AGENDA
SPECIAL MEETING OF THE OVERSIGHT BOARD OF THE
EL CERRITO REDEVELOPMENT SUCCESSOR AGENCY

Monday, April 4, 2016, 6:30 p.m.

El Cerrito City Hall
10890 San Pablo Avenue
El Cerrito CA, 94530

1. Roll Call

2. Board/Staff Communications (Informational reports on matters of general interest which are announced by the Oversight Boardmembers or Board staff.)

3. Public Comment
Comments are limited to 3 minutes per speaker.

4. New Business Items

   A. Approval of Minutes
   Approve the January 25, 2016 Oversight Board of the El Cerrito Redevelopment Successor Agency special meeting minutes.

   B. Approval to Refinance Successor Agency Tax Allocation Bonds
   Adopt an Oversight Board resolution approving the issuance of refunding bonds, making certain determinations with respect to the refunding bonds and authorizing actions related thereto.

Adjournment

- Oversight Board meetings are not televised.
- In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Clerk, (510) 215-4305. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 ADA Title I).
MINUTES

SPECIAL MEETING OF THE OVERSIGHT BOARD OF THE
EL CERRITO REDEVELOPMENT SUCCESSOR AGENCY

Monday, January 25, 2016, 6:00 p.m.

El Cerrito City Hall – City Council Chambers
10890 San Pablo Avenue
El Cerrito CA, 94530

1. Roll Call

Present: Directors Dotson, Kronenberg, Lizeht, Malek-Zadeh, Solseng and Chair Jones.
Absent: Director Potter

Chair Jones convened the Special meeting of the Oversight Board of the El Cerrito Redevelopment Successor Agency at 6:00 p.m.

2. Board/Staff Communications (Informational reports on matters of general interest which are announced by the Oversight Boardmembers or Board staff.)

Melanie Mintz, Community Development Director, informed the Oversight Board that the Successor Agency will consider authorizing a bond refinancing which may necessitate another meeting of the Board in approximately March 2016. Additionally, the Successor Agency may also consider approval of the RFP process for the disposition of the Mayfair property in accordance with the Long Range Property Management Plan.

3. Public Comment - No speakers.

4. New Business Items

A. Approval of Minutes

Approve the December 15, 2016 Oversight Board of the El Cerrito Redevelopment Successor Agency special meeting minutes.

Action: Moved, seconded (Kronenberg/Solseng; Ayes – Directors Dotson, Kronenberg, Malek-Zadeh, Zepeda and Chair Jones; Noes – None; Abstain – None, Absent – Director Potter) and carried to approve the minutes with a correction to the spelling of Director Zepeda’s name.
B. Successor Agency’s Fiscal Year 2016-17 Administrative Budget and Recognized Obligations Payment Schedule 16-17 (July 1, 2016 – June 30, 2017)

Adopt an Oversight Board resolution approving the Successor Agency’s FY 2016-17 administrative budget and submittal of the Recognized Obligations Payment Schedule 16-17 covering the period July 1, 2016 to June 30, 2017, as previously reviewed and authorized by the governing board of the Successor Agency.

Presenter: Melanie Mintz, Community Development Director.

Action: Moved, seconded (Solseng/Zepeda; Ayes – Directors Dotson, Kronenberg, Malek-Zadeh, Solseng, Zepeda and Chair Jones; Noes – None; Abstain – None, Absent – Director Potter) and carried to adopt Oversight Board Resolution No. 2016-01 approving the Recognized Obligation Payment Schedule 16-17 covering the period July 1, 2016 to June 30, 2017 and Oversight Board Resolution No. 2016-02 approving the Successor Agency’s FY 2016-17 administrative budget.

Adjourned at 6:11 p.m.
Date: April 4, 2016
To: Oversight Board of the Successor Agency to the El Cerrito Redevelopment Agency
From: Melanie Mintz, Community Development Director
Subject: Approval to Refinance Successor Agency Tax Allocation Bonds

ACTION REQUESTED
Adopt a resolution approving the issuance of refunding bonds, making certain determinations with respect to the refunding bonds and authorizing actions related thereto.

BACKGROUND
The El Cerrito Redevelopment Agency (the “Former Agency”) previously issued (1) Tax Allocation Refunding Bonds, 1997 Series A in the initial aggregate principal amount of $7,450,000 (the “1997 Bonds”), (2) Tax Allocation Bonds, Series 2004 A (Tax-Exempt) in the initial aggregate principal amount of $10,315,000 (the “2004A Bonds”) and (3) Tax Allocation Bonds, Series 2004 B (Taxable) in the initial aggregate principal amount of $6,510,000 (the “2004B Taxable Bonds and together with the 1997 Bonds and the 2004A Bonds, the “Prior Bonds”). Pursuant to ABx1 26 (as amended including by AB 1484, the “Dissolution Law”), on August 15, 2011, the City of El Cerrito (the “City”) elected to serve as the Successor Agency to the El Cerrito Redevelopment Agency (the “Successor Agency”) should the Former Agency be dissolved, which occurred on February 1, 2012.

Current market interest rates can provide for a restructuring of all Prior Bonds resulting in lower debt service payments which will benefit all affected taxing agencies. California Health and Safety Code 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 California Health and Safety Code Section 34177.5(a)(1) (the “Savings Parameters”).

FINANCIAL CONSIDERATIONS
By restructuring the Prior Bonds, the Successor Agency will consolidate all outstanding bonds, modify the repayment schedule to better reflect the ROPS process and improve cash flow to all affected taxing agencies. The taxing agencies will all benefit from the reduction in interest cost and the increase in the tax increment that will be passed through to all affected taxing agencies. The level of savings to each taxing entity will depend upon the interest rate market at the time of the pricing. A Financial Analysis will be presented to the Oversight Board showing the savings to the taxing entities projected with the refunding.

In addition to refinancing the Prior Bonds for debt service savings, the Successor Agency has the opportunity to structure the proposed 2016 refunding bonds to help offset the impact to the
City’s General Fund for payments required under the Installment Payment Plan (the “IPP”) with the California Department of Finance (the “DOF”) approved by the Successor Agency and City Council on December 21, 2015 (Successor Agency Resolution 2015-04; and City Council Resolution 2015-78). The savings will also be shared with all affected taxing agencies and by front loading the savings to help offset the impact to the City’s General Fund, the affected taxing agencies will similarly receive their portion of the savings on a front-loaded basis, thereby maximizing the net present value of the savings generated by the restructuring of the Prior Bonds under the proposed structure.

LEGAL CONSIDERATIONS
All actions being requested are consistent with the Dissolution Act. Specifically, the Savings Parameters set forth in California Health and Safety Code Section 34177.5(a)(1) requires only that (A) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (B) the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance. Phrased differently, so long as the refunding (i) results in aggregate debt service savings and (ii) contains no new money (i.e., bond proceeds are used only to refund the Prior Bonds, pay costs of issuance and fund a bond reserve), the Savings Parameters are satisfied. The Financial Analysis that will be presented to the Oversight Board supports that the Savings Parameters will be satisfied.

Reviewed by:

Scott Hanin
City Manager

Attachments:
1. Oversight Board Resolution
2. Approved Successor Agency Resolution No. 2016-02
RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE EL CERRITO REDEVELOPMENT AGENCY APPROVING THE ISSUANCE OF REFUNDING BONDS, MAKING CERTAIN DETERMINATIONS WITH RESPECT TO THE REFUNDING BONDS AND AUTHORIZING ACTIONS RELATED THERETO

WHEREAS, the California Legislature adopted, the Governor signed, and the California Supreme Court, in California Redevelopment Association, et al. v. Matosantos, (2012) 53 Cal.4th 231, upheld Assembly Bill x1 26 (“ABx1 26”); and

WHEREAS, ABx1 26 dissolved redevelopment agencies, including the former El Cerrito Redevelopment Agency (the “Former Agency”), effective February 1, 2012; and

WHEREAS, as added by ABx1 26, California Health and Safety Code Section 34173 (unless otherwise noted, all Section references hereinafter being to such Code) provides that a city or county that formed a redevelopment agency would serve as the successor agency to the dissolved redevelopment agency unless such city or county affirmatively elected not to fill that role; and

WHEREAS, as added by ABx1 26, Section 34173(b) provides that the authority, rights, powers, duties and obligations previously vested with the former redevelopment agencies are vested in the successor agencies; and

WHEREAS, AB 1484, enacted on June 27, 2012, amended ABx1 26 (as amended, the “Dissolution Law”) to clarify that successor agencies are separate legal entities from their sponsoring city or county; and

WHEREAS, on August 15, 2011, pursuant to the Dissolution Law, the City of El Cerrito (the “City”) elected to serve as the Successor Agency to the El Cerrito Redevelopment Agency (the “Successor Agency”) should the Former Agency be dissolved, which occurred on February 1, 2012; and

WHEREAS, Section 34179(a) provides for the establishment of this Oversight Board of the Successor Agency to the El Cerrito Redevelopment Agency (the “Oversight Board”), which was formed on April 4, 2012; and

WHEREAS, the Oversight Board is informed by the Successor Agency that prior to its dissolution, the Former Agency issued its (i) El Cerrito Redevelopment Agency (El Cerrito Redevelopment Project Area), Tax Allocation Refunding Bonds, 1997 Series A in the initial aggregate principal amount of $7,450,000 (the “1997 Bonds”), (ii) El Cerrito Redevelopment Agency (El Cerrito Redevelopment Project Area), Tax Allocation Bonds, Series 2004 A (Tax-Exempt) in the initial aggregate principal amount of $10,315,000 (the “2004A Bonds”) and (iii) El Cerrito Redevelopment Agency (El Cerrito Redevelopment Project Area), Tax Allocation Bonds, Series 2004 A (Tax-Exempt) in the initial aggregate principal amount of $10,315,000 (the “2004A Bonds”) and (iii)
Bonds, Series 2004 B (Taxable) in the initial aggregate principal amount of $6,510,000 (the “2004B Taxable Bonds” and together with the 1997 Bonds and the 2004A Bonds, the “Refunded Bonds”) for the purpose of financing and refinancing redevelopment activities; 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 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 Successor Agency to the El Cerrito Redevelopment Agency (El Cerrito Redevelopment Project Area), 2016 Tax Allocation Refunding Bonds, in two series consisting of 2016A Tax Allocation Refunding Bonds (Tax-Exempt) to refund and defease the 1997 Bonds and the 2004A Bonds (the “2016A Bonds”) and 2016B Tax Allocation Refunding Bonds (Taxable) to refund and defease the 2004B Taxable Bonds (the “2016B Taxable Bonds” and together with the 2016A Bonds, the “Refunding Bonds”), the Successor Agency has caused its municipal advisor, NHA Advisors, LLC (the “Municipal Advisor”), to prepare an analysis of the potential savings that will accrue to the Successor Agency and applicable taxing entities as a result of such refunding (the “Debt Service Savings Analysis”); and

WHEREAS, the Successor Agency by its resolution adopted on March 15, 2016 (the “Successor Agency Resolution”) approved the issuance of the Refunding Bonds pursuant to Section 34177.5(a)(1); and

WHEREAS, in the Successor Agency Resolution, the Successor Agency approved the issuance of the Refunding Bonds and authorized the execution and delivery of an Indenture between the Successor Agency and MUFG Union Bank, N.A., as trustee, providing for the issuance of the Refunding Bonds (the “Indenture”); 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 Refunding 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 Refunding Bonds; and

WHEREAS, the Successor Agency has determined to sell the Refunding Bonds to an underwriter (in connection with a public offering of the Refunding Bonds) or to a private placement purchaser (using a placement agent in connection with a private placement of the Refunding Bonds), with the final determination as to the underwriter/placement agent and the method of sale of the Refunding Bonds to be determined as authorized by the Successor Agency Resolution; and

WHEREAS, this Oversight Board has completed its review of the refunding proceedings and wishes at this time to give its approval to the foregoing;
NOW THEREFORE, BE IT RESOLVED by the Oversight Board of the Successor Agency to the El Cerrito Redevelopment Agency as follows:

1. **Recitals Incorporated.** The Recitals set forth above are true and correct, and are incorporated herein by reference.

2. **Determination of Savings.** This Oversight Board has determined that there are potential savings available to the Successor Agency and 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 Refunded Bonds, all as evidenced by the Debt Service Savings Analysis presented to the Oversight Board, which Debt Service Savings Analysis is hereby approved.

3. **Refunding 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 in the aggregate principal amount of not to exceed $17,500,000 pursuant to Section 34177.5(a)(1) and the Refunding Law and as provided in the Successor Agency Resolution and the Indenture, 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 Municipal Advisor upon delivery of the Refunding Bonds or any part thereof.

   The Oversight Board hereby approves the sale and delivery of the Refunding Bonds by public offering by an underwriter (if the Refunding Bonds are sold by public offering) or to a private placement purchaser using a placement agent (if the Refunding Bonds are sold by private placement), with the final determination as to the underwriter/placement agent and the method of sale of the Refunding Bonds to be determined as authorized by the Successor Agency Resolution.

   The Oversight Board further 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.

4. **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), 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 Refunded 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 Contra Costa 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 the Refunding Bonds for any reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings of the Refunding Bonds from such property tax revenues pursuant to Section 34183 without reduction in its Administrative Cost Allowance.

5. 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.

I CERTIFY that at the regular meeting on April 4, 2016, the Oversight Board of the Successor Agency to the El Cerrito Redevelopment Agency passed this resolution by the following vote:

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

IN WITNESS of this action, I sign this document on April 4, 2016.

____________________________________
Cheryl Morse, Board Secretary
SUCCESSOR AGENCY TO THE EL CERRITO REDEVELOPMENT AGENCY

RESOLUTION NO. 2016-02

RESOLUTION OF THE SUCCESSOR AGENCY TO THE EL CERRITO REDEVELOPMENT AGENCY APPROVING THE ISSUANCE OF REFUNDING BONDS, APPROVING THE EXECUTION AND DELIVERY OF AN INDENTURE AND ESCROW INSTRUCTIONS, REQUESTING OVERSIGHT BOARD APPROVAL OF THE ISSUANCE OF THE REFUNDING BONDS, REQUESTING CERTAIN DETERMINATIONS BY THE OVERSIGHT BOARD AND AUTHORIZING ACTIONS RELATED THERETO AND APPROVING CONTRACTS WITH NHA ADVISORS AND FRASER AND ASSOCIATES FOR RELATED WORK.

WHEREAS, the California Legislature adopted, the Governor signed, and the California Supreme Court, in California Redevelopment Association, et al. v. Matosantos, (2012) 53 Cal.4th 231, upheld Assembly Bill x1 26 ("ABx1 26"); and

WHEREAS, ABx1 26 dissolved redevelopment agencies, including the former El Cerrito Redevelopment Agency (the "Former Agency"), effective February 1, 2012; and

WHEREAS, as added by ABx1 26, California Health and Safety Code Section 34173 (unless otherwise noted, all Section references hereinafter being to such Code) provides that a city or county that formed a redevelopment agency would serve as the successor agency to the dissolved redevelopment agency unless such city or county affirmatively elected not to fill that role; and

WHEREAS, as added by ABx1 26, Section 34173(b) provides that the authority, rights, powers, duties and obligations previously vested with the former redevelopment agencies are vested in the successor agencies; and

WHEREAS, AB 1484, enacted on June 27, 2012, amended ABx1 26 (as amended, the "Dissolution Law") to clarify that successor agencies are separate legal entities from their sponsoring city or county; and

WHEREAS, on August 15, 2011, pursuant to the Dissolution Law, the City of El Cerrito (the "City") elected to serve as the Successor Agency to the El Cerrito Redevelopment Agency (the "Successor Agency") should the Former Agency be dissolved, which occurred on February 1, 2012; and

WHEREAS, prior to its dissolution, the Former Agency issued its (i) El Cerrito Redevelopment Agency (El Cerrito Redevelopment Project Area), Tax Allocation Refunding Bonds, 1997 Series A in the initial aggregate principal amount of $7,450,000 (the "1997 Bonds"), (ii) El Cerrito Redevelopment Agency (El Cerrito Redevelopment Project Area), Tax Allocation Bonds, Series 2004 A (Tax-Exempt) in the initial aggregate principal amount of $10,315,000 (the "2004A Bonds") and (iii) El Cerrito Redevelopment Agency (El Cerrito Redevelopment Project Area), Tax Allocation Bonds, Series 2004 B (Tax-Exempt) in the initial aggregate principal amount of $10,315,000 (the "2004B Bonds"); and
Redevelopment Project Area), Tax Allocation Bonds, Series 2004 B (Taxable) in the initial aggregate principal amount of $6,510,000 (the “2004B Taxable Bonds” and together with the 1997 Bonds and the 2004A Bonds, the “Refunded Bonds”) for the purpose of financing and refinancing redevelopment activities; 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 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 Successor Agency to the El Cerrito Redevelopment Agency (El Cerrito Redevelopment Project Area), 2016 Tax Allocation Refunding Bonds, in two series consisting of 2016A Tax Allocation Refunding Bonds (Tax-Exempt) to refund and defease the 1997 Bonds and the 2004A Bonds (the “2016A Bonds”) and 2016B Tax Allocation Refunding Bonds (Taxable) to refund and defease the 2004B Taxable Bonds (the “2016B Taxable Bonds” and together with the 2016A Bonds, the “Refunding Bonds”), the Successor Agency has caused its municipal advisor, NHA Advisors, LLC (the “Municipal Advisor”), to prepare an analysis of the potential savings that will accrue to the Successor Agency and applicable taxing entities as a result of such refunding (the “Debt Service Savings Analysis”); and

WHEREAS, in connection with the dissolution of the Former Agency and the completion of the due diligence review of the Former Agency’s other funds and accounts (DDR), the California Department of Finance (“DOF”) determined that a prior transfer of $1,981,989 made to the Municipal Services Corporation was not allowable and should be returned to the Successor Agency; and

WHEREAS, as a result of DOF’s determination, the City entered into an Installment Payment Plan (the “IPP”) with DOF, which was approved by the Successor Agency (Successor Agency Resolution 2015-04) and the City Council (City Council Resolution 2015-78) on December 21, 2015, to repay those funds over the next two and half fiscal years; and

WHEREAS, in addition to refinancing the Refunded Bonds for debt service savings in compliance with the Savings Parameters, the Successor Agency can structure the Refunding Bonds in a manner that will help offset the impact to the City’s General Fund for payments required under the IPP; and

WHEREAS, the Successor Agency desires at this time to approve the issuance of the Refunding Bonds and to approve the forms of and authorize the execution and delivery of (i) an Indenture between the Successor Agency and MUFG Union Bank, N.A., as trustee, providing for the issuance of the Refunding Bonds (the “Indenture”), (ii) refunding escrow instructions to be delivered to MUFG Union Bank, N.A., as trustee for the 1997 Bonds, providing for the refunding and defeasance of the 1997 Bonds (the “1997 Escrow Instructions”), (iii) refunding escrow instructions to be delivered to MUFG Union Bank, N.A., as trustee for the 2004A Bonds,
providing for the refunding and defeasance of the 2004A Bonds (the "2004A Escrow Instructions") and (iv) refunding escrow instructions to be delivered to MUFG Union Bank, N.A., as trustee for the 2004B Taxable Bonds, providing for the refunding and defeasance of the 2004B Taxable Bonds (the "2004B Escrow Instructions" and together with the 1997 Escrow Instructions and the 2004A Escrow Instructions, the "Escrow Instructions"), each to be dated as of the date of the issuance and delivery of the Refunding Bonds; and

WHEREAS, Section 34179(a) provides for the establishment of the Oversight Board of the Successor Agency to the El Cerrito Redevelopment Agency (the "Oversight Board"), which was formed on April 4, 2012; and

WHEREAS, the Successor Agency is now requesting that the Oversight Board direct the Successor Agency to undertake the refunding proceedings and to approve the issuance of the Refunding Bonds pursuant to this Resolution and the Indenture; and

WHEREAS, the Successor Agency further requests that the 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; and

WHEREAS, the Successor Agency has now determined to sell the Refunding Bonds to an underwriter (in connection with a public offering of the Refunding Bonds) or to a private placement purchaser (using a placement agent in connection with a private placement of the Refunding Bonds), with the final determination as to the underwriter/placement agent and the method of sale of the Refunding Bonds to be determined as authorized below; and

WHEREAS, the Former Agency entered into various agreements with certain taxing entities (the "Tax Sharing Agreements") that provide for subordination of the Successor Agency’s obligations thereunder to the payment of debt service on the Refunding Bonds based upon demonstration of sufficient revenue to meet its obligations under the Tax Sharing Agreements after payment of debt service on the Refunding Bonds; and

WHEREAS, the Successor Agency is entitled to cause payments required to be made under Sections 33607.5 and 33607.7 to certain taxing entities (the "Statutory Payments") as a result of an amendment to the redevelopment plan for the El Cerrito Redevelopment Project Area to be subordinated to the debt service payments on the Refunding Bonds under the circumstances described in Section 34177.5(c).

NOW THEREFORE, BE IT RESOLVED by the Governing Board of the Successor Agency to the El Cerrito Redevelopment Agency as follows:

1. Recitals Incorporated. The Recitals set forth above are true and correct, and are incorporated herein by reference.

2. Appointment of Professionals. The Successor Agency hereby retains and appoints NHA Advisors, LLC, as Municipal Advisor; Meyers Nave, as Bond Counsel and, if the
Refunding Bonds are sold by public offering, Disclosure Counsel; and Fraser & Associates, as Fiscal Consultant, to all act on behalf of the Successor Agency in the preparation of the bond refunding transaction. In addition, the Successor Agency hereby authorizes each of the Mayor, the City Manager and the Finance Director of the City, acting as the Chair, the Executive Director and the Treasurer of the Successor Agency, respectively, or their respective authorized designees (each, an “Authorized Officer”) to select an underwriter (if the Refunding Bonds are sold by public offering) or placement agent (if the Refunding Bonds are sold by private placement), in consultation with the Municipal Advisor, through a competitive RFP process. Each of the Authorized Officers is hereby authorized and directed to execute and deliver, for and on behalf of the Successor Agency, a professional services agreement, as necessary, with such professionals.

3. **Determination of Savings.** The Successor Agency hereby authorizes any of the Authorized Officers to determine whether there are potential savings available to the Successor Agency and 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 Refunding Bonds, all as evidenced by the Debt Service Savings Analysis to be prepared by the Municipal Advisor.

4. **Refunding Bonds.** The Successor Agency hereby authorizes and approves the issuance of the Refunding Bonds under the Refunding Law in the aggregate principal amount of not to exceed $17,500,000, provided that the Refunding Bonds are in compliance with the Savings Parameters at the time of sale and delivery. Each of the Authorized Officers is hereby authorized and directed to execute (by manual or facsimile signature) and deliver, and the City Clerk of the City, acting as the Secretary of the Successor Agency, is hereby authorized and directed to attest (by manual or facsimile signature) to, the Refunding Bonds for and on behalf of the Successor Agency, in substantially the form contained in the Indenture on file with the Successor Agency, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, in consultation of Bond Counsel, such approval to be conclusively evidenced by the execution and delivery of the Refunding Bonds.

It is the intent of the Successor Agency to sell and deliver the Refunding Bonds in whole, provided that there is compliance with the Savings Parameters. However, the Successor Agency will initially authorize the sale and delivery of the Refunding Bonds in whole or, if such Savings Parameters cannot be met with respect to the whole, then in part; provided that the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters. The sale and delivery of the Refunding Bonds in part will in each instance provide sufficient funds only for the refunding of that portion of the Refunding Bonds that meet the Savings Parameters. In the event the Refunding Bonds are initially sold in part, the Successor Agency intends to sell and deliver additional parts of the Refunding Bonds without the prior approval of the Oversight Board provided that in each such instance the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters.

5. **Indenture.** The Successor Agency hereby approves the Indenture prescribing the terms and provisions of the Refunding Bonds and the application of the proceeds of the Refunding Bonds. Each of the Authorized Officers is hereby authorized and directed to execute
and deliver, and the City Clerk of the City, acting as the Secretary of the Successor Agency, is hereby authorized and directed to attest to, the Indenture for and on behalf of the Successor Agency, in substantially the form on file with the Successor Agency, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, in consultation of Bond Counsel, such approval to be conclusively evidenced by the execution and delivery of the Indenture. The Successor Agency hereby authorizes the delivery and performance of the Indenture.

6. Escrow Instructions. The Successor Agency hereby approves the Escrow Instructions providing for the refunding and defeasance of the Refunded Bonds. Each of the Authorized Officers is hereby authorized and directed to execute and deliver, for and on behalf of the Successor Agency, in substantially the forms on file with the Successor Agency, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, in consultation of Bond Counsel, such approval to be conclusively evidenced by the execution and delivery of the Escrow Instructions. The Successor Agency hereby authorizes the delivery and performance of its obligations under the Escrow Instructions.

7. Oversight Board Approval. The Successor Agency hereby requests the Oversight Board, as authorized by Section 34177.5(f), to direct the Successor Agency to undertake the refunding proceedings and as authorized by Section 34177.5(f) and Section 34180 to approve the issuance of the Refunding Bonds pursuant to Section 34177.5(a)(1) and this Resolution and the Indenture.

8. Oversight Board Determinations. 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 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 Refunded 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, DOF, the Contra Costa 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 the Refunding Bonds for any reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings of the Refunding Bonds from such property tax revenues pursuant to Section 34183 without reduction in its Administrative Cost Allowance.

9. Filing of Debt Service Savings Analysis. Upon determination of potential savings in compliance with the Savings Parameters by any of the Authorized Officers, as evidenced by the Debt Service Savings Analysis, the Successor Agency is hereby authorized and directed to file the Debt Service Savings Analysis, together with a certified copy of this Resolution, with the Oversight Board, and, as provided in Section 34180(j) with the Contra Costa County Administrator, the Contra Costa County Auditor-Controller and DOF.

10. Sale of Refunding Bonds. The Successor Agency hereby authorizes each of the Authorized Officers to determine, in consultation with the Municipal Advisor, whether to sell the Refunding Bonds by public offering or private placement.

If the Authorized Officer making such determination determines to sell the Refunding Bonds by public offering, the Successor Agency will cause to be prepared a form of (i) Official Statement for the Refunding Bonds describing the Refunding Bonds and containing material information relating to the Successor Agency and 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, (ii) Continuing Disclosure Certificate, the form of which will be included as an appendix to the Official Statement, the preliminary form of which will be submitted to the Successor Agency for approval, to enable the Underwriter to satisfy the requirements of Rule 15c2-12 of the Securities and Exchange Commission with respect to the Refunding Bonds and (iii) Bond Purchase Agreement, the form of which will be submitted to the Successor Agency for approval, to accept the offer of the Underwriter to purchase the Refunding Bonds as provided therein. In addition, if the Refunding Bonds are sold by public offering, each of the Authorized Officers is hereby authorized and directed to take all actions necessary to obtain a municipal bond insurance policy and/or reserve account surety bond for the Refunding Bonds from a municipal bond insurance company if it is determined, upon consultation with the Municipal Advisor, that such municipal bond insurance policy and/or surety bond will reduce the true interest costs with respect to the Refunding Bonds.

However, if the Authorized Officer making such determination determines to sell the Refunding Bonds by private placement, the Successor Agency authorizes the issuance of the Refunding Bonds without any further approval of the Successor Agency.

11. Subordination. The Successor Agency hereby authorizes and directs each of the Authorized Officers to execute and deliver, for and on behalf of the Successor Agency, letters to the applicable taxing entities requesting subordination of the Successor Agency’s obligations
under the Tax Sharing Agreements and the Statutory Payments to the payment of debt service on the Refunding Bonds.

12. **Official Actions.** The Authorized Officers and any and all other officers of the Successor Agency are hereby authorized and directed, for and on behalf of the Successor Agency, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in obtaining the requested approvals by the Oversight Board and DOF and in the issuance, sale and delivery of the Refunding Bonds, including, without limitation making changes to the herein approved forms of documents to conform such documents to a private placement purchaser term sheet or the execution and delivery of a bond purchase agreement or similar document with a private placement purchaser of the Refunding Bonds and a tax certificate with respect to the 2016A Bonds. Whenever in this Resolution any officer of the Successor Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

13. **Effective Date.** This Resolution shall take effect immediately upon its passage.

I CERTIFY that at the regular meeting on March 15, 2016, the Governing Board of the Successor Agency to the El Cerrito Redevelopment Agency passed this resolution by the following vote:

AYES: Councilmembers Abelson, Bridges, Friedman, Quinto and Mayor Lyman
NOES: None
ABSENT: None
ABSTAIN: None

IN WITNESS of this action, I sign this document on March 15, 2016.

Cheryl Morse, Board Secretary

Gregory B. Lyman, Board Chair