

RESOLUTION NO. OB-06-17

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF EL CAJON APPROVING THE ISSUANCE OF REFUNDING BONDS OF THE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF EL CAJON, MAKING CERTAIN DETERMINATIONS WITH RESPECT TO THE REFUNDING BONDS AND PROVIDING OTHER MATTERS RELATING THERETO.

WHEREAS, El Cajon Redevelopment Agency (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 California Health and Safety Code (the "Law"); and

WHEREAS, pursuant to section 34172(a) of the California Health and Safety Code (unless otherwise noted, all section references hereinafter being to such Code), the Former Agency has been dissolved and no longer exists, and pursuant to section 34173, the Successor Agency to the El Cajon Redevelopment Agency (the "Successor Agency") has become the successor entity to the Former Agency; and

WHEREAS, pursuant to section 34179, this Oversight Board has been established for the Successor Agency; and

WHEREAS, a redevelopment plan for the Former Agency's El Cajon Redevelopment Project in the City of El Cajon (the "City") has been adopted in compliance with all requirements of the Law (the "Redevelopment Project"); and

WHEREAS, the Oversight Board is informed by the Successor Agency that, prior to the dissolution of the Former Agency, the Former Agency incurred certain obligations to finance redevelopment activities within and for the benefit of the Redevelopment Project, of which the following remain outstanding:

- (a) El Cajon Redevelopment Agency, El Cajon Redevelopment Project, Taxable Tax Allocation Refunding Bonds, Issue of 2000 (the "2000 Bonds")
- (b) El Cajon Redevelopment Agency, El Cajon Redevelopment Project, Tax Allocation Refunding Bonds, Issue of 2005 (the "2005 Bonds"), and
- (c) El Cajon Redevelopment Agency, El Cajon Redevelopment Project, Tax Allocation Refunding Bonds, Issue of 2007 (the "2007 Bonds" and, with the 2000 Bonds and the 2005 Bonds, the "Former Agency Obligations"); and

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 California 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"); and

WHEREAS, to determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency of its tax allocation refunding bonds (the "Refunding Bonds"), the Successor Agency has caused its municipal advisor, Urban Futures, Inc. (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 repay or defease and refund all or a portion of the Former Agency Obligations (the "Debt Service Savings Analysis"); and

WHEREAS, the Debt Service Savings Analysis has demonstrated that a refunding of the 2005 Bonds and the 2007 Bonds (the "Refundable Former Agency Obligations") will satisfy the Savings Parameters; and

WHEREAS, the Successor Agency, by its resolution adopted on November 14, 2017 (the "Successor Agency Resolution"), approved the issuance of its Successor Agency to the El Cajon Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018, to refund the Refundable Former Agency Obligations (the "Bonds"), pursuant to section 34177.5(a)(1); and

WHEREAS, in the Successor Agency Resolution, the Successor Agency also authorized the execution and delivery of an indenture of trust, by and between the and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Indenture"), an escrow agreement, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as escrow bank (the "Escrow Bank"), relating to the defeasance and redemption of the 2005 Bonds, and an escrow agreement, by and between Successor Agency the Escrow Bank relating to the defeasance and redemption of the 2007 Bonds; and

WHEREAS, in the Successor Agency Resolution, the Successor Agency also requested that this Oversight Board direct the Successor Agency to undertake the refunding proceedings and approve the issuance of the Bonds pursuant to the Successor Agency Resolution and the 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 Bonds; and

WHEREAS, the Successor Agency has determined to sell the Bonds to Brandis Tallman LLP (the "Underwriter"); and

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, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE EL CAJON REDEVELOPMENT AGENCY DOES RESOLVE 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 Bonds to provide funds to refund and defease the Refundable Former Agency Obligations, as evidenced by the Debt Service Savings Analysis on file with the Secretary of the Successor Agency, 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 approves the issuance by the Successor Agency of the 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 Bonds complies in all respects with the requirements of the Savings Parameters with respect thereto, as shall be certified to by the Municipal Advisor upon delivery of the Bonds or any portion thereof.

SECTION 4. Sale and Delivery of Bonds in Whole or in Part. The Oversight Board hereby approves the sale and delivery of the 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 Bonds, then the Oversight Board approves the sale and delivery of the Bonds from time to time in part. In the event the Bonds are initially sold in part, the Successor Agency is hereby authorized to sell and deliver additional series of the Bonds without the prior approval of this 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 Bonds:

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

- (b) The application of the proceeds of the Bonds by the Successor Agency to the refunding and defeasance of the Refundable Former Agency Obligations, as well as the payment by the Successor Agency of costs of issuance of the Bonds, as provided in section 34177.5(a), shall be implemented by the Successor Agency promptly upon sale and delivery of the 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 San Diego 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 Bonds, such as trustee's fees and auditing and fiscal consultant fees (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 Bonds for any reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings for the Refundable Former Agency Obligations from such property tax revenues pursuant to section 34183 without reduction in its Administrative Cost Allowance.

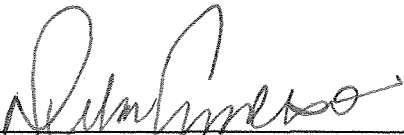
SECTION 6. Effective Date. Pursuant to section 34177(f) and section 34179(h), this Resolution shall be effective five (5) business days after proper notification hereof is given to the California Department of Finance unless the California Department of Finance requests a review of the actions taken in this Resolution, in which case this Resolution will be effective upon approval by the California Department of Finance.

SECTION 7. Certification. The Secretary shall confirm the passage and adoption hereof.

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PASSED AND ADOPTED by the Oversight Board of the Successor Agency of the former EI Cajon Redevelopment Agency at a regularly-scheduled meeting held this 15th day of November 2017, by the following vote to wit:

AYES: CHADWICK, DAVIES, EMERSON, PAVAO, REARIC
ABSTAIN: NONE
ABSENT: BUXBAUM, NGUYEN



Debra Emerson, Chairperson

ATTEST:



Anthony Shute, Oversight Board Secretary