

OVERSIGHT BOARD RESOLUTION NO. 16-08

**RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR
AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF
SANTA CLARITA APPROVING A RESOLUTION OF SUCH
SUCCESSOR AGENCY, APPROVING THE ISSUANCE OF TAX
ALLOCATION REFUNDING BONDS, MAKING CERTAIN
DETERMINATIONS WITH RESPECT TO THE REFUNDING BONDS
AND TAKING CERTAIN ACTIONS RELATING THERETO**

WHEREAS, the Redevelopment Agency of the City of Santa Clarita (the "Former Redevelopment Agency") was a public body, corporate and politic, duly created in 1989, established and authorized to transact business and exercise its powers under and pursuant to the provisions of the Community Redevelopment Law (Part 1 of Division 24 (commencing with Section 33000) (the "Redevelopment Law"), of the Health and Safety Code of the State of California (the "Health and Safety Code")); and

WHEREAS, the Former Redevelopment Agency issued its \$29,860,000 City of Santa Clarita Redevelopment Agency Tax Allocation Bonds, Series 2008 (Newhall Redevelopment Project Area) (the "2008 Nonhousing Bonds") and its \$8,850,000 City of Santa Clarita Redevelopment Agency Housing Set-Aside Tax Allocation Bonds, Series 2008 (the "2008 Housing Bonds," and, together with the 2008 Nonhousing Bonds, the "Prior Bonds"), secured by a pledge of certain tax increment revenues from the Newhall Redevelopment Project Area for the purpose of financing the redevelopment activities and housing programs of the Former Redevelopment Agency; and

WHEREAS, Assembly Bill X1 26, effective June 29, 2011, together with AB 1484, effective June 27, 2012 ("AB 1484") resulted in the dissolution of the Former Redevelopment Agency as of February 1, 2012, and the vesting in this Successor Agency to the Redevelopment Agency of the City of Santa Clarita (the "Successor Agency") of all of the authority, rights, powers, duties and obligations of the Former Redevelopment Agency; and

WHEREAS, AB 1484, among other things, amended the Redevelopment Law to authorize the Successor Agency to issue 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 of the Health and Safety Code (the "Savings Parameters"); and

WHEREAS, the Successor Agency has determined, based on current municipal market conditions, that it will achieve debt service savings in compliance with the Savings Parameters as evidenced by the analysis of its Financial Advisor, C.M. de Crinis & Co., Inc., describing potential savings that will accrue to applicable taxing agencies as a result of the refunding of the Prior Bonds (the "Bond Refunding Financing Plan"); and

WHEREAS, to provide funds to refund the Prior Bonds, the Successor Agency intends to authorize pursuant to the Redevelopment Law and the Refunding Law the issuance of its Tax Allocation Refunding Bonds, Series 2016 (the "2016 Bonds"); and

WHEREAS, the Successor Agency adopted a resolution on September 13, 2016, a copy of which is attached hereto in Exhibit A (the "Successor Agency Resolution of Issuance") authorizing the issuance pursuant to the Redevelopment Law and the Refunding Law of the 2016 Bonds in an aggregate principal amount not to exceed \$38,000,000, to provide funds to refund the Prior Bonds, and approving various documents relating to the issuance of the 2016 Bonds; and

WHEREAS, Section 34177.5(f) of the Health and Safety Code provides that the actions of the Successor Agency authorized by Section 34177.5 of the Health and Safety Code are subject to the approval of the Oversight Board of the Successor Agency (the "Board"); and

WHEREAS, the Successor Agency has requested that the Board approve the issuance of the 2016 Bonds and make certain determinations described below on which the Successor Agency will rely in undertaking the refunding proceedings and the issuance of the 2016 Bonds; and

WHEREAS, the issuance of the 2016 Bonds will comply with the provisions of Section 34177.5(a)(1) of the Health and Safety Code; and

WHEREAS, the Board has completed its review of the refunding proceedings and the Bond Refunding Financing Plan and wishes at this time to give its approval to the foregoing as more fully set forth below.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, FOUND AND ORDERED by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Santa Clarita (the "Board"), as follows:

SECTION 1. Findings. The Board hereby finds and determines that the recitals hereto are true and correct.

SECTION 2. Approval of Professionals. The Board approves the appointment by the Successor Agency of the Financial Advisor, Bond Counsel, Disclosure Counsel and the Fiscal Consultant in connection with the issuance of the 2016 Bonds.

SECTION 3. Approval of 2016 Bonds. The Board hereby approves the Successor Agency Resolution of Issuance and directs the Successor Agency to implement the purposes of the Successor Agency Resolution of Issuance in order to achieve debt service savings in accordance with the provisions of Section 34177.5(a)(1) of the Health and Safety Code. Pursuant to Health and Safety Code Section 34177.5(f), the Board hereby approves the issuance of the 2016 Bonds by the Successor Agency and approves the Indenture approved by the Successor Agency pursuant to Successor Agency Resolution of Issuance. The 2016 Bonds shall be issued pursuant to the provisions of Section 34177.5(a)(1) of the Health and Safety Code in that:

(a) the total interest cost to maturity on the 2016 Bonds plus the principal amount of the 2016 Bonds shall not exceed the total remaining interest cost to maturity on the Prior Bonds, plus the remaining principal of the Prior Bonds; and

(b) the principal amount of the 2016 Bonds shall not exceed the amount required to defease the Prior Bonds, to establish customary debt service reserves and pay related costs of issuance of the 2016 Bonds.

SECTION 4. Determinations by the Board. As requested by the Successor Agency in the Successor Agency Resolution of Issuance, the Board hereby makes the following determinations upon which the Successor Agency may rely in undertaking the refunding proceedings and the issuance, sale and delivery of the 2016 Bonds:

(a) The Successor Agency is authorized, as provided in Section 34177.5(f), to recover its costs related to the issuance of the 2016 Bonds from the proceeds of the 2016 Bonds, including the cost of reimbursing the City of Santa Clarita for administrative staff time spent with respect to the authorization, issuance, sale and delivery of the 2016 Bonds;

(b) The application of proceeds of the 2016 Bonds by the Successor Agency to the refunding and defeasance of the Prior Bonds, as well as to the payment by the Successor Agency of all costs of issuance of the 2016 Bonds and the refunding of the Prior Bonds, as provided in Section 34177.5(a), shall be implemented by the Successor Agency promptly upon sale and delivery of the 2016 Bonds, and, notwithstanding Section 34177.3 or any other provision of law to the contrary, once the California Department of Finance approved or did not take action, no further approval of the Board, the California Department of Finance, the Los Angeles County Auditor-Controller or any other person or entity other than the Successor Agency shall be required;

(c) The Successor Agency shall be entitled to receive its full "Administrative Cost Allowance" as defined and described under Section 34181(a)(3) without any deductions with respect to continuing costs related to the 2016 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 2016 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.

SECTION 5. Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Board declares that the Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

SECTION 6. Effective Date. Pursuant to Section 34177(f) and Section 34179(h) of the Health and Safety Code, 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.

PASSED, APPROVED, AND ADOPTED this 15th day of September, 2016.



Kenneth W. Striplin
Oversight Board Chair

ATTEST:



Marilyn Sourgose
Oversight Board Meeting Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF SANTA CLARITA)

I, Marilyn Sourgose, Oversight Board Meeting Clerk, do hereby certify that the foregoing Resolution was duly adopted by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Santa Clarita at the special meeting thereof, held on the 15th day of September, 2016, by the following vote:

AYES: COLEAL, DORTCH, ENGBRECHT, HERNANDEZ, KOEGLE, STRIPLIN, SWARTZ

NOES:

ABSENT:



Marilyn Sourgose
Oversight Board Meeting Clerk

EXHIBIT A

RESOLUTION NO. _____

A RESOLUTION OF THE GOVERNING BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA CLARITA, CALIFORNIA, AUTHORIZING THE ISSUANCE OF ITS TAX ALLOCATION REFUNDING BONDS, SERIES 2016, APPROVING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST, ESCROW AGREEMENT, AND CONTINUING DISCLOSURE CERTIFICATE AND PROVIDING FOR OTHER MATTERS RELATING THERETO

WHEREAS, the Redevelopment Agency of the City of Santa Clarita (the "Former Redevelopment Agency") was a public body, corporate and politic, duly created in 1989, established and authorized to transact business and exercise its powers under and pursuant to the provisions of the Community Redevelopment Law (Part 1 of Division 24 (commencing with Section 33000) (the "Redevelopment Law"), of the Health and Safety Code of the State of California (the "Health and Safety Code"); and

WHEREAS, the Former Redevelopment Agency issued its \$29,860,000 City of Santa Clarita Redevelopment Agency Tax Allocation Bonds, Series 2008 (Newhall Redevelopment Project Area) (the "2008 Nonhousing Bonds") and its \$8,850,000 City of Santa Clarita Redevelopment Agency Housing Set-Aside Tax Allocation Bonds, Series 2008 (the "2008 Housing Bonds," and, together with the 2008 Nonhousing Bonds, the "Prior Bonds"), secured by a pledge of certain tax increment revenues from the Newhall Redevelopment Project Area for the purpose of financing the redevelopment activities and housing programs of the Former Redevelopment Agency; and

WHEREAS, Assembly Bill X1 26, effective June 29, 2011, together with AB 1484 ("AB 1484"), effective June 27, 2012, resulted in the dissolution of the Former Redevelopment Agency as of February 1, 2012, and the vesting in this Successor Agency to the Redevelopment Agency of the City of Santa Clarita (the "Successor Agency") of all of the authority, rights, powers, duties, and obligations of the Former Redevelopment Agency; and

WHEREAS, AB 1484, among other things, amended the Redevelopment Law to authorize the Successor Agency to issue 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 of the Health and Safety Code (the "Savings Parameters"); and

WHEREAS, the Successor Agency has determined, based on current municipal market conditions, that it will achieve debt service savings in compliance with the Savings Parameters as evidenced by the analysis of its Financial Advisor, C.M. de Crinis & Co., Inc., describing potential savings that will accrue to applicable taxing agencies as a result of the refunding of the Prior Bonds (the "Bond Refunding Financing Plan"); and

WHEREAS, to provide funds to refund the Prior Bonds, the Successor Agency intends to authorize pursuant to the Redevelopment Law and the Refunding Law the issuance of its Tax Allocation Refunding Bonds, Series 2016 (the "2016 Bonds"), in the aggregate principal amount not to exceed \$38,000,000; and

WHEREAS, the Successor Agency, with the aid of its staff, has reviewed the Indenture of Trust and other documents related to the proposed issuance of the 2016 Bonds, and desires to approve said documents and the refunding of the Prior Bonds by the issuance, sale, and delivery of the 2016 Bonds;

NOW, THEREFORE, the Governing Board of the Successor Agency to Redevelopment Agency of the City of Santa Clarita (the "Board"), does hereby resolve as follows:

SECTION 7. Findings. The Board hereby finds and determines that the recitals hereto are true and correct.

SECTION 8. Determination of Savings. The Successor Agency has determined that there are significant potential savings to applicable taxing entities in compliance with the Savings Parameters by the issuance of the Successor Agency of the 2016 Bonds to provide funds to refund the Prior Bonds, as evidenced by the Bond Refunding Financing Plan on file with the Secretary of the Successor Agency, which Bond Refunding Financing Plan is hereby approved.

SECTION 9. Refunding Approved. The Successor Agency hereby approves the issuance of the 2016 Bonds in the aggregate principal amount not to exceed \$38,000,000, which 2016 Bonds shall be issued in one or more series pursuant to the provisions of Section 34177.5(a)(1) of the Health and Safety Code in that: a) the total interest cost to maturity on the 2016 Bonds plus the principal amount of the 2016 Bonds shall not exceed the total remaining interest cost to maturity on the Prior Bonds, plus the remaining principal of the Prior Bonds; and b) the principal amount of the 2016 Bonds shall not exceed the amount required to defease the Prior Bonds, to establish customary debt service reserves and pay related costs of issuance.

SECTION 10. Indenture. To prescribe the terms and conditions upon which the 2016 Bonds are to be issued, secured, executed, authenticated, and held, an indenture of trust (the "Indenture") is proposed to be executed and delivered by the Successor Agency and The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), in the form on file with the Secretary, a copy of which has been made available to the Board. The Indenture in said form is hereby approved and any of the Chairperson, Vice-Chairperson, or Executive Director, and their respective designees (each an "Authorized Representative") is hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to execute, and the Secretary is authorized to attest and deliver the Indenture to the Trustee in such form, together with such changes (including, without limitation, changes relating to the issuance of a municipal bond insurance policy and/or a surety bond for a debt service reserve fund or such changes as may be requested by a rating agency providing a rating on the 2016 Bonds) as may be approved by the Authorized Representative executing the Indenture, acting on behalf of the Successor Agency, subject to advice of Bond Counsel and counsel to the Successor Agency, such execution thereof

to constitute conclusive evidence of the approval of the Successor Agency of all changes from the form of the Indenture presented to this meeting.

SECTION 11. Continuing Disclosure Certificate. The form of Continuing Disclosure Certificate proposed to be executed and entered into by the Successor Agency in connection with the 2016 Bonds, in the form on file with the Secretary, a copy of which has been made available to the Board, is hereby approved, and any Authorized Representative is hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to execute and deliver the Continuing Disclosure Agreement in such form, together with such changes as may be approved by the Authorized Representative executing the Continuing Disclosure Certificate, acting on behalf of the Successor Agency, subject to advice of Disclosure Counsel and counsel to the Successor Agency, such execution thereof to constitute conclusive evidence of the approval of the Successor Agency of all changes from the form of the Continuing Disclosure Certificate presented to this meeting.

SECTION 12. Escrow Agreement. The form of Escrow Agreement proposed to be executed and entered into by and between the Successor Agency and the Trustee, as escrow bank, in the forms on file with the Secretary, a copy of which has been made available to the Board, is hereby approved, and any Authorized Representative is hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to execute and deliver the Escrow Agreement in such form, together with such changes as may be approved by the Authorized Representative executing the Escrow Agreement, acting on behalf of the Successor Agency, subject to advice of Bond Counsel and counsel to the Successor Agency, such execution thereof to constitute conclusive evidence of the approval of the Successor Agency of all changes from the form of the Escrow Agreement presented to this meeting.

SECTION 13. Bond Purchase Agreement. The Executive Director or his designee, is hereby authorized, with the assistance of the Financial Advisor, to select an underwriter for the 2016 Bonds through a request for proposal process. The Successor Agency hereby directs the preparation of a form of a bond purchase agreement to be entered into by and between the Successor Agency and the underwriter, which form will subsequently be submitted to the Successor Agency for approval.

SECTION 14. Preliminary Official Statement. The Successor Agency hereby directs the preparation of a form of an Official Statement describing the 2016 Bonds and containing material information relating to the 2016 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 2016 Bonds.

SECTION 15. Oversight Approval of 2016 Bonds. The Successor Agency requests that the Oversight Board approve the issuance, sale, and delivery of the 2016 Bonds pursuant to this Resolution and the Indenture.

SECTION 16. Filing of this Resolution. The Secretary is hereby authorized and directed to file a certified copy of this Resolution with the Oversight Board, along with the Bond Refunding Financing Plan, and, as provided in Section 34180(j) of the Health and Safety Code,

with the Los Angeles County Administrative Officer, the Los Angeles County Auditor-Controller and the California Department of Finance.

SECTION 17. 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, sale, and delivery of the 2016 Bonds:

(a) The Successor Agency is authorized, as provided in Section 34177.5(f), to recover its costs related to the issuance of the 2016 Bonds from the proceeds of the 2016 Bonds, including the cost of reimbursing the City of Santa Clarita for administrative staff time spent with respect to the authorization, issuance, sale and delivery of the 2016 Bonds;

(b) The application of proceeds of the 2016 Bonds by the Successor Agency to the refunding and defeasance of the Prior Bonds, as well as to the payment by the Successor Agency of all costs of issuance of the 2016 Bonds and refunding the Prior Bonds, as provided in Section 34177.5(a), shall be implemented by the Successor Agency promptly upon sale and delivery of the 2016 Bonds, and, notwithstanding Section 34177.3 or any other provision of law to the contrary, once the Oversight Board has adopted its resolution and the California Department of Finance has approved (or within time allotted took no action), no further 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 shall be required;

(c) The Successor Agency shall be entitled to receive its full "Administrative Cost Allowance" as defined and described under Section 34181(a)(3) without any deductions with respect to continuing costs related to the 2016 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 2016 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.

SECTION 18. Approval of Certain Financing Team Members. The Successor Agency hereby approves the appointment of a) C.M. de Crinis & Co., Inc., as Financial Advisor, b) HdL Coren & Cone, as Fiscal Consultant, and c) Norton Rose Fulbright US LLP, as Bond and Disclosure Counsel, each in accordance with separate letter agreements with the Successor Agency.

SECTION 19. General Authorization. All actions heretofore taken by the officers and agents of the Successor Agency with respect to the issuance of the 2016 Bonds are hereby approved, confirmed, and ratified. Each Authorized Representative and any other officer of the Successor Agency 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, including procurement of bond insurance or a reserve surety, execution and delivery of any and all assignments, certificates, requisitions, including requisitions for the payment of costs of issuance of the Bonds, agreements, including agreements in customary form providing for the investment of the proceeds of the Bonds, notices, consents, and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the sale, issuance and delivery of the 2016 Bonds and the refunding of the Prior Bonds, including the purchase of federal securities acceptable to Bond Counsel and authorized as an investment for the defeasance of the Prior Bonds, and all actions to obtain the necessary approvals from the Oversight Board and the California Department of Finance. The Successor Agency hereby confirms that the Mayor of the City is Chairperson of the Successor Agency Board, the City Manager of the City is the Executive Director of the Successor Agency, the City Clerk of the City is the Secretary of the Successor Agency, and the City Attorney is Agency Counsel to the Successor Agency.

SECTION 20. Effective Date. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED, AND ADOPTED this _____ day of September, 2016.

CHAIR

ATTEST:

SECRETARY

DATE: _____

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF SANTA CLARITA)

I, Mary Cusick, Secretary of the Successor Agency to the Redevelopment Agency of the City of Santa Clarita, do hereby certify that the foregoing Resolution was duly adopted by the Governing Board of the Successor Agency to the Redevelopment Agency of the City of Santa Clarita at the regular meeting thereof, held on the ____ day of September, 2016, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

SECRETARY