



also by the Oversight Board and then by the State of California Department of Finance (DOF) before refunding bonds can be issued. This additional level of oversight adds several additional months to the process. The actions being recommended in this report approve the legal documents associated with the refunding and give authorization for the refunding to occur. If approved by the Successor Agency and then by the Oversight Board, the Oversight Board resolution (and related documents) will be sent to the DOF for approval which is required to occur within 65 days. During that time, staff will continue to work on the transaction by preparing the Preliminary Official Statement (POS), the disclosure document used by the underwriter to sell the bonds and causing the Fiscal Consultant to prepare a report. Neither the Oversight Board nor the DOF reviews or approves the POS, but it will be brought back to the Successor Agency for approval closer to the actual issuance of the refunding bonds.

An additional requirement of AB x1 26 and AB 1484 is that the financing team include a financial advisor and that the advisor generate a report referred to as the Financial Advisor Work Product. That document is a report that confirms that the transaction complies with the Savings Parameters (as used in the Successor Agency's resolution), which simply means that the principal and interest on the new bonds is less than the principal and interest on the refunded bonds. The Financial Advisor Work Product is to be on file with the secretary to the Successor Agency and with the Oversight Board after having been approved by each body. This transaction complies with the requirements of AB x1 26 and AB 1484.

This transaction will be structured as a single "pooled" bond, payable from all of the property tax revenues from all of the project areas of the former Redevelopment Agency. These bonds will be issued on a parity basis with the 2014 TAB Bonds. The 2014 TAB Bonds refunded sever prior bond issues of the former Agency and established provisions for the issuance of parity bonds where such bonds meet the refunding provisions of the Dissolution Act. The benefit of this structure is simplicity and that it improves the overall economics of the transaction. This improvement is because the various project areas have differing debt service coverage strengths and because it is more efficient to issue only one bond. The pooled structure allows the projects with the stronger coverage ratios to improve the ratio for those with less substantial coverage. The pooled coverage remains sufficient to hold the rating of the stronger project areas for the benefit of the entire transaction.

The financing team used for this transaction consists of Jones Hall as Bond Counsel, Stradling Yocca Carlson & Rauth as Disclosure Counsel, Stifel, Nicolaus and Company, Inc. as Underwriter, CSG Advisors, Inc. as Financial Advisor and DHA Consulting, LLC as Fiscal Consultant. The team has strong experience successfully working with the former Redevelopment Agency and other dissolution refunding transactions.

Prepared by: Rafael Guzman, Community & Economic Development Director  
Approved as to form: Gary G. Geuss, Successor Agency General Counsel

Attachments:

1. Resolution Approving the Issuance of Refunding Bonds in order to Refund Outstanding Bonds of the Dissolved Redevelopment Agency of the City of Riverside;
2. 2<sup>nd</sup> Supplement to the 2014 Bond Indenture;
3. 3<sup>rd</sup> Supplement to the 2014 Bond Indenture;
4. Escrow Agreement;
5. Bond Purchase Agreement;
6. Municipal Advisor's Work Product