

RESOLUTION NO. 35

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE SHAFTER COMMUNITY DEVELOPMENT AGENCY, APPROVING THE ISSUANCE OF REFUNDING BONDS, MAKING CERTAIN DETERMINATIONS WITH RESPECT TO THE REFUNDING BONDS AND PROVIDING OTHER MATTERS RELATING THERETO

WHEREAS, the Shafter Community Development 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 Health and Safety Code of the State (the “Redevelopment Law”);

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 City Council has elected to assume the activities and obligations of the Former Agency, as the successor entity to the Former Agency (the “Successor Agency”);

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency issued \$9,150,000 Shafter Community Development Project No. 1 2006 Tax Allocation and Refunding Bonds, Series A (the “2006 Project No. 1 Bonds”), and its \$6,685,000 Shafter Community Development Project No. 2 Tax Allocation and Refunding Bonds, Series A (the “2006 Project No. 2 Bonds,” and together with the 2006 Project No. 1 Bonds, the “Prior Bonds”) for the purpose of financing redevelopment activities;

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

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”);

WHEREAS, this Oversight Board previously approved the issuance of bonds to refund the Prior Bonds on April 9, 2015, which issuance was approved by the California Department of Financing on May 15, 2015; and

WHEREAS, due to market conditions and other matters, the proposed refinancing of the Prior Bonds was postponed; and

WHEREAS, upon consultation with the Successor Agency’s Financial Advisor, defined below, and bond counsel, the Successor Agency concluded to refund all of the Prior Bonds on a taxable basis as provided below; and

WHEREAS, the Successor Agency has determined to issue its Taxable Tax Allocation Refunding Bonds, to be issued in one or more series (the “Refunding Bonds”), to refund all of the Prior Bonds and the Successor Agency has caused its financial advisor, Fieldman Rolapp & Associates (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 refund all or a portion of the Prior Bonds (the “Debt Service Savings Analysis”);

WHEREAS, the Successor Agency by its Resolution 35, adopted October 18, 2016 (the “Successor Agency Resolution”) approved the issuance of the Refunding Bonds pursuant to Section 34177.5(a)(1), Section 34177.5(f) and Section 34180;

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 of Trust, expected to be dated as of the first day of the month in which the Refunding Bonds are issued, by and between the Successor Agency and Wells Fargo Bank, National Association, as trustee, providing for the issuance of the Refunding Bonds (the “Indenture of Trust”);

WHEREAS, in the Successor Agency Resolution, the Successor Agency also requested that this Oversight Board approve the issuance of the Refunding Bonds pursuant to the Successor Agency Resolution and the Indenture of Trust, 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;

WHEREAS, the Successor Agency has determined to sell the Refunding Bonds on a negotiated basis to Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) and the Successor Agency will enter into a Bond Purchase Agreement (the “Bond Purchase Agreement”) in connection with the sale of the Refunding Bonds to the Underwriter;

WHEREAS, the Successor Agency, with the assistance of its Financial Advisor, will cause to be prepared a form of Official Statement describing the Refunding Bonds and containing material information relating to the Refunding Bonds, the preliminary form of which will be submitted to the Successor Agency for approval for distribution by the underwriter of the Refunding Bonds to persons and institutions interested in purchasing the Refunding Bonds;

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 OF THE SUCCESSOR AGENCY TO THE SHAFTER COMMUNITY DEVELOPMENT AGENCY, DOES HEREBY 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 Refunding Bonds to refund and defease all or a portion of the Prior Bonds, all as evidenced by the Debt Service Savings Analysis on file with the Secretary of the Oversight Board, which Debt Service Savings Analysis is hereby approved.

Section 3. Approval of Issuance of the Bonds. As authorized by Section 34177.5(f) and Section 34180, this Oversight Board hereby approves the issuance by the Successor Agency of the Refunding Bonds pursuant to Section 34177.5(a)(1) and under other applicable provisions of the Law and the Redevelopment Law and as provided in the Successor Agency Resolution and the Indenture of Trust in the aggregate principal amount of not to exceed \$15,000,000, provided that the principal and interest payable with respect to the Refunding Bonds complies in all respects with the requirements of the Savings Parameters, as shall be certified to by the Financial Advisor upon delivery of the Refunding Bonds or any part thereof.

Section 4. Sale and Delivery of Refunding Bonds in Whole or in Part. The Oversight Board hereby 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 pursuant to a supplemental Indenture and 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 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 the City for administrative staff 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 all or a portion of the Prior 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 without the approval of the Oversight Board, the California Department of Finance, the Kern 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 from such property tax revenues pursuant to Section 34183 without reduction in its Administrative Cost Allowance.


Section 6. Effective Date. Pursuant to Health and Safety Code Section 34179(h), all actions taken by the Oversight Board may be reviewed by the California Department of Finance and, therefore, this Resolution shall be effective five (5) business days after notice to the Department of Finance unless the Department requests a review of the actions taken in this Resolution, in which case this Resolution will be effective upon approval by the Department.

PASSED, APPROVED AND ADOPTED at a special meeting of the Oversight Board of the Successor Agency to the Shafter Community Development Agency the 19th day of October, 2016.



Scott Hurlbert, Chairperson

ATTEST:



Yazmina Pallares, Deputy City Clerk

CERTIFICATE OF GOVERNING BODY'S ACTION

STATE OF CALIFORNIA)
) ss.
COUNTY OF KERN)

I, HEREBY CERTIFY that the above and foregoing Resolution No. 35 was duly passed and adopted by the Oversight Board of the Successor Agency to the Dissolved Shafter Community Development Agency at its special meeting held on the 19th day of October, 2016, by the following vote:

AYES: Bray, Feichter, Hitchcock, Hurlbert, and Zervis.
NOES: None.
ABSENT: Rodriguez and Slayton.
ABSTAINING: None.

DATED: October 19, 2016



Yazmina Pallares, Deputy City Clerk