# OVERSIGHT BOARD

OF THE CITY OF LONG BEACH AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH

333 West Ocean Blvd., 3rd Floor, Long Beach, CA 90802 Phone: 562.570.6615 Fax: 562.570.6215

March 30, 2015

OVERSIGHT BOARD MEMBERS

RECOMMENDATION:

Adopt a Resolution approving the decision of the Successor Agency to the Redevelopment Agency of the City of Long Beach to execute various documents required to commence the refunding of various tax allocation bonds for debt service savings, and authorizing appropriate staff to take actions necessary to complete the refunding.

DISCUSSION

The Oversight Board elected on September 22, 2014, to participate in the County of Los Angeles Redevelopment Refunding Program (County Program) and directed the Long Beach Successor Agency to commence the refunding of various tax allocation bonds (Exhibit A).

The Successor Agency (Long Beach SA) to the Redevelopment Agency of the City of Long Beach (Former RDA) has the opportunity to issue bonds to refund approximately $184 million in tax allocation bonds issued by the Former RDA, to reduce the cost of debt service payments. The bond issues proposed to be refunded were marketed through several series of revenue bonds issued by the Long Beach Bond Finance Authority: the 2002 Series A, the 2002 Series B, the 2005 Series A-1, the 2005 Series A-2, and the 2005 Series B. The bonds involve different project areas that have varying payment requirements and savings levels. Proceeds of the bonds were used by the Former RDA to construct public improvements throughout various project areas. By refunding several bonds at once, the Long Beach SA will eliminate the need for overcollateralization and will reduce additional administrative costs.

Based on current interest rates, the refunding would lower the Long Beach SA's existing debt payments by approximately $1.69 million each year over 26 years, or $24.3 million in today's dollars (net present value savings), which will be divided among the City and other various taxing agencies. These estimates may change based on market conditions at the time of sale.

Legal Documents

The following documents have been prepared for the refunding and are being considered for approval by a resolution of the Oversight Board.

***Indenture of Trust.*** The indenture describes the security and repayment terms of the Agency Bonds and the legal obligations of the Long Beach SA.

***Local Obligation Purchase Contract.*** The purchase contract describes the price and conditions under which the County of Los Angeles Redevelopment Refunding Authority (County Authority) will purchase the Agency Bonds and the obligations of the Long Beach SA to the County Authority.

***Continuing Disclosure Agreement.*** The agreement outlines the obligations of the Long Beach SA and the County Authority to provide ongoing disclosure to bond investors, including the filing of annual reports and event notices in a timely manner.

***Trust Agreement.*** The Trust Agreement describes the security and repayment terms of the bonds to be issued by the County Authority (Authority Bonds), and the covenants of the County Authority to repay the Authority Bonds.

***Bond Purchase Agreement and Letter of Representations.*** The Bond Purchase Agreement outlines the conditions under which the bond underwriters will purchase the County Authority Bonds. The Letter of Representations describes the representations that the Long Beach SA will make to the County Authority and the bond underwriters.

***Official Statement and Long Beach SA Disclosure Appendix***. The Official Statement (in its preliminary and final form) is used to summarize the bond structure and obligations, and market the County Authority Bonds to investors. The Long Beach SA's disclosure appendix is included in the Official Statement.

Ongoing Role of the Long Beach SA, County, County Authority and City

The Long Beach SA will have the following responsibilities, most of which are existing obligations, including: (1) the scheduled debt service and other eligible costs associated with the refunding bonds on the Recognized Obligation Payment Schedule (ROPS) to be intercepted by the County; (2) filing audited financial statements annually; (3) monitoring redevelopment plan limits and taking appropriate action, if necessary; (4) monitoring any federal arbitrage rebate liability; (5) taking corrective legal action if a change in State law or a Court decision prevents the required Redevelopment Property Tax Trust Fund (RPTTF) revenue from being remitted to the bond trustee; (6) based on data to be provided by the County, prepare annual continuing disclosure reports; and (7) indemnify the County Authority, the County and the underwriters with respect to any losses they may incur, with respect to the Long Beach SA's redevelopment projects and the County Program.

The County will remit directly from the County-held Long Beach SA RPTTF to the trustee, the authorized amounts on the Long Beach SA's ROPS for payment of the refunding bonds' debt service. The County Authority will agree to annually provide the Long Beach SA with the data obtained from the County so that the Long Beach SA can complete its required annual continuing disclosure reports for the refunding bonds, as well as the bonds of the Long Beach SA not being refunded.

The City will have no obligation or responsibility with respect to the repayment of the refunding bonds or any other aspect of the refunding bond program.

This matter was considered by the Successor Agency to the Redevelopment Agency of the City of Long Beach on March 17, 2015.

Respectfully submitted,

AMY J. BODEK, AICP
DIRECTOR OF DEVELOPMENT SERVICES

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

PATRICK H. WEST
CITY MANAGER

PHW:AJB:JG:LAF:LK
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Attachments: Exhibit A – Oversight Board Staff Report (September 22, 2014)
Resolution

Exhibit A

# OVERSIGHT BOARD

OF THE CITY OF LONG BEACH AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH
333 West Ocean Blvd., 3rd Floor, Long Beach, CA 90802 Phone: 562.570.6615 Fax: 562.570.6215

September 22, 2014

OVERSIGHT BOARD MEMBERS

RECOMMENDATION:

Adopt a Resolution approving the decision of the Successor Agency to the Redevelopment Agency of the City of Long Beach to participate in the County of Los Angeles Redevelopment Bond Refunding Program, and direct the commencement of a refunding of certain bonds and indebtedness.

DISCUSSION

Effective February 1, 2012, pursuant to Assembly Bill 1x 26 (AB1x 26), redevelopment agencies throughout the State were abolished and prohibited from engaging in future redevelopment activities. AB1x 26 provided for the formation of Successor Agencies (SAs), which have the responsibility of winding down outstanding obligations of the former redevelopment agencies.

On June 27, 2012, the State passed Assembly Bill 1484 (AB 1484), which included provisions permitting SAs to refund outstanding bonds or other obligations of a former redevelopment agency to achieve savings. A number of SAs have since refunded their existing redevelopment bonds to provide savings to taxing entities, while others are in the process of doing so.

Long Beach Successor Agency Tax Allocation Bonds

The City of Long Beach as Successor Agency (Long Beach SA) to the Redevelopment Agency of the City of Long Beach (Former RDA) could issue approximately $130 million of bonds to refund several tax allocation bonds issued by the Former RDA. The issues being considered for refunding are the 2002 Series A, the 2002 Series B, the 2005 Series A-1, and the 2005 Series B. Based on current interest rates, a refunding would reduce existing debt payments by an average of $640,000 each year for a total savings of approximately $12.6 million over the life of the bonds, or roughly $8.8 million in today's dollars (net present value basis). If the market improves or additional efficiencies become available, the Long Beach SA could issue approximately $170 million of refunding bonds, which could generate as much as $25 million of gross savings, or $17 million of savings in today's dollars (net present value basis).

The County of Los Angeles Redevelopment Refunding Program

The County of Los Angeles (County) has developed a program to assist SAs in refinancing their outstanding redevelopment bonds (Program) efficiently and cost-effectively. The County joint powers authority (County of Los Angeles Redevelopment Refunding Authority) will serve as the issuer of bonds to refund the Former RDA debt. The County has a streamlined process that offers credit ratings, approval from the California Department of Finance, and preparation of continuing disclosure documents.

FISCAL IMPACT

Under current market conditions, the refunding will reduce existing Long Beach SA debt payments by approximately $8.8 million in today's dollars (net present value basis). This will increase the "residual" property tax distribution to all affected taxing entities. The City's share of the additional residual property tax revenue from the Former RDA is approximately 21 percent. As a result, the City would expect to receive additional property tax revenues of approximately $111,000 each year after completing the refunding. However, the administrative allowance to the Long Beach SA would be reduced by approximately $16,000 each year. The Long Beach SA expects to be able to absorb the loss of administrative allowance.

If the market improves or additional efficiencies become available, savings from the refunding could potentially double. The City could receive a total of additional property tax revenues of as much as $205,000 each year. The loss in annual administrative allowance to the Long Beach SA could be as much as $30,000. The Long Beach SA is not expected to be able to absorb all of the administrative allowance loss and some of that loss, potentially about $14,000, will need to be offset by the additional property tax. The net benefit to the City would be about $191,000 a year.

This matter will be considered by the Successor Agency to the Redevelopment Agency of the City of Long Beach on September 16, 2014.

Respectfully submitted,

AMY J. BODEK
DIRECTOR OF DEVELOPMENT SERVICES

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

PATRICK H. WEST
CITY MANAGER

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R:\SUCCESSOR AGENCY\OVERSIGHT BOARD\STAFF REPORTS OVERSIGHT BOARD\2014\K SEPTEMBER 22 (SPECIAL MTG)\COUNTY RDA BOND REFUND PROGRAM.DOCX

Attachment: Resolution

RESOLUTION NO. O.B. 04-2014

A RESOLUTION OF THE OVERSIGHT BOARD OF THE CITY OF LONG BEACH AS THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH DIRECTING THE COMMENCEMENT OF A REFUNDING OF CERTAIN BONDS AND INDEBTEDNESS

WHEREAS, California Assembly Bill No. 26 (First Extraordinary Session) ("AB X1 26") enacted on June 28, 2011, dissolved all redevelopment agencies and community development agencies in existence in the State of California, as of February 1, 2012, and designated "successor agencies" and "oversight boards" to satisfy "enforceable obligations" of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies; and

WHEREAS, California Assembly Bill No. 1484 (Stats 2012 c. 26) ("AB 1484"), a follow on bill to AB X1 26, was enacted on June 27, 2012 and provides a mechanism to refund outstanding bonds and other indebtedness under certain circumstances; and

WHEREAS, pursuant to California Health and Safety Code Section 34173(d), the City of Long Beach is the successor agency (the "Successor Agency") to the Redevelopment Agency of the City of Long Beach (the "Former RDA"), confirmed by Resolution No. 12-0009 adopted by the City of Long Beach on January 17, 2012; and

WHEREAS, California Health and Safety Code Section 34179(a) provides that each successor agency shall have an oversight board composed of seven members; and

WHEREAS, the Successor Agency has duly established such oversight board (the "Oversight Board") pursuant to California Health and Safety Code Section

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34179(a); and

WHEREAS, the Oversight Board, pursuant to California Health and Safety Code Section 34177.5(f), may direct the Successor Agency to issue bonds or incur other indebtedness to refund the bonds or other indebtedness of the Former RDA to provide debt service savings to the Successor Agency; and

WHEREAS, an oversight board may only direct such a refunding so long as the Successor Agency is able to recover its related costs in connection with the transaction; and

WHEREAS, the recovery of such costs in connection with such a refunding transaction shall be supplemental to, and not constrained by, the administrative cost allowance as such allowance is defined in California Health and Safety Code Section 34171(b); and

WHEREAS, the Oversight Board is informed by the Successor Agency that certain bonds and other indebtedness of the Former RDA (the "Prior Obligations"), as identified in Exhibit A to this resolution ("Resolution"), were issued in relation to various redevelopment project areas of the Former RDA during the period from December 1, 1992 to May 12, 2010 and may be subject to optional redemption at a present or future date; and

WHEREAS, the Successor Agency has indicated that there are potential debt service savings that can be achieved through a refinancing of all or a portion of the Prior Obligations, and the Oversight Board now wishes to direct the Successor Agency to prepare for the refunding of all or a portion of the Prior Obligations, and such other bonds as may be hereafter identified by the Successor Agency and approved by the Oversight Board, to achieve debt service savings or otherwise comply with the terms of California Health and Safety Code Section 34177.5; and

WHEREAS, the County of Los Angeles (the "County"), a political subdivision of the State of California and taxing entity recipient of property tax revenues, represented by voting membership on the Oversight Board, has developed a program

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(the "Refunding Program") to assist successor agencies within the County to refund bonds and other indebtedness pursuant to AB 1484 in order to provide debt service savings to the successor agency, efficiencies in issuance and cost of issuance savings;

NOW, THEREFORE, the Oversight Board of the City of Long Beach as the Successor Agency to the Redevelopment Agency of the City of Long Beach ("Oversight Board") resolves as follows:

Section 1. The recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Request for Refunding. Pursuant to California Health and Safety Code Section 34177.5(f), the Oversight Board hereby requests the Successor Agency to prepare to issue bonds or incur other indebtedness (the "Refunding Indebtedness"), which may be sold to the County (or a County joint powers authority) following a determination by the Successor Agency to participate in the Refunding Program, to refund all or a portion of the Prior Obligations; provided that this request shall not offer any assurance that bonds will be sold by the issuer under the Refunding Program to refund all or any portion of the Prior Obligations. The Successor Agency is further requested to return to the Oversight Board, once the refunding issue and related documents have been prepared, for approval of the refunding pursuant to California Health and Safety Code Section 34180(b).

Section 3. Recovery of Costs. The Oversight Board hereby authorizes and approves the Successor Agency to cover reasonable related costs incurred in connection with this transaction. The Successor Agency may recover such costs from the proceeds of the Refunding Indebtedness or, if the Successor Agency is not able to issue its bonds or incur other indebtedness to refund the bonds or other indebtedness or the issuer under the Refunding Program is not able to issue its bonds relating to the Successor Agency, by including such costs in a future Recognized Obligation Payment Schedule. The recovery of such costs shall be in addition to and shall not count against any administrative cost allowance of the Successor Agency as such allowance is defined

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in California Health and Safety Code Section 34171(b).

Section 4. Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 5. Effective Date. Pursuant to California 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 of Finance requests a review of the actions taken in this Resolution, in which case this Resolution will be effective upon approval by the Department of Finance.

This resolution shall take effect immediately upon its adoption by the Oversight Board, and the City Clerk shall certify the vote adopting this resolution.

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PASSED, APPROVED, and ADOPTED at a meeting of the Oversight Board of the City of Long Beach as the Successor Agency to the Redevelopment Agency of the City of Long Beach held this 22nd day of September, 2014 by the following vote:

Ayes: Meyer, Netherton, Powers, Strickland.

Noes: None.

Absent: Oakley, Tolentino.

Chairperson, Oversight Board

APPROVED:

Secretary, Oversight Board

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# Exhibit A
## Prior Obligations Outstanding as of August 1, 2014

| Dated | Original Amount | Outstanding Amount *** | Project Area | Agency Obligation Name/Series | LBPFA Series | Agency Obligation Final Maturity | Final Coupon | Next Call Date | Call Price | Federal Taxability | Trustee |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 12/1/1992 | $81,020,000.00 | $15,075,000.00 | Downtown | Downtown Redev. Proj. Tax Allocation Bonds, Series 1992A | Series 1992 | 11/1/2017 | 6.00% | No Optional Redemption | N.A. | Tax-Exempt | BNY Mellon |
| 12/1/1992 | $36,470,000.00 | $6,790,000.00 | West LB Industrial | West Long Beach Industrial Redev. Proj. Tax Allocation Bonds, Series 1992 | Series 1992 | 11/1/2017 | 6.00% | No Optional Redemption | N.A. | Tax-Exempt | BNY Mellon |
| 12/1/1992 | $8,755,000.00 | $0.00 | N.A. | Parking Lease Revenue Refunding Bonds | Series 1992 | Matured | N.A. | N.A. | N.A. | Tax-Exempt | BNY Mellon |
| | | | | | | | | | | | |
| 6/25/2002 | $26,820,000.00 | $12,550,718.20 | Downtown | 2002 Subordinate Tax Allocation Bonds (Downtown Redev. Proj.) | 2002 Series A | 8/1/2024 | 5.25% / 5.043967% | Any Date | 100 | Tax-Exempt | BNY Mellon |
| 6/25/2002 | $40,290,000.00 | $6,374,000.00 | North LB | 2002 Tax Allocation Bonds (North Long Beach Redev. Proj.) | 2002 Series A | 8/1/2031 | 6.105% | Any Date | 100 | Tax-Exempt | BNY Mellon |
| 6/25/2002 | $1,700,000.00 | $0.00 | Poly High | 2002 Tax Allocation Bonds (Poly High Redev. Proj.) | 2002 Series A | Matured | N.A. | N.A. | N.A. | Tax-Exempt | BNY Mellon |
| 6/25/2002 | $8,895,000.00 | $2,942,100.00 | West Beach | 2002 Tax Allocation Bonds (West Beach Redev. Proj.) | 2002 Series A | 8/1/2018 | 5.152% | Any Date | 100 | Tax-Exempt | BNY Mellon |
| | | | | | | | | | | | |
| 12/5/2002 | $25,920,000.00 | $22,615,000.00 | Downtown | Downtown Redev. Proj. Tax Allocation Refunding Bonds 2002 Series B | 2002 Series B | 11/1/2022 | 5.50% | No Optional Redemption | N.A. | Tax-Exempt | US Bank |
| 12/5/2002 | $21,860,000.00 | $18,560,000.00 | West LB Industrial | West Long Beach Industrial Redev. Proj. Tax Allocation Refunding Bonds 2002 Series A | 2002 Series B | 11/1/2024 | 5.00% | Any Date** | 100 | Tax-Exempt | US Bank |

‡Accreted value as of August 1, 2014.

♣Subject to optional redemption on the date noted and any date thereafter; subject to asset coverage test.

*Subject to optional redemption on the date noted and any date thereafter.

**Callable bonds include bonds maturing from August 1, 2015 through August 1, 2017, and bonds maturing August 1, 2024.

# Exhibit A
## Prior Obligations Outstanding as of August 1, 2014

| Dated | Original Amount | Outstanding Amount *** | Project Area | Agency Obligation Name/Series | LBPFA Series | Agency Obligation Final Maturity | Final Coupon | Next Call Date | Call Price | Federal Taxability | Trustee |
|---|---|---|---|---|---|---|---|---|---|---|---|

*** Bonds with zero outstanding par amounts are shown only for the purpose of providing complete disclosure of all Agency bonds that are part of the outstanding LBPFA Series.

# Exhibit A
## Prior Obligations Outstanding as of August 1, 2014

| Dated | Original Amount | Outstanding Amount *** | Project Area | Agency Obligation, Name/Series | LBPFA Series | Agency Obligation Final Maturity | Final Coupon | Next Call Date | Call Price | Federal Taxability | Trustee |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 3/2/2005 | $56,930,000.00 | $49,895,000.00 | Central LB | 2005 Tax Allocation Bonds (Central Long Beach Redev. Proj.) | 2005 Series A-1 and Series B | 8/1/2040 | 5.00% | 8/01/15♣ | 100 / 102 | Tax-Exempt / Taxable | BNY Mellon |
| 3/2/2005 | $4,685,000.00 | $2,135,000.00 | Los Altos | 2005 Tax Allocation Bonds (Los Altos Redev. Proj.) | 2005 Series A-1 | 8/1/2020 | 4.00% | 8/01/15♣ | 100 | Tax-Exempt | BNY Mellon |
| 3/2/2005 | $64,080,000.00 | $53,180,000.00 | North LB | 2005 Tax Allocation Bonds (North Long Beach Redev. Proj.) | 2005 Series A-1 and Series B | 8/1/2035 | 5.00% | 8/01/15♣ | 100 / 102 | Tax-Exempt / Taxable | BNY Mellon |
| 3/2/2005 | $2,557,752.60 | $3,052,015.20‡ | Poly High | 2005 Subordinate Tax Allocation Bonds (Poly High Redev. Proj.) | 2005 Series A-2 | 8/1/2024 | 4.90% | No Optional Redemption | N.A. | Tax-Exempt | BNY Mellon |
| 3/2/2005 | $839,553.30 | $1,291,068.32‡ | West Beach | 2005 Subordinate Tax Allocation Bonds (West Beach Redev. Proj.) | 2005 Series A-2 | 8/1/2020 | 4.66% | No Optional Redemption | N.A. | Tax-Exempt | BNY Mellon |
| 3/2/2005 | $55,665,000.00 | $48,830,000.00 | Housing | 2005 Tax Allocation Bonds (Housing Proj.) | 2005 Series B | 8/1/2040 | 5.44% | 8/01/15♣ | 100 / 102 | Taxable | BNY Mellon |
| | | | | | | | | | | | |
| 2/1/2006 | $7,450,000.00 | $6,850,000.00 | Downtown | 2002 Subordinate Tax Allocation Bonds (Downtown Redev. Proj.) | 2005 Series C | 8/1/2024 | 5.043967% | 8/01/16♣ | 100 | Tax-Exempt | BNY Mellon |
| 2/1/2006 | $26,983,000.00 | $24,980,000.00 | North LB | 2002 Tax Allocation Bonds (North Long Beach Redev. Proj.) | 2005 Series C | 8/1/2031 | 6.105% | 8/01/16♣ | 100 | Tax-Exempt | BNY Mellon |
| | | | | | | | | | | | |
| 5/12/2010 | $22,235,000.00 | $22,235,000.00 | North LB | Taxable Recovery Zone Economic Development Bonds, 2010 Series A | N.A. | 8/1/2020 | 8.36% | 08/01/20* | 100 | Taxable | BNY Mellon |
| 5/12/2010 | $10,745,000.00 | $8,325,000.00 | North LB | Taxable Build America Bonds, 2010 Series B | N.A. | 8/1/2020 | 7.90% | 08/01/20* | 100 | Taxable | BNY Mellon |

‡Accreted value as of August 1, 2014.

♣Subject to optional redemption on the date noted and any date thereafter; subject to asset coverage test.

*Subject to optional redemption on the date noted and any date thereafter.

**Callable bonds include bonds maturing from August 1, 2015 through August 1, 2017, and bonds maturing August 1, 2024.

# Exhibit A
## Prior Obligations Outstanding as of August 1, 2014

| Dated | Original Amount | Outstanding Amount *** | Project Area | Agency Obligation Name/Series | LBPFA Series | Agency Obligation Final Maturity | Final Coupon | Next Call Date | Call Price | Federal Taxability | Trustee |
|---|---|---|---|---|---|---|---|---|---|---|---|

*** Bonds with zero outstanding par amounts are shown only for the purpose of providing complete disclosure of all Agency bonds that are part of the outstanding LBPFA Series.

RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD OF THE CITY OF LONG BEACH AS THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH AUTHORIZING THE SUCCESSOR AGENCY TO REFUND CERTAIN OUTSTANDING TAX ALLOCATION BONDS PURSUANT TO ASSEMBLY BILLS X1 26 AND 1484

WHEREAS, pursuant to the Community Redevelopment Law (Part 1 of Division 24 of the California Health and Safety Code and referred to herein as the "Law"), the City Council of the City of Long Beach (the "City") created the former Redevelopment Agency of the City of Long Beach (the "Former RDA"); and

WHEREAS, the Former RDA was a redevelopment agency, a public body, corporate and politic duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Law, and the powers of such agency included the power to issue bonds, notes, certificates of participation, or other evidence of indebtedness for any of its corporate purposes; and

WHEREAS, California Assembly Bill No. 26 (First Extraordinary Session) ("AB X1 26") enacted on June 28, 2011, dissolved all redevelopment agencies and community development agencies in existence in the State of California as of February 1, 2012, and designated "successor agencies" and "oversight boards" to satisfy "enforceable obligations" of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies; and

WHEREAS, Assembly Bill No. 1484 ("AB 1484"), a follow on bill to AB X1 26, was enacted on June 27, 2012 and provides a mechanism to refund outstanding bonds or other indebtedness under certain circumstances; and

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WHEREAS, pursuant to California Health and Safety Code Section 34173(d), the City is the successor agency (as successor agency to the Former RDA, the "Agency"); and

WHEREAS, redevelopment plans for (i) the Central Long Beach Redevelopment Project of the Agency, as adopted and approved by Ordinance No. C-7738 enacted by the City Council of the City on March 6, 2001, (ii) the Downtown Redevelopment Project of the Agency, as adopted and approved by Ordinance No. C-5187 enacted by the City Council of the City on June 17, 1975, (iii) the West Long Beach Industrial Project of the Agency, as adopted and approved by Ordinance No. C-5188 enacted by the City Council of the City on July 1, 1975, (iv) the Los Altos Redevelopment Project of the Agency, as adopted and approved by Ordinance No. C-6954 enacted by the City Council of the City on December 10, 1991, (v) the North Long Beach Redevelopment Project of the Agency, as adopted and approved by Ordinance No. C-7412 enacted by the City Council of the City on July 16, 1996, (vi) the Poly High Redevelopment Project of the Agency, as adopted and approved by Ordinance No. C-5063 enacted by the City Council of the City on April 3, 1973, and (vii) the West Beach Redevelopment Project of the Agency, as adopted and approved by Ordinance No. C-4451 enacted by the City Council of the City on July 21, 1964 (together, the "Redevelopment Project") in each case together with any amendments thereof thereafter duly enacted pursuant to the Law, and for which all requirements of law for and precedent to the adoption and approval, as amended, have been duly complied with; and

WHEREAS, each plan contemplated that the Former RDA would issue its bonds to finance and/or refinance a portion of the cost of such redevelopment; and

WHEREAS, the Oversight Board of the City of Long Beach as the Successor Agency to the Redevelopment Agency of the City of Long Beach (the "Oversight Board") is informed by the Agency that the Agency has determined to refund and defease its obligations under that Indenture of Trust, dated as of May 1, 2002, between the Former RDA and BNY Western Trust Company (now known as The Bank of

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New York Mellon Trust Company, N.A.), thereafter amended by a First Supplemental Indenture, dated as of February 1, 2006 (as amended, the "2002 Subordinate Downtown Indenture"), between the Former RDA and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as successor trustee, in connection with the issuance by the Former RDA of $26,820,000 aggregate principal amount of its 2002 Subordinate Tax Allocation Bonds (Downtown Redevelopment Project), of which approximately $11,705,718.20 is currently outstanding (the "2002 Subordinate Downtown Agency Bonds"), attributable to the Downtown Redevelopment Project, which 2002 Subordinate Downtown Agency Bonds are subject to optional redemption on any date at a price equal to the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption, without premium; and

WHEREAS, the Oversight Board is informed by the Agency that the Agency has determined to refund and defease its obligations under that Indenture of Trust, dated as of May 1, 2002, between the Former RDA and BNY Western Trust Company (now known as The Bank of New York Mellon Trust Company, N.A.), thereafter amended by a First Supplemental Indenture, dated as of February 1, 2005 and a Second Supplemental Indenture, dated as of February 1, 2006 (as amended, the "2002 North Long Beach Indenture"), each between the Former RDA and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as successor trustee, in connection with the issuance by the Former RDA of $40,290,000 aggregate principal amount of its 2002 Tax Allocation Bonds (North Long Beach Redevelopment Project), of which $6,374,000 is currently outstanding (the "2002 North Long Beach Agency Bonds"), attributable to the North Long Beach Redevelopment Project, which 2002 North Long Beach Agency Bonds are subject to optional redemption on any date at a price equal to the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption, without premium; and

WHEREAS, the Oversight Board is informed by the Agency that the Agency has determined to refund and defease its obligations under that Indenture of Trust, dated

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as of May 1, 2002 (the "2002 West Beach Indenture"), between the Former RDA and BNY Western Trust Company (now known as The Bank of New York Mellon Trust Company, N.A.), as trustee, in connection with the issuance by the Former RDA of $8,895,000 aggregate principal amount of its 2002 Tax Allocation Bonds (West Beach Redevelopment Project) of which $2,942,100 is currently outstanding (the "2002 West Beach Agency Bonds"), attributable to the West Beach Redevelopment Project, which 2002 West Beach Agency Bonds are subject to optional redemption on any date at a price equal to the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption, without premium; and

WHEREAS, the Oversight Board is informed by the Agency that the Agency has determined to refund and defease its obligations under that Indenture of Trust, dated as of December 1, 1992 as amended by a First Supplemental Indenture, dated as of November 1, 2002 (as amended, the "2002 Industrial Indenture"), each between the Former RDA and U.S. Bank National Association, as successor trustee, in connection with the issuance by the Former RDA of $21,860,000 aggregate principal amount of its West Long Beach Industrial Redevelopment Project Tax Allocation Refunding Bonds 2002 Series A of which $18,390,000 is currently outstanding (the "2002 Industrial Agency Bonds"), attributable to the West Long Beach Industrial Redevelopment Project, certain maturities of which 2002 Industrial Agency Bonds are subject to optional redemption on any date at a price equal to the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption, without premium; and

WHEREAS, the Oversight Board is informed by the Agency that the Agency has determined to refund and defease its obligations under that Indenture of Trust, dated as of February 1, 2005 (the "2005 Central Indenture"), between the Former RDA and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as trustee, in connection with the issuance by the Former RDA of $56,930,000 aggregate principal amount of its 2005 Tax Allocation Bonds (Central Long Beach Redevelopment Project) of which $49,895,000 is currently outstanding (the "2005

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Central Agency Bonds"), attributable to the Central Long Beach Redevelopment Project, which 2005 Central Agency Bonds are subject to optional redemption in accordance with the 2005 Central Indenture on any date on or after August 1, 2015 to July 31, 2016 at redemption prices equal, as to certain 2005 Central Agency Bonds, to the outstanding principal amount thereof, without premium and as to other 2005 Central Agency Bonds, to 102% of the outstanding principal amount thereof, plus in each case interest due thereon to the date fixed for redemption; and

WHEREAS, the Oversight Board is informed by the Agency that the Agency has determined to refund and defease its obligations under that Indenture of Trust, dated as of February 1, 2005 (the "2005 Los Altos Indenture"), between the Former RDA and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as trustee, in connection with the issuance by the Former RDA of $4,685,000 aggregate principal amount of its 2005 Tax Allocation Bonds (Los Altos Redevelopment Project) of which $2,135,000 is currently outstanding (the "2005 Los Altos Agency Bonds"), attributable to the Los Altos Redevelopment Project, which 2005 Los Altos Agency Bonds are subject to optional redemption on any date on or after August 1, 2015 to July 31, 2016 at a redemption price equal to the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption, without premium; and

WHEREAS, the Oversight Board is informed by the Agency that the Agency has determined to refund and defease its obligations under that Indenture of Trust, dated as of February 1, 2005 (the "2005 Poly High Indenture"), by and between the Agency and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as trustee, in connection with the issuance by the Former RDA of $2,557,752.60 aggregate initial principal amount of its 2005 Subordinate Tax Allocation Bonds (Poly High Redevelopment Project) of which approximately $3,052,015.20 accreted amount was outstanding as of August 1, 2014 (the "2005 Poly High Agency Bonds") attributable to the Poly High Redevelopment Project, which 2005

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Poly High Agency Bonds are not subject to optional redemption prior to maturity but which bonds the Agency desires to refund to maturity and defease; and

WHEREAS, the Oversight Board is informed by the Agency that the Agency has determined to refund and defease its obligations under that Indenture of Trust, dated as of February 1, 2005 (the "2005 Subordinate West Beach Indenture"), by and between the Agency and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as trustee, in connection with the issuance by the Former RDA of $839,553.30 aggregate initial principal amount of its 2005 Subordinate Tax Allocation Bonds (West Beach Redevelopment Project) of which approximately $1,291,068.32 accreted amount was outstanding as of August 1, 2014 (the "2005 Subordinate West Beach Agency Bonds") attributable to the West Beach Redevelopment Project, which 2005 Subordinate West Beach Agency Bonds are not subject to optional redemption prior to maturity but which bonds the Agency desires to refund to maturity and defease; and

WHEREAS, the Oversight Board is informed by the Agency that the Agency has determined to refund and defease its obligations under that Indenture of Trust, dated as of February 1, 2005 (the "2005 Housing Indenture"), between the Former RDA and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as trustee, in connection with the issuance by the Former RDA of $55,665,000 aggregate principal amount of its 2005 Tax Allocation Bonds (Housing Projects) of which $48,830,000 is currently outstanding (the "2005 Housing Bonds"), which 2005 Housing Bonds are subject to optional redemption in accordance with the 2005 Housing Indenture on any date on or after August 1, 2015 to July 31, 2016 at a redemption price equal to 102% of the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption, and

WHEREAS, the Oversight Board is informed by the Agency that the Agency has determined to refund and defease its obligations under that Indenture of Trust, dated as of May 1, 2002, as amended and supplemented by the First Supplemental Indenture

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of Trust, dated as of February 1, 2005 (as amended, the "2005 North Long Beach Indenture"), each between the Former RDA and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as trustee, in connection with the issuance by the Former RDA of $64,080,000 aggregate principal amount of its 2005 Tax Allocation Bonds (North Long Beach Redevelopment Project) of which $53,180,000 is currently outstanding (the "2005 North Long Beach Agency Bonds" which, together with those bonds approved for refunding among the 2002 Subordinate Downtown Agency Bonds, the 2002 North Long Beach Agency Bonds, the 2002 West Beach Agency Bonds, the 2002 Industrial Agency Bonds, the 2005 Central Agency Bonds, the 2005 Los Altos Agency Bonds, the 2005 Poly High Agency Bonds, the 2005 Subordinate West Beach Agency Bonds and the 2005 Housing Bonds, are referred to herein as the "Refunded Bonds"), attributable to the North Long Beach Redevelopment Project, which 2005 North Long Beach Agency Bonds are subject to optional redemption in accordance with the 2005 North Long Beach Indenture on any date on or after August 1, 2015 to July 31, 2016 at redemption prices equal, as to certain 2005 North Long Beach Agency Bonds, to the outstanding principal amount thereof, without premium and as to other 2005 North Long Beach Agency Bonds, to 102% of the outstanding principal amount thereof, plus in each case interest due thereon to the date fixed for redemption, and

WHEREAS, the Agency desires to undertake the refunding of Refunded Bonds; and

WHEREAS, California Health and Safety Code Section 34177.5(a) authorizes successor agencies to refund outstanding bonds or other indebtedness to be refunded 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

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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, the County of Los Angeles (the "County"), a political subdivision of the State of California and taxing entity recipient of property tax revenues, represented by voting membership on the Oversight Board, has developed a program (the "Refunding Program") to assist successor agencies within the County to refund bonds or other indebtedness pursuant to AB 1484 in order to provide debt service savings to participating successor agencies within the County, efficiencies in issuance and cost of issuance savings; and

WHEREAS, the Refunding Program contemplates revenue bonds to be offered to the public in connection with the proposed refunding of all or a portion of the Refunded Bonds through the issuance by the County of Los Angeles Redevelopment Refunding Authority (the "Authority"), in one or more series, of its Tax Allocation Revenue Refunding Bonds, Series 2015, with such other name and series designation as shall be deemed appropriate (the "Authority Bonds"), pursuant to and under the terms of one or more trust agreements (each, a "Trust Agreement"), between the Authority and U.S. Bank National Association, as trustee (the "Authority Trustee"); and

WHEREAS, pursuant to California Health and Safety Code Section 34177.5(f), the Oversight Board has requested that the Agency prepare to issue refunding bonds, which refunding bonds may be sold to the Authority pursuant to the Marks-Roos Local Bond Pooling Act (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code) following a determination by the Agency to participate in the Refunding Program, to refund all or a portion of the Refunded Bonds; provided that this request shall not offer any assurance that Authority Bonds will be sold by the Authority under the Refunding Program to refund all or any portion of the Refunded Bonds; and

WHEREAS, the Oversight Board is informed by the Agency that it has

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determined to issue its Successor Agency to the Redevelopment Agency of the City of Long Beach, Tax Allocation Refunding Bonds, in one or more series and with such other name and series designation as shall be deemed appropriate (the "Refunding Bonds"), for the purpose of (i) refunding all or a portion of the Refunded Bonds, (ii) paying the costs of issuing the Refunding Bonds and the Agency's share (as determined by the Authority) of costs incident to the authorization, issuance and sale of Authority Bonds, (iii) funding a reserve account and/or providing for a reserve policy or surety for deposit to the reserve account for the Refunding Bonds and (iv) if advisable, paying for the cost of municipal bond insurance and/or a surety to fund the reserve account for the Refunding Bonds in lieu of funding all or a portion of such reserve account with bond proceeds; and

WHEREAS, the Refunding Bonds, when issued, will be payable on a basis subordinate to the pledge of Tax Revenues (as defined in the Indenture) hereafter securing the payment of principal of and interest on, or accreted value of, as applicable, on the following bonds: the 1992 Downtown Agency Bonds, the 1992 Industrial Agency Bonds, the non-callable 2002 Industrial Agency Bonds, the 2002B Downtown Agency Bonds, the Purchased 2002 Subordinate Downtown Agency Bonds, the Purchased 2002 North Long Beach Agency Bonds, the 2010 North Long Beach Recovery Zone Bonds and the 2010 North Long Beach Build America Bonds (each as defined in Resolution No. _____, adopted by the Successor Agency on March 17, 2015) and those bonds among the proposed Refunded Bonds deemed not eligible for refunding, and not in fact refunded or defeased with net proceeds of the Refunding Bonds, from amounts on deposit in the Redevelopment Property Tax Trust Fund of the Agency (the "RPTTF") and allocated to the Agency's Redevelopment Obligation Retirement Fund, pursuant to an Indenture of Trust (the "Indenture"), by and between the Agency and U.S. Bank National Association, as trustee (the "Agency Trustee"); and

WHEREAS, the Oversight Board is informed by the Agency that it has determined that any remaining proceeds of the Refunded Bonds (the "Prior Proceeds") which are not intended to be spent by the Agency in a manner consistent with the

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respective bond covenants for the Refunded Bonds and AB 1484, shall be used to defease and/or refund the applicable Refunded Bonds and/or to fund a debt service reserve account for the related Refunding Bonds; and

WHEREAS, the Oversight Board, pursuant to California Health and Safety Code Section 34177.5(f), has previously directed the Agency to issue bonds to refund the Refunded Bonds of the Former RDA to provide debt service savings to the Agency; and

WHEREAS, an oversight board may only direct such a refunding so long as the successor agency is able to recover its related costs in connection with the transaction; and

WHEREAS, the recovery of such costs in connection with such a refunding transaction shall be supplemental to, and not constrained by, the administrative cost allowance as such allowance is defined in California Health and Safety Code Section 34171(b); and

WHEREAS, the Agency was requested to return to the Oversight Board, once the refunding issue and related documents have been prepared, for approval of the refunding pursuant to California Health and Safety Code Section 34180(b); and

WHEREAS, the Agency has indicated that there are potential debt service savings that can be achieved through a refinancing of the Refunded Bonds, and the Oversight Board is informed by the Agency that it has determined pursuant to Section 6588(v) of the California Government Code to sell the Refunding Bonds to the Authority pursuant to a local obligation purchase contract (the "Local Obligation Purchase Contract") by and between the Agency and the Authority, and the Agency has found and determined that such sale will result in significant public benefits including demonstrable savings in effective interest rate, bond preparation, bond underwriting discount, original issue discount or bond issuance costs and more efficient delivery of local agency services to residential and commercial development; and

WHEREAS, the Oversight Board is informed by the Agency that if the 2005 Poly High Agency Bonds and the 2005 Subordinate West Beach Agency Bonds cannot

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achieve savings through a refinancing, and are not eligible for refunding under Health and Safety Code Section 34177.5(a), the terms of the 2005 Central Agency Bonds, the 2005 North Long Beach Agency Bonds and the 2005 Housing Bonds, respectively, provide that the 2005 Central Agency Bonds, the 2005 North Long Beach Agency Bonds and the 2005 Housing Bonds may be redeemed only insofar as the Agency establishes a separate escrow with respect to the non-refunded 2005 Poly High Agency Bonds and 2005 Subordinate West Beach Agency Bonds, each of which the Agency shall fund in an amount sufficient to satisfy the Asset Coverage Test and to pay the applicable Maturity Amount (as defined respectively in the 2005 Poly High Indenture and the 2005 Subordinate West Beach Indenture) on the 2005 Poly High Agency Bonds and 2005 Subordinate West Beach Agency Bonds on subsequent interest payment dates following such optional redemptions; and

WHEREAS, Stifel, Nicolaus & Company, Incorporated and Citigroup Global Markets Inc. (collectively, the "Underwriters"), have submitted to the Authority a proposed form of an agreement to purchase each series of the Authority Bonds (the "Bond Purchase Agreement") by and between the Underwriters and the Authority, which includes a Letter of Representations (the "Letter of Representations") to be executed by the Agency; and

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 requires that, in order to be able to purchase or sell the Authority Bonds, the underwriters thereof must have reasonably determined that the Agency, as an obligated person, has undertaken in a written agreement or contract for the benefit of the holders of the Authority Bonds to provide disclosure of certain financial information and operating data and certain enumerated events on an ongoing basis; and

WHEREAS, in order to cause such requirement to be satisfied, the Agency desires to execute one or more continuing disclosure agreements (each, a "Continuing Disclosure Agreement") by and between the Agency and the Authority, pursuant to which the Authority and the Agency will provide annual disclosure and notices in the event of

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certain enumerated events; and

WHEREAS, a form of the Preliminary Official Statement (the "Preliminary Official Statement") to be distributed in connection with the public offering of the Authority Bonds has been prepared, pertaining primarily to the Authority Bonds but also describing the Refunding Program, the Refunding Bonds, the Agency, the Redevelopment Project, other successor agencies participating in the Refunding Program, if any, and certain other information deemed material to an informed investment decision respecting the Authority Bonds; and

WHEREAS, the Refunding Bonds, the Indenture, the Local Obligation Purchase Contract, the Bond Purchase Agreement, the Letter of Representations, the Continuing Disclosure Agreement and the form of the Preliminary Official Statement are referred to in this Resolution as the "Primary Bond Documents"; and

WHEREAS, the Agency has approved all matters relating to the issuance and sale of the Refunding Bonds; and

WHEREAS, the Oversight Board now desires to approve all matters relating to the issuance and sale of the Refunding Bonds as required by Sections 34177.5(f) and 34180 of the California Health and Safety Code;

NOW, THEREFORE, the Oversight Board of the City of Long Beach as the Successor Agency to the Redevelopment Agency of the City of Long Beach resolves 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. Approval of Refunding; Use of Prior Proceeds. The Primary Bond Documents on file with the City Clerk, with such changes therein as the officer of the Agency executing the same may require or approve, are hereby approved and the issuance of the Refunding Bonds for the purposes set forth herein and subject to the requirements of California Health and Safety Code Section 34177.5(a) are hereby approved. The Agency's participation in the Refunding Program, the Authority Bonds

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and the Trust Agreement(s) are approved as described in this Resolution.

The Oversight Board hereby further determines that remaining Prior Proceeds which are not intended to be spent by the Agency in a manner consistent with the respective bond covenants for the Refunded Bonds and AB 1484, shall be used to defease and/or refund the applicable Refunded Bonds and/or to fund a debt service reserve account for the related Refunding Bonds.

The Oversight Board has been provided a certified copy of Agency Resolution No. _____, adopted on March 17, 2015, and a staff report which includes a summary debt service savings analysis, which is hereby approved as demonstrating the potential savings that may result from the refunding of all or a portion of the Refunded Bonds.

Section 3. Recovery of Costs. The Oversight Board hereby authorizes and approves the Agency to recover reasonable related costs incurred in connection with this transaction, including the cost of Agency staff time. For the purpose of expending such proceeds, California Health and Safety Code Section 34177.3 and other provisions relating to Recognized Obligation Payment Schedules shall not apply. If the Agency is not able to issue the Refunding Bonds, the Agency may recover such costs by including such costs in a future Recognized Obligation Payment Schedule. The recovery of such costs shall be in addition to and shall not count against any administrative cost allowance of the Agency as such allowance is defined in California Health and Safety Code Section 34171(b).

The Agency shall be entitled to receive its full allocation of the Administrative Cost Allowance under California Health and Safety Code Section 34183(a)(3) without any deductions with respect to continuing costs related to the Refunding Bonds, Agency Trustee fees and expenses and the Agency's share of the costs of the Authority Bonds, such as Authority Trustee's fees and expenses, auditing, financial advisor and fiscal consultant fees and continuing disclosure and rating agency costs (collectively, "Compliance Costs"), and such Compliance Costs shall be payable

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from property tax revenues pursuant to California Health and Safety Code Section 34183.

Section 4. Chairperson Acting for Oversight Board. The Chairperson acting for the Oversight Board is hereby authorized to take whatever actions may be necessary to carry out the purposes of this Resolution pursuant to AB X1 26 and AB 1484.

Section 5. City Clerk Acting for Agency. The City Clerk acting for the Oversight Board shall certify to the passage of this Resolution and enter it into the book of original resolutions and take any other actions and/or perform any other duties required by law.

Section 6. Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 7. Effective Date. Pursuant to California Health and Safety Code Section 34179(h), all actions taken by the Oversight Board may be reviewed by the California Department of Finance (the "Department of Finance") and, therefore, this Resolution shall be effective five (5) business days after notice to the Department of Finance unless the Department of Finance requests a review of the actions taken in this Resolution, in which case this Resolution will be effective upon approval (including as may be deemed approved under the Law) by the Department of Finance. The City Clerk shall certify the vote adopting this resolution.

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PASSED, APPROVED, and ADOPTED at a meeting of the Oversight Board of the City of Long Beach as the Successor Agency to the Redevelopment Agency of the City of Long Beach held this ____ day of _____, 2015 by the following vote:

Ayes: _____

_____

_____

Noes: _____

_____

_____

Absent: _____

_____
Chairperson, Oversight Board

APPROVED:

_____
Secretary, Oversight Board

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