

HAYWARD PUBLIC FINANCING AUTHORITY
BOARD OF DIRECTORS

RESOLUTION NO. 23-_____

Introduced by Board Member _____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE HAYWARD PUBLIC FINANCING AUTHORITY AMENDING THE SAVINGS REQUIRMENTS ESTABLISHED BY THE BOARD OF DIRECTORS IN RESOLUTION NO. HPFA 23-01 RELATED TO THE DELIVERY AND SALE OF REFUNDING CERTIFICATES OF PARTICIPATION TO REFINANCE OUTSTANDING 2014 LEASE PAYMENTS AND 2015 LEASE PAYMENTS, APPROVING PRELIMINARY AND FINAL OFFICIAL STATEMENTS AND A PURCHASE CONTRACT, AND PROVIDING OTHER MATTERS RELATED THERETO

WHEREAS, the Hayward Public Financing Authority was established by the City of Hayward (the "City") and the former Redevelopment Agency of the City of Hayward (the "Agency") pursuant to a Joint Exercise of Powers Agreement, dated as of May 1, 1989; and

WHEREAS, the City previously entered into a Lease Agreement dated as of August 1, 2014 (the "2014 Lease"), with the Public Property Financing Corporation of California (the "Corporation"), for the purpose of financing a new Fire Station No. 7 and a Firehouse Health Clinic to be located at the same site as Fire Station No. 7 (the "2014 Project"), under which the City agreed to pay semiannual lease payments (the "2014 Lease Payments") to the Corporation for use and occupancy of a Police Station, located at 300 West Winton Avenue in the City (the "2014 Leased Property"); and

WHEREAS, the Corporation assigned its right to receive the 2014 Lease Payments to Umpqua Bank ("Umpqua Bank") pursuant to an Assignment Agreement, dated as of August 1, 2014 (the "2014 Assignment Agreement"); and

WHEREAS, Section 10.2 of the 2014 Lease provides that the City may prepay the 2014 Lease Payments on any date on and after August 1, 2019, subject to providing 45 days' prior written notice to the Corporation and Umpqua Bank, in an amount equal to the principal amount of the 2014 Lease Payments to be prepaid, plus accrued interest to the prepayment date, without a prepayment premium after August 1, 2022; and

WHEREAS, Section 10.1 of the 2014 Lease authorizes the City to establish a security deposit for prepayment of the 2014 Lease Payments, after which all obligations of the City under the 2014 Lease shall cease and terminate, except for the obligation to pay the 2014 Lease Payments from the security deposit; and

ATTACHMENT III

WHEREAS, the Authority and the City previously entered into a Lease Agreement, dated as of August 1, 2015 (the "2015 Lease"), for the purpose of financing acquisition and construction of a number of capital improvements, including, but not limited to, (i) a new library and community learning center, (ii) improvements to existing fire stations and (iii) complete street rehabilitation and slurry seal repairs (collectively, the "2015 Project"), under which the City agreed to pay semiannual lease payments (the "2015 Lease Payments") to the Authority for use and occupancy of certain of the City's fire stations and a library and community learning center (the "2015 Leased Property"); and

WHEREAS, the Authority assigned its rights to receive the 2015 Lease Payments to The Bank of New York Mellon Trust Company, N.A. (the "2015 Trustee"), pursuant to an Assignment Agreement, dated as of October 1, 2015 (the "2015 Assignment Agreement"); and

WHEREAS, pursuant to a Trust Agreement, dated as of October 1, 2015 (the "2015 Trust Agreement"), the 2015 Trustee caused to be executed and delivered the \$67,535,000 City of Hayward 2015 Certificates of Participation (Capital Projects) (the "2015 Certificates"), which evidence direct, undivided fractional ownership interests in the 2015 Lease Payments; and

WHEREAS, Section 9.2 of the 2015 Lease provides that the City may prepay the 2015 Lease Payments on November 1 2023, in an amount equal to the principal component of the 2015 Lease Payments to be prepaid, plus accrued interest to the prepayment date, without a prepayment premium; and

WHEREAS, Section 9.1 of the 2015 Lease authorizes the City to establish a security deposit for prepayment of the 2015 Lease Payments in amount sufficient to prepay the 2015 Lease Payments, after which all obligations of the City under the 2015 Lease shall cease and terminate, except for the obligation to pay the 2015 Lease Payments from the security deposit; and

WHEREAS, under Section 3.01 of the 2015 Trust Agreement, the 2015 Certificates are subject to prepayment on November 1, 2023, and any date thereafter, without premium; and

WHEREAS, pursuant to Resolution No. HPFA 23-01 adopted by the Board of Directors on June 20, 2023 (the "Authority Financing Resolution"), the Board of Directors determined that it was necessary and convenient to provide assistance to the City with the proposed refinancing, and authorized and approved all proceedings for the refinancing of the 2014 Lease Payments, the 2015 Lease Payments and the 2015 Certificates, the delivery and sale of 2023 Refunding Certificates of Participation (Lease Refinancing) (the "Refunding Certificates") for such purpose, and certain documents specified in the Authority Financing Resolution, subject to staff returning to the Board of Directors for final approval of a Preliminary Official Statement and a

purchase contract (the "Purchase Contract") among the City, the Authority and BofA Securities, Inc., the underwriter of the Refunding Certificates (the "Underwriter") if the City determines to proceed with a public offering; and

WHEREAS, the City has determined to proceed with a public offering and staff has presented to the Board of Directors forms of a preliminary Official Statement and Purchase Contract related to the Refunding Certificates; and

WHEREAS, in Section 2 of the Authority Financing Resolution, the Board of Directors directed that the Refunding Certificates shall be sold at such price and shall bear interest at such rates as shall produce (i) an aggregate minimum net present value savings to the City of at least 3% of the principal component of the 2014 Lease Payments and the 2015 Lease Payments and (ii) positive net present value savings for each of the 2014 Lease Payments and the 2015 Lease Payments (when calculated separately) (collectively, the "Savings Requirements"); and

WHEREAS, the Board of Directors wishes to amend the Savings Requirements to authorize the sale of the Refunding Certificates without positive net present value savings as a result of the refunding of the 2014 Lease Payments if (i) the refunding produces an aggregate minimum net present value savings to the City of at least 3% of the principal component of the 2014 Lease Payments and the 2015 Lease Payments and (ii) the Finance Director determines it is in the best interests of the City to proceed without positive net present value savings from the refunding of the 2014 Lease Payments; and

WHEREAS, in furtherance of the public purposes of the Authority, the Board of Directors wishes to approve the Official Statement and the purchase contract for the Refunding Certificates.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Hayward Public Financing Authority as follows:

Section 1. Recitals. The Board of Directors hereby determines that the preceding recitals are true and correct.

Section 2. Approval of Official Statement. The Board of Directors hereby approves the preparation of, and hereby authorizes the Executive Director, Secretary or the Treasurer (each, an "Authorized Officer"), acting alone, to deem final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, as amended (except for permitted omissions), the preliminary form of the Official Statement describing the Refunding Certificates (the "Preliminary Official Statement") on file with the Secretary, together with such changes or additions as an Authorized Officer, acting alone may deem necessary, desirable or appropriate upon consultation with special counsel/disclosure counsel. Distribution of the Preliminary Official Statement and the final Official Statement by the Underwriter is hereby approved.

Section 3. Approval of Purchase Contract. The Board of Directors hereby approves the form of the Purchase Contract on file with the Secretary, with such additions thereto and changes therein as an Authorized Officer, acting alone, deems necessary, desirable or appropriate upon consultation with the municipal advisor and the special counsel, the execution of which by an Authorized Officer shall be conclusive evidence of the approval of any such additions or changes; provided that the Refunding Certificates shall comply with the financing parameters set forth in Section 2 of the Authority Financing Resolution.

The Executive Director (or designee of the Executive Director), acting alone, is hereby authorized and directed to execute the Purchase Contract on behalf of the Authority and to take all actions necessary to fulfill the Authority's obligations thereunder. Execution of the Purchase Contract by the Executive Director (or designee of the Executive Director) shall be conclusive evidence of the approval of any changes therein or additions thereto by the Executive Director (or designee of the Executive Director).

Section 4. Amended Savings Requirements. The Board of Directors hereby amends the Savings Requirements approved pursuant to the Authority Financing Resolution to authorize the sale of the Refunding Certificates without positive net present value savings as a result of the refunding of the 2014 Lease Payments if (i) the refunding produces an aggregate minimum net present value savings to the City of at least 3% of the principal component of the 2014 Lease Payments and the 2015 Lease Payments and (ii) the Finance Director determines it is in the best interests of the City to proceed without positive net present value savings from the refunding of the 2014 Lease Payments.

Section 5. Official Actions. The Executive Director, the Treasurer, the Secretary, and all other officers of the Authority, are authorized and directed in the name and on behalf of the Authority to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution. Whenever in this resolution any officer of the Authority 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.

Section 6. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

ATTACHMENT III

BOARD OF DIRECTORS OF THE HAYWARD PUBLIC FINANCING AUTHORITY,
HAYWARD, CALIFORNIA _____, 2023.

ADOPTED BY THE FOLLOWING VOTE:

AYES: BOARD MEMBERS:
CHAIR/PRESIDING OFFICER:

NOES: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ATTEST: _____
Secretary

APPROVED AS TO FORM:

Legal Counsel