RESOLUTION NO. 2020 -123

RESOLUTION OF THE GOVERNING BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE COUNTY OF SAN BERNARDINO AUTHORIZING THE ISSUANCE AND SALE OF TAX ALLOCATION REFUNDING BONDS (SAN SEVAINE REDEVELOPMENT PROJECT), AND APPROVING THE FORM OF A FIRST SUPPLEMENTAL INDENTURE OF TRUST, BOND PURCHASE CONTRACT AND RELATED DOCUMENTS AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

On Tuesday, June 23, 2020, on motion of Board Member Gonzales, duly seconded by Board Member Rutherford and carried, the following resolution is adopted by the Board of Supervisors acting as the governing body of the Successor Agency to the Redevelopment Agency of the County of San Bernardino (the "Successor Agency").

WHEREAS, the Redevelopment Agency of the County of San Bernardino (the "Former Agency"), prior to its dissolution (as described below) was a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers under and pursuant to the provisions of the Community Redevelopment Law (Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State of California) (the "Law"), and the powers of the Former Agency included the power to issue bonds for any of its corporate purposes; and

WHEREAS, the Amended and Restated Redevelopment Plan (the "Redevelopment Plan") for the San Sevaine Redevelopment Project, in the County of San Bernardino (the "Redevelopment Project"), was adopted by the Board of Supervisors of the County of San Bernardino on November 1, 2005, by Ordinance No. 3961, in compliance with all requirements of the Law, and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plan, as amended, have been duly complied with; and

WHEREAS, the Former Agency has previously issued its Redevelopment Agency of the County of San Bernardino (San Sevaine Redevelopment Project) Tax Allocation Bonds, 2005 Series A (the "2005 Bonds") in the original principal amount of $58,275,000 pursuant to an Indenture of Trust dated as of December 1, 2005 (the "Original Indenture") between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as Trustee; and the Former Agency pledged a portion of its tax increment revenues from the Redevelopment Project and certain other revenues as the security for the repayment of the 2005 Bonds; and

WHEREAS, the Former Agency has previously issued its $16,945,000 aggregate principal amount of Redevelopment Agency of the County of San Bernardino (San Sevaine Redevelopment Project) Tax Allocation Bonds, 2010 Series A (Taxable) and 2010 Series B (Taxable Recovery Zone Economic Development Bonds) (collectively, the "2010 Bonds"), pursuant to the Original Indenture and a First Supplemental Indenture of Trust dated as of November 1, 2010 (the "First Supplement") between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as Trustee, for the purpose of providing additional funds to finance and refinance the Redevelopment Project; and

WHEREAS, the Successor Agency has previously issued its $42,775,000 Successor Agency to the Redevelopment Agency of the County of San Bernardino (San Sevaine Redevelopment Project) Tax Allocation Bonds, 2016 Series A (Taxable) and 2016 Series B (collectively, the "2016 Bonds"), pursuant to the Original Indenture, as supplemented by the First

Supplement and a Second Supplemental Indenture of Trust dated as of February 1, 2016, to refinance the 2005 Bonds; and

WHEREAS, by implementation of California Assembly Bill X1 26, which amended provisions of the Law, and the California Supreme Court's decision in *California Redevelopment Association v. Matosantos*, the Former Agency was dissolved on February 1, 2012 in accordance with California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011 (as amended, the "Dissolution Act"), and on February 1, 2012, the Successor Agency, in accordance with and pursuant to the Dissolution Act, assumed the duties and obligations of the Former Agency as provided in the Dissolution Act, including, without limitation, the obligations of the Former Agency under the Original Indenture (as supplemented) and the related documents to which the Former Agency was a party; and

WHEREAS, on June 28, 2011, the California Legislature also adopted ABx1 27 (the "Opt-in Bill"); and

WHEREAS, the California Supreme Court subsequently upheld the provisions of the Dissolution Act and invalidated the Opt-in Bill resulting in the Former Agency being dissolved as of February 1, 2012; and

WHEREAS, the powers, assets and obligations of the Former Agency were transferred on February 1, 2012 to the Successor Agency; and

WHEREAS, on or about June 27, 2012, AB1484 was adopted as a trailer bill in connection with the 2012-13 California Budget; and

WHEREAS, California Health and Safety Code Section 34177.5(a) authorizes successor agencies to refund outstanding bonds or other indebtedness provided that (i) 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 (ii) 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; and

WHEREAS, California Health and Safety Code Section 34177.5(a)(1) further provides that a successor agency may pledge to the refunding bonds the revenues pledged to the bonds or other indebtedness being refunded, and that pledge, when made in connection with the issuance of such refunding bonds, shall have the same lien priority as the pledge of the bonds or other obligations to be refunded, and shall be valid, binding, and enforceable in accordance with its terms; and

WHEREAS, the Successor Agency desires to issue its Successor Agency to the Redevelopment Agency of the County of San Bernardino (San Sevaine Redevelopment Project) Tax Allocation Bonds, 2020 Series A (Taxable), on a basis subject to federal income taxation pursuant to the provisions of the Law and Government Code Section 5903 (the "2020 Bonds") for the purpose of defeasing and refunding all or a portion of the outstanding 2010 Bonds (such refunded portion, the "Refunded Bonds") to achieve debt service savings; and

WHEREAS, in compliance with California Government Code Section 5852.1, the Board has obtained from CSG Advisors Incorporated, the Successor Agency's Municipal Advisor, the required good faith estimates and such estimates are disclosed and set forth in Exhibit A attached hereto; and

WHEREAS, the Successor Agency wishes at this time to approve all matters relating to the issuance and sale of the 2020 Bonds.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors acting as the governing board of the Successor Agency to the Redevelopment Agency of the County of San Bernardino:

Section 1. Subject to the provisions of the Indenture referred to in Section 2 hereof, the issuance of the 2020 Bonds in the aggregate principal amount not to exceed $35,000,000 on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture, is hereby authorized and approved. The 2020 Bonds will be dated, will bear interest at the rates, will mature on the dates, will be issued in the form, will be subject to redemption, and will be as otherwise provided in the Indenture, as the same will be completed as provided in this Resolution. The proceeds of the sale of the 2020 Bonds shall be applied as provided in the Indenture. The 2020 Bonds may be issued as a single issue, or from time to time in separate series, and may reflect such series designation, as the Chief Executive Officer of the County shall determine. The 2020 Bonds shall be issued pursuant to the provisions of Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law") in compliance with Section 34177.5(a) of the California Health and Safety Code. The approval of the issuance of the 2020 Bonds by the Successor Agency and the San Bernardino Countywide Oversight Board shall constitute the approval of each and every separate series of 2020 Bonds, without the need for any further approval from the San Bernardino Countywide Oversight Board.

Section 2. The Third Supplemental Indenture of Trust (the "Third Supplement"; and together with the Original Indenture, the First Supplement, and the Second Supplement, the "Indenture") in substantially the form submitted at this meeting and made a part hereof as though set forth in full herein, is hereby approved. The the Chief Executive Officer of the County, the Chief Financial Officer of the County, or the Community Development and Housing Director or their written designees (collectively, the "Authorized Officers") are each hereby authorized and directed to execute and deliver the Third Supplement in the form presented at this meeting with such changes, insertions and omissions as may be requested by Bond Counsel and approved by in consultation with County Counsel, said execution being conclusive evidence of such approval.

Section 3. The Successor Agency hereby finds and determines, based on all evidence and testimony contained in the record, that the Successor Agency has made diligent efforts to ensure that the lowest long-term cost financing will be obtained for the 2020 Bonds, that the financing shall not provide for any bullets or spikes and shall not use variable rates, and that the Successor Agency has retained the Municipal Advisor (defined below) in developing financing proposals and the Successor Agency shall make the work product of the Municipal Advisor available to the California Department of Finance at its request under the provisions of Health and Safety Code Section 34177.5(h).

Section 4. (a) The 2020 Bonds may be sold by negotiated sale pursuant to the Bond Purchase Contract between the Successor Agency and Stifel, Nicolaus & Company, Incorporated (the "Underwriter") with respect to the 2020 Bonds in substantially the form submitted at this meeting and made a part hereof as though set forth in full herein, and the same is hereby

approved. Any of the Authorized Officers, acting alone, is hereby authorized and directed to execute the Bond Purchase Contract in the form presented at this meeting with such changes, insertions and omissions as may be approved by such Authorized Officer, said execution being conclusive evidence of such approval; provided, however, that the Bond Purchase Contract shall be signed only if the terms of the agreement are such that (i) the total interest cost to maturity on the 2020 Bonds plus the principal amount of the 2020 Bonds will not exceed the total remaining interest cost to maturity on the Refunded Obligations plus the principal amount of the Refunded Obligations, (ii) the principal amount of the 2020 Bonds will not exceed the amount required to defease the Refunded Obligations, to establish a customary debt service reserve fund, and to pay related costs of issuance, and (iii) the aggregate Underwriter's discount (not including any original issue discount paid by the Underwriter) shall not exceed 1.00% of the aggregate principal amount of the 2020 Bonds.

(b) As an alternative to the sale of the 2020 Bonds through a public offering authorized in paragraph (a), the 2020 Bonds may be sold on a private placement basis through Stifel, Nicolaus & Company, Incorporated, acting as private placement agent (the "Private Placement Agent"), if a private placement of the 2020 Bonds will produce lower interest rates (and therefore greater savings) than are available through a public offering of the 2020 Bonds, or if a private placement is otherwise preferable and/or more appropriate to a public offering of the 2020 Bonds, in the opinion of, and upon recommendation of, the Municipal Advisor, which recommendation is agreed to by, the Chief Executive Officer of the County, so long as the interest rate savings specified in paragraph (a) are achieved through said private placement of the 2020 Bonds, and so long as the compensation to the Private Placement Agent through a private placement of the Bonds does not exceed the amount approved by the Chief Executive Officer of the County.

Section 5. The Escrow Agreement in substantially the form submitted at this meeting and made a part hereof as though set forth in full herein, is hereby approved. Any of the Authorized Officers, acting alone, is hereby authorized and directed to execute and deliver the Escrow Agreement in the form presented at this meeting with such changes, insertions and omissions as may be requested by Bond Counsel and approved by the Chief Executive Officer of the County, in consultation with County Counsel, or other signatory, said execution being conclusive evidence of such approval.

Section 6. Each of the Authorized Officers, acting alone, is authorized and directed to execute and deliver any and all documents and instruments relating to the 2020 Bonds, and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Indenture, the Bond Purchase Contract and any related continuing disclosure undertaking, the Escrow Agreement, this Resolution and any such agreements. Without limiting the generality of the foregoing, the Authorized Officers are hereby directed to request subordination of the Successor Agency's pass-through obligations to taxing entities and the Authorized Officers are, each acting alone, hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to execute and deliver subordination agreements with such taxing entities as are necessary and applicable. The Successor Agency hereby authorizes the delivery and performance of its obligations under such subordination agreements.

Section 7. Each of the Authorized Officers, acting alone, is hereby authorized to negotiate the terms of a commitment for a policy of bond insurance and a commitment for a debt service reserve policy for the 2020 Bonds (each a "Commitment") from one or more municipal bond insurance companies (an "Insurer") and, if such officer determines that the acquisition of an insurance policy and/or a surety bond from an Insurer will result in net interest rate savings, to pay the insurance

premium for such policy and surety bond from the proceeds of the 2020 Bonds and to approve changes to the Indenture to the extent necessary to conform to the terms of the Commitments.

Section 8. The Bank of New York Mellon Trust Company, N.A. is hereby appointed as Trustee, Stradling Yocca Carlson & Rauth, a Professional Corporation is hereby appointed as Bond Counsel, Jones Hall, A Professional Law Corporation is hereby appointed as Disclosure Counsel, CSG Advisors, Incorporated is hereby confirmed as Municipal Advisor, HdL Coren & Cone is hereby appointed as Fiscal Consultant, and Stifel, Nicolaus & Company, Incorporated is hereby appointed as Underwriter or Placement Agent, as applicable

Section 9. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Supervisors acting as the Governing Body of the Successor Agency to the County of San Bernardino Redevelopment Agency by the following vote:

AYES:	BOARD MEMBERS:	Robert A. Lovingood, Janice Rutherford, Dawn Rowe, Curt Hagman, Josie Gonzales
NOES:	BOARD MEMBERS:	None
ABSENT:	BOARD MEMBERS:	None
ABSTENTIONS:	BOARD MEMBERS:	None

* * * * *

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN BERNARDINO)

I, **LYNNA MONELL**, Clerk of the Board of Supervisors acting as the governing body for the Successor Agency to the County of San Bernardino, State of California, hereby certify the foregoing to be a full, true and correct copy of the record of the action taken by the Board of Supervisors, by vote of the members present, as the same appears in the Official Minutes of said Board at its meeting of June 23, 2020. #131 jm

LYNNA MONELL
Clerk of the Board

By _____
Deputy

COUNTY OF SAN BERNARDINO SUCCESSOR AGENCY REDEVELOPMENT AGENCY

EXHIBIT A

GOOD FAITH ESTIMATES
2020 CEDAR GLEN TAX ALLOCATION REFUNDING BONDS

The good faith estimates set forth herein are provided with respect to the 2020 Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Successor Agency by CSG Advisors Incorporated (the Successor Agency's "Municipal Advisor") in consultation with Stifel, Nicolaus & Company, Incorporated, the Underwriter of the 2020 Bonds.

Principal Amount. The Municipal Advisor has informed the Successor Agency that, based on the Successor Agency's financing plan and current market conditions, its good faith estimate of total gross proceeds of the 2020 Bonds is **$4,435,000**, which includes the estimated principal amount of the 2020 Bonds of **$3,970,000** (the "Estimated Principal Amount"), plus approximately **$465,000** of net premium estimated to be generated based on current market conditions. Net premium is generated when, on a net aggregate basis for a single issuance of bonds, the price paid for the bonds is higher than the face value of such bonds.

True Interest Cost of the Bonds. The Municipal Advisor has informed the Successor Agency that, assuming that the Estimated Principal Amount of the 2020 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the 2020 Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the 2020 Bonds, is **3.48%**.

Finance Charge of the Bonds. The Municipal Advisor has informed the Successor Agency that, assuming that the Estimated Principal Amount of the 2020 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the 2020 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the 2020 Bonds), is **$254,000**.

Amount of Proceeds to be Received. The Municipal Advisor has informed the Successor Agency that, assuming that the Estimated Principal Amount of the 2020 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the Successor Agency for sale of the 2020 Bonds, less the finance charge of the 2020 Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the 2020 Bonds, is **$3,776,000**.

Total Payment Amount. The Municipal Advisor has informed the Successor Agency that, assuming that the Estimated Principal Amount of the 2020 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the Successor Agency will make to pay debt service on the 2020 Bonds, plus the finance charge for the 2020 Bonds, as described above, not paid with the proceeds of the 2020 Bonds, calculated to the final maturity of the 2020 Bonds, is **$5,603,000**.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the 2020 Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the 2020 Bonds being

different than the date assumed for purposes of such estimates, (b) the actual principal amount of 2020 Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the 2020 Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the 2020 Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the Successor Agency's financing plan, delays in the financing, additional legal work, or a combination of such factors and additional finance charges, if any, attributable thereto. The actual date of sale of the 2020 Bonds and the actual principal amount of 2020 Bonds sold will be determined by the Successor Agency based on the timing of the need for proceeds of the 2020 Bonds and other factors. The actual interest rates borne by the 2020 Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the 2020 Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Successor Agency.