

HAYWARD SUCCESSOR AGENCY OVERSIGHT BOARD

RESOLUTION 2016-___

RESOLUTION OF THE OVERSIGHT BOARD OF THE REDEVELOPMENT SUCCESSOR AGENCY OF THE CITY OF HAYWARD APPROVING THE ISSUANCE OF REFUNDING BONDS AND MAKING RELATED FINDINGS AND DECLARATIONS AND TAKING RELATED ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Redevelopment Agency of the City of Hayward (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 in this Resolution are to the California Health and Safety Code), the Former Agency has been dissolved and no longer exists, 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, pursuant to Section 34179, this Oversight Board has been established for the Successor Agency;

WHEREAS, the Oversight Board is informed by the Successor Agency that, 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, the Successor Agency has informed the Oversight Board that it wishes to defease and refund the Outstanding 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 Successor Agency to the Redevelopment Agency of the City of Hayward 2016 Tax Allocation Refunding Bonds (the "Refunding Bonds"), the Successor Agency has caused its independent financial advisor, NHA Advisors, 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 Outstanding Bonds (the “Debt Service Savings Analysis”), and the Debt Service Savings Analysis is on file with this Oversight Board;

WHEREAS, the Successor Agency has adopted a resolution (the “Successor Agency Resolution”) approving the issuance of the Refunding Bonds pursuant to Section 34177.5(a)(1);

WHEREAS, the Successor Agency has approved the Debt Service Savings Analysis, approved the issuance of the Refunding Bonds, approved the sale of the Refunding Bonds to an underwriter selected by the City’s Finance Director after a competitive process (the “Underwriter”), authorized 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”), approved the defeasance and redemption of the bonds in accordance with Irrevocable Refunding Instructions to be given by the Successor Agency to Wells Fargo Bank, N.A. (the “Irrevocable Refunding Instructions”), and the the Indenture and the Irrevocable Refunding Instructions are on file with this Oversight Board;

WHEREAS, the Successor Agency has informed the Oversight Board that, 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 cause to be prepared a form of Official Statement describing the Refunding Bonds and containing material information relating to 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, and cause to be prepared a form of bond purchase agreement with the Underwriter that will be submitted to the Successor Agency for approval;

WHEREAS, this 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;

NOW THEREFORE, BE IT RESOLVED that the Redevelopment Successor Agency of the City of Hayward Oversight Board, hereby finds, resolves, and determines 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. This 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 Outstanding Bonds, all as evidenced by the Debt Service Savings Analysis, which Debt Service Savings Analysis is hereby approved.

Section 3. Direction and Approval of Issuance of the 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, this Oversight Board hereby directs and approves the issuance by the Successor Agency of the Refunding Bonds pursuant to 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 the aggregate principal amount of not to exceed \$45,000,000, provided that the principal and interest payable with respect to the Refunding Bonds 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 and a debt service reserve fund insurance policy 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 Outstanding 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 this 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 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 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 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 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.

Section 8. Transmittal. The Successor Agency is hereby directed to transmit this Resolution to the Department of Finance.

Section 9. Certification by the Clerk. The Oversight Board's Clerk shall certify to the adoption of this Resolution.

Section 10. Further Authority and Direction. The Successor Agency's officials and staff are hereby authorized and directed to transmit this Resolution and take all other necessary and appropriate actions as required by law in order to effectuate its purposes.

HAYWARD, CALIFORNIA, _____, 2016

ADOPTED BY THE FOLLOWING VOTE:

AYES:	BOARD MEMBERS:
NOES:	BOARD MEMBERS:
ABSTAIN:	BOARD MEMBERS:
ABSENT:	BOARD MEMBERS:

ATTEST: _____
Chair of the Oversight Board of the
Redevelopment Successor Agency of the City of
Hayward