

SUCCESSOR AGENCY TO THE
COMMUNITY IMPROVEMENT COMMISSION OF THE CITY OF ALAMEDA

RESOLUTION NO. 17-____

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF TAXABLE TAX
ALLOCATION REFUNDING BONDS TO REFUND BONDS OF THE FORMER
COMMUNITY IMPROVEMENT COMMISSION OF THE CITY OF ALAMEDA, AND
APPROVING RELATED DOCUMENTS AND ACTIONS

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 Community Improvement Commission of the City of Alameda (the "Former Agency") has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to section 34173, the Successor Agency to the Community Improvement Commission of the City of Alameda (the "Successor Agency") has become the successor entity to the Former Agency; and

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency issued the following bonds for the purpose of financing and refinancing low and moderate income housing activities which bonds remain outstanding:

(a) Community Improvement Commission of the City of Alameda 2011 Tax Allocation Housing Bonds, Subordinate Series A (Taxable) (Merged WECIP/BWIP Project Area) (the "2011A Bonds"), and

(b) Community Improvement Commission of the City of Alameda 2011 Tax Allocation Housing Bonds, Subordinate Series B (Tax-Exempt) (Merged WECIP/BWIP Project Area) (the "2011B Bonds" and, together with the 2011A Bonds, the "2011 Bonds"); 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 financial advisor, Public Financial Management, Inc. (the "Financial 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 all or a portion of the 2011 Bonds and, thereby, to refund all or a portion of the 2011 Bonds (the "Debt Service Savings Analysis"), a copy of which is attached to the Staff Report for this Resolution; and

WHEREAS, the Debt Service Savings Analysis has demonstrated that a refunding of the 2011A Bonds and the 2011B Bonds will satisfy the Savings Parameters; and

WHEREAS, the Successor Agency desires at this time to authorize the issuance of its Successor Agency to the Community Improvement Commission of the City of Alameda Subordinate Taxable Tax Allocation Refunding Bonds, Series 2017 (the "2017 Bonds"), to refund the 2011 Bonds, pursuant to an Indenture of Trust dated as of December 1, 2014, by and between the Successor Agency and MUFG Union Bank, N.A., as trustee (the "Original Indenture"), as amended and supplemented by a First Supplemental Indenture of Trust (the "First Supplement"), by and between the Successor Agency and the Trustee; and

WHEREAS, pursuant to section 34179, an oversight board (the "Oversight Board") has been established for the Successor Agency; 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 2017 Bonds pursuant to this Resolution and the Original Indenture as amended and supplemented by the First Supplement (together, 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 2017 Bonds; and

WHEREAS, the Successor Agency has determined to sell the 2017 Bonds to Stifel, Nicolaus & Co., Incorporated (the "Underwriter") pursuant to the terms of a bond purchase agreement (the "Purchase Agreement") to be entered into by the Successor Agency and the Underwriter; and

WHEREAS, following approval by the Oversight Board of the issuance of the 2017 Bonds by the Successor Agency and upon submission of this Resolution and a resolution of approval of the Oversight Board (the "Oversight Board Resolution") to the California Department of Finance, the Successor Agency will, with the assistance of its disclosure counsel, the Financial Advisor and its fiscal consultant, cause to be prepared a form of official statement for the 2017 Bonds describing the 2017 Bonds and containing material information relating to the Successor Agency and the 2017 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 2017 Bonds.

NOW, THEREFORE, BE IT RESOLVED by the Successor Agency to the Community Improvement Commission of the City of Alameda that:

Section 1. Determination of Savings. The Successor Agency 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 2017 Bonds to provide funds to refund and defease the 2011 Bonds, as evidenced by the Debt Service Savings Analysis attached as an Exhibit A to this Resolution, which Debt Service Savings Analysis is hereby approved.

Section. 2. Approval of Issuance of the 2017 Bonds. The Successor Agency hereby authorizes and approves the issuance of the 2017 Bonds under section 34177.5 and the Refunding Law in an aggregate principal amount not to exceed \$16,000,000, provided that the 2017 Bonds are in compliance with the Savings Parameters at the time of sale and delivery.

Section 3. Approval of First Supplement. The Successor Agency hereby approves the First Supplement prescribing the terms and provisions of the 2017 Bonds and the application of the proceeds of the 2017 Bonds in the form attached to the Staff Report for this Resolution. Each of the Chair, the City Manager of the City of Alameda, acting as the chief executive officer of the Successor Agency, and the Finance Director of the City of Alameda, acting as the chief financial officer of the Successor Agency (collectively, the "Authorized Officers"), each acting alone, are hereby authorized to execute and deliver the First Supplement for and in the name and on behalf of the Successor Agency, in such form together with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the First Supplement. The Successor Agency hereby authorizes the delivery and performance of the First Supplement.

Section 4. Approval of Escrow Agreement. The escrow agreement, by and between the Successor Agency and MUFG Union Bank, N.A., as escrow bank (the "Escrow Bank"), relating to the refunding and defeasance of the 2011 Bonds (the "Escrow Agreement"), in the form attached to the Staff Report for this Resolution, is hereby approved and the Authorized Officers, each acting alone, are hereby authorized and directed to execute and deliver the Escrow Agreement in such form together with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Escrow Agreement. The Successor Agency hereby authorizes the delivery and performance of the Escrow Agreement.

Section 5. Sale of 2017 Bonds. The Successor Agency hereby approves the sale of the 2017 Bonds to the Underwriter pursuant to the Purchase Agreement. The Authorized Officers, each acting alone, are hereby authorized and directed to execute and deliver the Purchase Agreement in the form attached to the Staff Report for this Resolution, together with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Purchase Agreement. The Successor Agency hereby authorizes the delivery and performance of the Purchase Agreement.

Section 6. Issuance of 2017 Bonds in Whole or in Part. It is the intent of the Successor Agency to sell and deliver the 2017 Bonds in whole, provided that there is

compliance with the Savings Parameters. However, the Successor Agency hereby authorizes the sale and delivery of the 2017 Bonds in whole or, if such Savings Parameters cannot be met with respect to the whole, then in part; provided that the 2017 Bonds so sold and delivered in part are in compliance with the Savings Parameters. The sale and delivery of the 2017 Bonds in part will in each instance provide sufficient funds only for the refunding of that portion of the 2017 Bonds that meet the Savings Parameters. In the event the 2017 Bonds are initially sold in part, the Successor Agency intends to sell and deliver additional parts of the 2017 Bonds without the prior approval of the Oversight Board provided that in each such instance the 2017 Bonds so sold and delivered in part are in compliance with the Savings Parameters.

Section 7. Municipal Bond Insurance and Reserve Account Insurance. The Authorized Officers, each acting alone, are hereby authorized and directed to take all actions necessary to obtain a municipal bond insurance policy for the 2017 Bonds and reserve account insurance policy for the 2017 Bonds from a municipal bond insurance company if it is determined, upon consultation with the Financial Advisor and the Underwriter, that such municipal bond insurance policy and/or reserve account insurance policy will reduce the true interest costs with respect to the 2017 Bonds.

Section 8. Approval of Official Statement. Following approval by the Oversight Board of the issuance of the 2017 Bonds by the Successor Agency and upon submission of this Resolution and the Oversight Board Resolution to the California Department of Finance, the Successor Agency will, with the assistance of its disclosure counsel, its fiscal consultant and the Financial Advisor, cause to be prepared a form of official statement for the 2017 Bonds describing the 2017 Bonds and containing material information relating to the Successor Agency and the 2017 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 2017 Bonds.

Section 9. Oversight Board Approval of the Issuance of the 2017 Bonds. 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 2017 Bonds pursuant to section 34177.5(a)(1), this Resolution and the Indenture.

Section 10. 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 of the 2017 Bonds:

- (a) The Successor Agency is authorized, as provided in section 34177.5(f), to recover its costs related to the issuance of the 2017 Bonds from the proceeds of the 2017 Bonds, including the cost of reimbursing its administrative staff for time spent with respect to the authorization, issuance, sale and delivery of the 2017 Bonds;

(b) The application of the proceeds of the 2017 Bonds by the Successor Agency to the refunding and defeasance of the 2011 Bonds, as well as the payment by the Successor Agency of costs of issuance of the 2017 Bonds, as provided in section 34177.5(a), shall be implemented by the Successor Agency promptly upon sale and delivery of the 2017 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 Alameda 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 2017 Bonds, such as trustee's fees, escrow bank 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 2017 Bonds for any reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings for the 2017 Bonds from such property tax revenues pursuant to section 34183 without reduction in its Administrative Cost Allowance.

Section 11. Filing of Debt Service Savings Analysis and Resolution. The Secretary of the Successor Agency is hereby authorized and directed to file a certified copy of this Resolution with the Debt Service Savings Analysis attached as Exhibit A, with the Oversight Board, and, as provided in section 34180(j) with the Alameda County Administrative Officer, the Alameda County Auditor-Controller and the California Department of Finance.

Section 12. Official Actions. The Authorized Officers and any and all other officers 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, which they, or any of them, may deem necessary or advisable in obtaining the requested approvals by the Oversight Board and the California Department of Finance and in the issuance, sale and delivery of the 2017 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.

Section 13. Effective Date. This Resolution shall take effect upon its adoption.

I, the undersigned Secretary of the Successor Agency to the Community Improvement Commission of the City of Alameda, hereby certify that the foregoing Resolution was duly and regularly adopted by the Successor Agency at a meeting thereof on the 7th day of February, 2017, by the following vote of the members thereof:

AYES:

NOES:

ABSTAIN:

ABSENT:

IN WITNESS, WHEREOF, I have hereunto set my hand this 7th day of February, 2017.

Lara Weisiger, Secretary
Successor Agency to the Community
Improvement Commission of the City of
Alameda

APPROVED AS TO FORM:

Janet C. Kern
City Attorney