

RESOLUTION NO.

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE APPROVING AND DIRECTING THE ISSUANCE OF REFUNDING BONDS, MAKING CERTAIN DETERMINATIONS WITH RESPECT TO THE REFUNDING BONDS AND PROVIDING OTHER MATTERS RELATING THERETO

WHEREAS, the Redevelopment Agency of the City of Riverside (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 "Redevelopment Law");

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code, the Former Agency has been dissolved and no longer exists, and pursuant to Section 34173, the City of Riverside (the "City") has become the successor entity to the Former Agency (the "Successor Agency");

WHEREAS, pursuant to Section 34179 of the California Health and Safety Code, this Oversight Board has been established for the Successor Agency;

WHEREAS, the Oversight Board is informed by the Successor Agency that prior to the dissolution of the Former Agency, the Former Agency issued, among other bonds, the bonds listed on Exhibit A for the purpose of financing and refinancing redevelopment activities (the "Prior Agency Bonds"), and the Prior Agency Bonds were purchased with proceeds of the bonds listed on Exhibit B (the "Prior Authority Bonds") by U.S. Bank National Association, as trustee for the Prior Authority Bonds;

WHEREAS, Section 34177.5 of the California Health and Safety Code 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 bonds to refinance the Prior Agency Bonds, the Successor Agency has caused its financial advisor, CSG Advisors Incorporated (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 Prior Agency Bonds (the "Municipal Advisor Work Product");

WHEREAS, the Successor Agency by its resolution adopted on May 8, 2018 (the "Successor Agency Resolution") approved the issuance of the following bonds (collectively, the "Refunding Bonds") pursuant to Section 34177.5(a)(1) of the California Health and Safety Code, Section 34177.5(f) of the California Health and Safety Code and the Refunding Law:

(a) Successor Agency to the Redevelopment Agency of the City of Riverside 2018 Tax Allocation Refunding Bonds, Series A (the “2018A Bonds”) and

(b) Successor Agency to the Redevelopment Agency of the City of Riverside 2018 Tax Allocation Refunding Bonds, Taxable Series B (the “2018B Bonds”; together with the 2018A Bonds, the “2018 Bonds”);

WHEREAS, in the Successor Agency Resolution, the Successor Agency approved the issuance of the Refunding Bonds and authorized the execution and delivery of the following supplements (together, the “2018 Supplements to Indenture”) to that certain Indenture of Trust, dated as of October 1, 2014 (the “Master Indenture”), by and between the Successor Agency and U.S. Bank National Association, as trustee (the “Trustee”), as previously supplemented by a First Supplement to Indenture of Trust, dated as of October 1, 2014 (the “First Supplement”; together with the Master Indenture, the “Existing Indenture”):

(a) Second Supplement to Indenture of Trust related to the 2018A Bonds and

(b) Third Supplement to Indenture of Trust related to the 2018B Bonds;

WHEREAS, in the Successor Agency Resolution, the Successor Agency also requested that this Oversight Board approve and direct the issuance of the Refunding Bonds pursuant to the Successor Agency Resolution and 2018 Supplements to Indenture and that this 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 Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), pursuant to a Bond Purchase Agreement (the “Bond Purchase Agreement”); and

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 the Successor Agency’s Disclosure Counsel, 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;

WHEREAS, this Oversight Board has completed its review of the refunding proceedings and the Municipal Advisor Work Product and hereby approves the foregoing;

NOW THEREFORE, BE IT RESOLVED by the Oversight Board for the City of Riverside as Successor Agency to the Redevelopment Agency of the City of Riverside, as follows:

Section 1. Ratification and Adoption of Successor Agency Resolution. Successor Agency Resolution No. _____ is hereby ratified and adopted as set forth in the recitals above.

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 by the issuance by the Successor Agency of the Refunding Bonds in compliance

with the Savings Parameters to refund and defease all or a portion of the Prior Agency Bonds, all as evidenced by the Municipal Advisor Work Product on file with the Secretary of the Oversight Board, which Municipal Advisor Work Product is hereby approved.

Section 3. Approval and Direction of Issuance of the Refunding Bonds. As authorized by Section 34177.5(f) and Section 34180 of the California Health and Code, this Oversight Board hereby approves and directs the issuance by the Successor Agency of the Refunding Bonds pursuant to Section 34177.5(a)(1) and under other applicable provisions of the California Health and Safety Code, and the Refunding Law and as provided in the Successor Agency Resolution and the Indenture in the aggregate principal amount of not to exceed \$135,000,000, provided that the principal and interest payable with respect to the Refunding Bonds complies in all respects with the requirements of the Savings Parameters, as shall be certified to by the Municipal Advisor upon delivery of the Refunding Bonds or any part thereof.

Section 4. Sale and Delivery of Refunding Bonds in Whole or in Part. The Oversight Board is informed by the Successor Agency that it is the intent of the Successor Agency to sell and deliver the Refunding Bonds to refund the Prior Agency Bonds in whole, provided that there is compliance with the Savings Parameters, and that, if such Savings Parameters cannot be met with respect to the Prior Agency Bonds in whole, then the Successor Agency intends to issue the Refunding Bonds to refund the Prior Agency Bonds in part to the extent that the refunding of the Prior Agency Bonds in part can satisfy the Savings Parameters. The Oversight Board hereby directs and approves the issuance of the Refunding Bonds to refund the Prior Agency Bonds in part and, thereafter, the sale and delivery of additional bonds to refund the unrefunded Prior Agency Bonds pursuant to a supplement to the Master Indenture without further prior approval of the Oversight Board provided that in each such instance the bonds so sold and delivered in part are in compliance with the Savings Parameters.

Section 5. Determinations by the Oversight Board. As requested by the Successor Agency, 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) of the California Health and Safety Code, 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 Prior Agency 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) of the California Health and Safety Code, shall be implemented by the Successor Agency promptly upon sale and delivery of the Refunding Bonds, without the approval of the Oversight Board, the California Department of Finance, the Riverside 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) of the California Health and Safety Code 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) of the California Health and Safety Code, 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 of the California Health and Safety Code without reduction in its Administrative Cost Allowance.

Section 6. Effective Date. Pursuant to Health and Safety Code Section 34177(f) and Section 34179(h) of the California Health and Safety Code, this Resolution shall be effective five (5) business days after proper notification hereof is given to the Department of Finance unless the 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 Department.

Section 7. Transmittal. The Successor Agency is hereby directed to transmit this Resolution to the Department of Finance.

ADOPTED by the Oversight Board this ___th day of May, 2018.

MICHAEL C. GARDNER
Chair of the Oversight Board

Attest:

COLLEEN J. NICOL
City Clerk/Clerk of the Oversight Board

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I, Colleen J. Nicol, City Clerk/Clerk of the Oversight Board for the City of Riverside as Successor Agency for the Redevelopment Agency of the City of Riverside, California, hereby certify that the foregoing resolution was duly and regularly adopted at a meeting of the Oversight Board of said City at its meeting held on the ____th day of ____, 2018, by the following vote, to wit:

Ayes:

Noes:

Absent:

Abstain:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Riverside, California, this ____th day of ____, 2018.

COLLEEN J. NICOL
City Clerk/Clerk of the Oversight Board

EXHIBIT A

PRIOR AGENCY BONDS

\$9,620,000 Redevelopment Agency of the City of Riverside University Corridor/Sycamore Canyon Merged Redevelopment Project Area 2007 Tax Allocation Bonds, Series A-1 (the "2007 A-1 Bonds") pursuant to an Indenture of Trust, dated as of April 1, 2007, by and between the Former Agency and U.S. Bank National Association (the "2007A Indenture")

\$15,380,000 Redevelopment Agency of the City of Riverside University Corridor/Sycamore Canyon Merged Redevelopment Project Area 2007 Tax Allocation Bonds, Series A-2 (the "2007A-2 Bonds") pursuant to the 2007A Indenture

\$1,030,000 Redevelopment Agency of the City of Riverside Downtown/Airport Merged Redevelopment Project Area 2007 Tax Allocation Bonds, Series B-1 (the "2007 B-1 Bonds") pursuant to an Indenture of Trust, dated as of April 1, 2007, by and between the Former Agency and U.S. Bank National Association (the "2007B Indenture")

\$9,110,000 Redevelopment Agency of the City of Riverside Downtown/Airport Merged Redevelopment Project Area 2007 Tax Allocation Bonds, Series B-2 (the "2007B-2 Bonds") pursuant to the 2007B Indenture

\$7,310,000 Redevelopment Agency of the City of Riverside Casa Blanca Redevelopment Project Area 2007 Tax Allocation Bonds, Series C-1 (the "2007 C-1 Bonds") pursuant to an Indenture of Trust, dated as of April 1, 2007, by and between the Former Agency and U.S. Bank National Association (the "2007C Indenture")

\$5,740,000 Redevelopment Agency of the City of Riverside Casa Blanca Redevelopment Project Area 2007 Tax Allocation Bonds, Series C-2 (the "2007C-2 Bonds") pursuant to the 2007C Indenture

\$11,910,000 Redevelopment Agency of the City of Riverside Arlington Redevelopment Project Area 2007 Tax Allocation Bonds, Series D-1 (the "2007 D-1 Bonds") pursuant to an Indenture of Trust, dated as of April 1, 2007, by and between the Former Agency and U.S. Bank National Association (the "2007D Indenture")

\$7,140,000 Redevelopment Agency of the City of Riverside Arlington Redevelopment Project Area 2007 Tax Allocation Bonds, Series D-2 (the "2007D-2 Bonds") pursuant to the 2007D Indenture

\$23,500,000 Redevelopment Agency of the City of Riverside Hunter Park/Northside Redevelopment Project Area 2007 Tax Allocation Bonds, Series E-1 (the "2007 E-1 Bonds") pursuant to an Indenture of Trust, dated as of April 1, 2007, by and between the Former Agency and U.S. Bank National Association (the "2007E Indenture")

\$5,070,000 Redevelopment Agency of the City of Riverside Magnolia Center Redevelopment Project Area 2007 Tax Allocation Bonds, Series F-1 (the "2007 F-1 Bonds") pursuant to an

Indenture of Trust, dated as of April 1, 2007, by and between the Former Agency and U.S. Bank National Association (the “2007F Indenture”)

\$12,375,000 Redevelopment Agency of the City of Riverside Magnolia Center Redevelopment Project Area 2007 Tax Allocation Bonds, Series F-2 (the “2007 F-2 Bonds”) pursuant to the 2007F Indenture

\$39,105,000 Redevelopment Agency of the City of Riverside La Sierra/Arlanza Redevelopment Project Area 2007 Tax Allocation Bonds, Series G-1 (the “2007 G-1 Bonds”) pursuant to an Indenture of Trust, dated as of April 1, 2007, by and between the Former Agency and U.S. Bank National Association (the “2007G Indenture”)

EXHIBIT B

PRIOR AUTHORITY BONDS

| Name of Prior Authority Bonds | Taxable/Tax-Exempt | Related Prior Agency Bonds |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| \$8,340,000 Riverside Public Financing Authority 2007 Series A Tax Allocation Revenue Bonds (Downtown/Airport Merged Redevelopment Project and Casa Blanca Redevelopment Project) (Tax-Exempt) | Tax-Exempt | <ul style="list-style-type: none">• Downtown/Airport Merged Redevelopment Project Area 2007 Tax Allocation Bonds, Series B-1• Casa Blanca Redevelopment Project Area 2007 Tax Allocation Bonds, Series C-1. |
| \$14,850,000 Riverside Public Financing Authority 2007 Series B Tax Allocation Revenue Bonds (Downtown/Airport Merged Redevelopment Project and Casa Blanca Redevelopment Project) (Taxable) | Taxable | <ul style="list-style-type: none">• Downtown/Airport Merged Redevelopment Project Area 2007 Tax Allocation Bonds, Series B-2.• Casa Blanca Redevelopment Project Area 2007 Tax Allocation Bonds, Series C-2. |

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| <p>\$89,205,000 Riverside Public Financing Authority 2007 Series C Tax Allocation Revenue Bonds (University Corridor/Sycamore Canyon Merged Redevelopment Project, Arlington Redevelopment Project, Hunter Park/Northside Redevelopment Project, Magnolia Center Redevelopment Project and La Sierra/Arlanza Redevelopment Project) (Tax-Exempt)</p> | <p>Tax-exempt</p> | <ul style="list-style-type: none"> • University Corridor/Sycamore Canyon Merged Redevelopment Project Area 2007 Tax Allocation Bonds, Series A-1 • Arlington Redevelopment Project Area 2007 Tax Allocation Bonds, Series D-1. • Hunter Park/Northside Redevelopment Project Area 2007 Tax Allocation Bonds, Series E-1. • Magnolia Center Redevelopment Project Area 2007 Tax Allocation Bonds, Series F-1. • La Sierra/Arlanza Redevelopment Project Area 2007 Tax Allocation Bonds, Series G-1. |
| <p>\$43,875,000 Riverside Public Financing Authority 2007 Series D Tax Allocation Revenue Bonds (University Corridor/Sycamore Canyon Merged Redevelopment Project, Arlington Redevelopment Project, Hunter Park/Northside Redevelopment Project, Magnolia Center Redevelopment Project and La Sierra/Arlanza Redevelopment Project) (Taxable)</p> | <p>Taxable</p> | <ul style="list-style-type: none"> • University Corridor/Sycamore Canyon Merged Redevelopment Project Area 2007 Tax Allocation Bonds, Series A-2 • Arlington Redevelopment Project Area 2007 Tax Allocation Bonds, Series D-2. • Magnolia Center Redevelopment Project Area 2007 Tax Allocation Bonds, Series F-2. |