Refunding Bonds are in compliance with the Savings Parameters at the time of sale and delivery.

3. Approval of Indenture. The Successor Agency hereby approves the Indenture prescribing the terms and provisions of the Refunding Bonds and the

application of the proceeds of the Refunding Bonds. Each of the Mayor of the City of Hayward, as Chair of the Successor Agency, the City Manager of the City of Hayward, as the chief administrative officer of the Successor Agency, the Finance Director, as the chief financial officer of the Successor Agency, the City Attorney of the City, as the general counsel of the Successor Agency, or the written designee of any such officer (each, an "Authorized Officer"), is hereby authorized and directed to execute and deliver, and the Secretary of the Successor Agency is hereby authorized and directed to attest to, the Indenture for and in the name and on behalf of the Successor Agency, in substantially the form on file with the Successor Agency, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Indenture. The Successor Agency hereby authorizes the delivery and performance of the Indenture.

4. Approval of Refunding Instructions. The form of the Refunding Instructions on file with the Successor Agency are hereby approved and the Authorized Officers are, each acting alone, hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to execute and deliver the Refunding Instructions. The Successor Agency hereby authorizes the delivery and performance of its obligations under the Refunding Instructions.

5. Oversight Board Approval of the Issuance of the Bonds. The Successor Agency hereby requests that the Oversight Board, as authorized by Section 34177.5(f) and Section 34180 of the Dissolution Act, approve and direct the issuance of the Refunding Bonds pursuant to Section 34177.5(a)(1) and this Resolution and the Indenture.

6. Determinations by the Oversight Board. The Successor Agency requests that the Oversight Board make the following determinations upon which the Successor Agency will 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 Refunded Outstanding 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 Los Angeles County Auditor-Controller or any other person or entity other than the Successor Agency;

(c) The Successor Agency shall be entitled to receive its full Administrative Cost Allowance under Section 34181(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 and as provided by Section 34177.5(f), 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 from such property tax revenues pursuant to Section 34183 without reduction in its Administrative Cost Allowance.

7. Filing of Debt Service Savings Analysis and Resolution. The Successor Agency is hereby further authorized and directed to file the Debt Service Savings Analysis, together with a certified copy of this Resolution, as provided in Section 34180(j), with the Alameda County Administrative Officer, the Alameda County Auditor-Controller and the California Department of Finance.

8. Sale of Refunding Bonds. The Successor Agency hereby approves the sale of the Refunding Bonds by the Successor Agency to the Underwriter pursuant to the terms of a bond purchase agreement (the "Purchase Contract") to be entered into with the Underwriter. 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 its Bond Counsel and the Municipal Advisor, work with the Underwriter to prepare a form of the Purchase Contract, the preliminary form of which will be submitted to the Successor Agency for approval. The Underwriter's discount (not including original issue discount) may not exceed 1.00% of the principal amount of the Refunding Bonds.

9. Issuance of Refunding Bonds in Whole or in Part. It is the intent of the Successor Agency to sell and deliver the Refunding Bonds in whole, provided that there is compliance with the Savings Parameters. However, the Successor Agency will initially authorize the sale and delivery of the Refunding Bonds in whole or, if such Savings Parameters cannot be met with respect to the whole, then in part; provided that the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters. The sale and delivery of the Refunding Bonds in part will in each instance provide sufficient funds only for the refunding of that portion of the Outstanding Bonds that meet the Savings Parameters. In the event the Refunding Bonds are initially sold in part, the Successor Agency intends to sell and deliver additional parts of the Refunding Bonds without the further approval of the Successor Agency or 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.

10. Municipal Bond Insurance and Reserve Fund Insurance Policy. The Authorized Officers, each acting alone, are hereby authorized and directed to take all actions necessary to obtain a municipal bond insurance policy for the Refunding Bonds and a debt service reserve fund insurance policy for the Refunding Bonds from a municipal bond insurance company if it is determined, upon consultation with the Municipal Advisor and the Underwriter, that such municipal bond insurance policy and/or debt service reserve fund insurance policy will reduce the true interest costs with respect to the Refunding Bonds.

11. Approval of Official Statement. 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 its Disclosure Counsel and the Municipal Advisor, cause to be prepared a form of Official Statement 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 underwriter of the Refunding Bonds to persons and institutions interested in purchasing the Refunding Bonds.

12. Professional Services. The Authorized Officers are hereby authorized to retain, in connection with the issuance of the Refunding Bonds, NHA Advisors, Inc., as municipal advisor, the firm of Jones Hall, A Professional Law Corporation, as bond and disclosure counsel, and the firm of HdL Coren & Cone, as fiscal consultant, and to execute professional services agreement with each such firm. Additionally, the selection of The Bank of New York Mellon Trust Company, N.A., as trustee for the Refunding Bonds, is hereby confirmed.

13. Official Actions. The Authorized Officers and any and all other officers of the Successor Agency and the Commission are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in obtaining the requested approval by the California Department of Finance, and in the issuance, sale and delivery of the Refunding Bonds. Whenever in this Resolution any officer of the Successor Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

14. Effective Date. This Resolution shall take effect from and after the date of approval and adoption thereof.

HAYWARD, CALIFORNIA, MAY 3, 2016

ADOPTED BY THE FOLLOWING VOTE:

AYES:	AGENCY MEMBERS:
NOES:	AGENCY MEMBERS:
ABSTAIN:	AGENCY MEMBERS:
ABSENT:	AGENCY MEMBERS:

ATTEST: _____
Secretary of the Redevelopment Successor
Agency of the City of Hayward

APPROVED AS TO FORM:

General Counsel of the
Redevelopment Successor Agency
of the City of Hayward