



# CITY OF LONG BEACH

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

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March 17, 2015

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

City of Long Beach  
California

### RECOMMENDATION:

Adopt a resolution approving and authorizing the execution of 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, subject to Oversight Board approval. (Citywide)

### DISCUSSION

The Oversight Board elected on September 22, 2014 to participate in the County of Los Angeles Redevelopment Bond Refunding Program (County Program) and directed the Long Beach Successor Agency to commence efforts to refund certain tax allocation bonds. (Exhibit A – Staff Report)

### Long Beach Successor Agency Tax Allocation Bonds

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 various taxing agencies and the City. The City's General Fund would receive approximately \$360,000 of additional property tax each year. These estimates may change based on market conditions at the time of sale.

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Legal Documents

The following documents have been prepared for the refunding and are being submitted for approval by a resolution of the Long Beach SA.

***Long Beach SA Resolution.*** This resolution authorizes and describes the repayment terms for the refunding bonds to be issued by the Long Beach SA (Agency Bonds) and approves the forms of additional documents outlined below, as well as the form of the Long Beach SA's disclosure appendix.

***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 describe 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.

***Oversight Board Resolution.*** After the financing is approved by the Long Beach SA, it must be approved by the Oversight Board. A resolution has been prepared for the Oversight Board to provide such approval.

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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: (1) including 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 whatsoever with respect to the repayment of the refunding bonds or any other aspect of the refunding bond program.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on February 23, 2015 and by Budget Management Officer Victoria Bell on February 20, 2015.

TIMING CONSIDERATIONS

Authorization by the Long Beach SA is requested on March 17, 2015, to enable the Oversight Board to take action on March 30, 2015. The documents can then be submitted to the State Department of Finance, which has up to 65 days to approve them. The current schedule anticipates a bond sale on June 10, 2015.

FISCAL IMPACT

Under current market conditions, the refunding will reduce existing Long Beach SA debt service payments by approximately \$1.69 million each year over 26 years, or by a total of \$24.3 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 is approximately 21 percent. As a result, the City's General Fund would expect to receive additional property tax revenues of approximately \$360,000 annually or \$5 million in total (net present value basis). The loss in administrative allowance to the Long Beach SA would be approximately \$50,000 each year. To the extent that the Long Beach SA may supplement its administrative budget with other available income, this reduction will not be a problem, however, the State Department of Finance has

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proposed legislation that would prohibit the use of other funds available to successor agencies for administrative purposes. If this is the case, 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 \$25,000, will need to be offset by the additional property tax. If the offset becomes necessary, the net benefit to the City's General Fund would be approximately \$335,000 annually.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



AMY J. BODEK  
DIRECTOR OF DEVELOPMENT SERVICES



JOHN GROSS  
DIRECTOR OF FINANCIAL MANAGEMENT



PATRICK H. WEST  
CITY MANAGER

PW:JG:DN:LK  
K:\EXEC\COUNCIL LETTERS\TREASURY\03-17-15 LONG BEACH SUCCESSOR AGENCY AUTHORIZING STAFF REPORT - LAF.DOCX

ATTACHMENTS: RESOLUTION  
EXHIBIT A – OVERSIGHT BOARD STAFF REPORT

OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH, ACTING AS THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH, AUTHORIZING THE ISSUANCE OF ITS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH TAX ALLOCATION REFUNDING BONDS, IN ONE OR MORE SERIES; AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE, A LOCAL OBLIGATION PURCHASE CONTRACT, A CONTINUING DISCLOSURE AGREEMENT AND THE PREPARATION OF AN OFFICIAL STATEMENT AND OTHER MATTERS RELATED THERETO

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

1 “enforceable obligations” of the former redevelopment agencies and administer  
2 dissolution and wind down of the former redevelopment agencies; and

3 WHEREAS, Assembly Bill No. 1484 (“AB 1484”), a follow on bill to AB X1  
4 26, was enacted on June 27, 2012 and provides a mechanism to refund outstanding  
5 bonds or other indebtedness under certain circumstances; and

6 WHEREAS, pursuant to California Health and Safety Code Section  
7 34173(d), the City is the successor agency (as successor agency to the Former RDA, the  
8 “Agency”); and

9 WHEREAS, redevelopment plans for (i) the Central Long Beach  
10 Redevelopment Project of the Agency, as adopted and approved by Ordinance No. C-  
11 7738 enacted by the City Council of the City on March 6, 2001, (ii) the Downtown  
12 Redevelopment Project of the Agency, as adopted and approved by Ordinance No. C-  
13 5187 enacted by the City Council of the City on June 17, 1975, (iii) the West Long Beach  
14 Industrial Project of the Agency, as adopted and approved by Ordinance No. C-5188  
15 enacted by the City Council of the City on July 1, 1975, (iv) the Los Altos Redevelopment  
16 Project of the Agency, as adopted and approved by Ordinance No. C-6954 enacted by  
17 the City Council of the City on December 10, 1991, (v) the North Long Beach  
18 Redevelopment Project of the Agency, as adopted and approved by Ordinance No. C-  
19 7412 enacted by the City Council of the City on July 16, 1996, (vi) the Poly High  
20 Redevelopment Project of the Agency, as adopted and approved by Ordinance No. C-  
21 5063 enacted by the City Council of the City on April 3, 1973, and (vii) the West Beach  
22 Redevelopment Project of the Agency, as adopted and approved by Ordinance No. C-  
23 4451 enacted by the City Council of the City on July 21, 1964 (together, the  
24 “Redevelopment Project”) in each case together with any amendments thereof thereafter  
25 duly enacted pursuant to the Law, and for which all requirements of law for and  
26 precedent to the adoption and approval, as amended, have been duly complied with; and

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

1           WHEREAS, in 1992, the Former RDA executed and delivered an Indenture  
2 of Trust, dated as of December 1, 1992, between the Former RDA and U.S. Bank  
3 National Association, as successor trustee, in connection with the issuance by the  
4 Former RDA of \$81,020,000 aggregate principal amount of its Downtown Redevelopment  
5 Project Tax Allocation Refunding Bonds, Series 1992A of which \$11,625,000 is currently  
6 outstanding (the "1992 Downtown Agency Bonds"), attributable to the Downtown  
7 Redevelopment Project, which 1992 Downtown Agency Bonds are not subject to optional  
8 redemption prior to maturity; and

9           WHEREAS, in 1992, the Former RDA executed and delivered an Indenture  
10 of Trust, dated as of December 1, 1992, between the Former RDA and U.S. Bank  
11 National Association, as successor trustee, in connection with the issuance by the  
12 Former RDA of \$36,470,000 aggregate principal amount of its West Long Beach  
13 Industrial Redevelopment Project Tax Allocation Refunding Bonds, Series 1992 of which  
14 \$5,240,000 is currently outstanding (the "1992 Industrial Agency Bonds"), attributable to  
15 the West Long Beach Industrial Redevelopment Project, which 1992 Industrial Agency  
16 Bonds are not subject to optional redemption prior to maturity; and

17           WHEREAS, immediately upon their issuance, the 1992 Downtown Agency  
18 Bonds and the 1992 Industrial Agency Bonds were sold to, in connection with the  
19 issuance by, the Long Beach Financing Authority of \$126,245,000 aggregate principal  
20 amount of its Revenue Bonds, Series 1992, of which \$16,865,000 is currently  
21 outstanding (the "1992 Authority Bonds"), which 1992 Authority Bonds are not subject to  
22 optional redemption prior to maturity; and

23           WHEREAS, in 2002, the Former RDA executed and delivered an Indenture  
24 of Trust, dated as of May 1, 2002, between the Former RDA and BNY Western Trust  
25 Company (now known as The Bank of New York Mellon Trust Company, N.A.) (the "2002  
26 Subordinate Downtown Indenture"), between the Former RDA and The Bank of New  
27 York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company,  
28 N.A.), as successor trustee, in connection with the issuance by the Former RDA of

1 \$26,820,000 aggregate principal amount of its 2002 Subordinate Tax Allocation Bonds  
2 (Downtown Redevelopment Project), a portion of which was purchased (the Purchased  
3 2002 Subordinate Downtown Agency Bonds as defined below) with proceeds of the  
4 2005C LBBFA Bonds, as defined below, and of which approximately \$11,705,718.20 is  
5 currently outstanding (the "2002 Subordinate Downtown Agency Bonds"), attributable to  
6 the Downtown Redevelopment Project, which remaining 2002 Subordinate Downtown  
7 Agency Bonds are subject to optional redemption on any date at a price equal to the  
8 outstanding principal amount thereof, plus interest due thereon to the date fixed for  
9 redemption, without premium; and

10 WHEREAS, in 2002, the Former RDA executed and delivered an Indenture  
11 of Trust, dated as of May 1, 2002, between the Former RDA and BNY Western Trust  
12 Company (now known as The Bank of New York Mellon Trust Company, N.A.), thereafter  
13 amended by a First Supplemental Indenture, dated as of February 1, 2005 (as amended,  
14 the "2002 North Long Beach Indenture"), each between the Former RDA and The Bank  
15 of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust  
16 Company, N.A.), as successor trustee, in connection with the issuance by the Former  
17 RDA of \$40,290,000 aggregate principal amount of its 2002 Tax Allocation Bonds (North  
18 Long Beach Redevelopment Project), a portion of which was purchased (the Purchased  
19 2002 North Long Beach Agency Bonds as defined below) with proceeds of the 2005C  
20 LBBFA Bonds, as defined below, and of which \$6,374,000 is currently outstanding (the  
21 "2002 North Long Beach Agency Bonds"), attributable to the North Long Beach  
22 Redevelopment Project, which remaining 2002 North Long Beach Agency Bonds are  
23 subject to optional redemption on any date at a price equal to the outstanding principal  
24 amount thereof, plus interest due thereon to the date fixed for redemption, without  
25 premium; and

26 WHEREAS, immediately upon their issuance, the 2002 Subordinate  
27 Downtown Agency Bonds and the 2002 North Long Beach Agency Bonds were sold to, in  
28 connection with the issuance by, the Long Beach Bond Finance Authority (the "LBBFA")

1 of the \$77,715,000 aggregate principal amount of its Tax Allocation Revenue Bonds  
2 (Downtown, North Long Beach, Poly High and West Beach Redevelopment Project  
3 Areas) 2002 Series A, a portion of which were subsequently refunded in 2006 as  
4 described below, of which \$18,600,000 is currently outstanding (the "2002A LBBFA  
5 Bonds"), which 2002A LBBFA Bonds are subject to optional redemption on any date at a  
6 price equal to the outstanding principal amount thereof, plus interest due thereon to the  
7 date fixed for redemption, without premium; and

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

18           WHEREAS, immediately upon their issuance, the 2002 West Beach  
19 Agency Bonds were sold to, in connection with the issuance by, the LBBFA of the 2002A  
20 LBBFA Bonds, which 2002A LBBFA Bonds are subject to optional redemption on any  
21 date at a price equal to the outstanding principal amount thereof, plus interest due  
22 thereon to the date fixed for redemption, without premium; and

23           WHEREAS, in 2002, the Former RDA executed and delivered an Indenture  
24 of Trust, dated as of December 1, 1992 as amended by a First Supplemental Indenture,  
25 dated as of November 1, 2002 (as amended, the "2002 Industrial Indenture"), each  
26 between the Former RDA and U.S. Bank National Association, as successor trustee, in  
27 connection with the issuance by the Former RDA of \$21,860,000 aggregate principal  
28 amount of its West Long Beach Industrial Redevelopment Project Tax Allocation

1 Refunding Bonds 2002 Series A of which \$18,390,000 is currently outstanding (the "2002  
2 Industrial Agency Bonds"), attributable to the West Long Beach Industrial Redevelopment  
3 Project, certain maturities of which 2002 Industrial Agency Bonds are subject to optional  
4 redemption on any date at a price equal to the outstanding principal amount thereof, plus  
5 interest due thereon to the date fixed for redemption, without premium; and

6 WHEREAS, immediately upon their issuance, the 2002 Industrial Agency  
7 Bonds were sold to, in connection with the issuance by, the LBBFA of \$47,780,000  
8 aggregate principal amount of its Tax Allocation Revenue Bonds (Downtown and West  
9 Long Beach Industrial Redevelopment Project Areas) 2002 Series B, of which  
10 \$41,005,000 is currently outstanding (the "2002B LBBFA Bonds"), and such portion of  
11 which 2002B LBBFA Bonds relating to the 2002 Industrial Agency Bonds are subject to  
12 optional redemption on any date at a price equal to the outstanding principal amount  
13 thereof, plus interest due thereon to the date fixed for redemption, without premium; and

14 WHEREAS, in 2002, the Former RDA executed and delivered an Indenture  
15 of Trust, dated as of December 1, 1992 as amended including by a Third Supplemental  
16 Indenture, dated as of November 1, 2002 (as amended, the "2002 Downtown Indenture"),  
17 each between the Former RDA and U.S. Bank National Association, as successor  
18 trustee, in connection with the issuance by the Former RDA of \$25,920,000 aggregate  
19 principal amount of its Downtown Redevelopment Project Tax Allocation Refunding  
20 Bonds 2002 Series B of which \$22,615,000 is currently outstanding (the "2002B  
21 Downtown Agency Bonds"), attributable to the Downtown Redevelopment Project, which  
22 2002B Downtown Agency Bonds are not subject to optional redemption prior to maturity;  
23 and

24 WHEREAS, immediately upon their issuance, the 2002B Downtown Agency  
25 Bonds were sold to, in connection with the issuance by, the LBBFA of the 2002B LBBFA  
26 Bonds, and such portion of which 2002B LBBFA Bonds relating to the 2002B Downtown  
27 Agency Bonds are not subject to optional redemption prior to maturity; and

28 WHEREAS, in 2005, the Former RDA executed and delivered an Indenture

1 of Trust, dated as of February 1, 2005 (the "2005 Central Indenture"), between the  
2 Former RDA and The Bank of New York Trust Company, N.A. (now known as The Bank  
3 of New York Mellon Trust Company, N.A.), as trustee, in connection with the issuance by  
4 the Former RDA of \$56,930,000 aggregate principal amount of its 2005 Tax Allocation  
5 Bonds (Central Long Beach Redevelopment Project) of which \$49,895,000 is currently  
6 outstanding (the "2005 Central Agency Bonds"), attributable to the Central Long Beach  
7 Redevelopment Project, which 2005 Central Agency Bonds are subject to optional  
8 redemption in accordance with the 2005 Central Indenture on any date on or after August  
9 1, 2015 to July 31, 2016 at redemption prices equal, as to certain 2005 Central Agency  
10 Bonds, to the outstanding principal amount thereof, without premium and as to other  
11 2005 Central Agency Bonds, to 102% of the outstanding principal amount thereof, plus in  
12 each case interest due thereon to the date fixed for redemption; and

13 WHEREAS, in 2005, the Former RDA executed and delivered an Indenture  
14 of Trust, dated as of February 1, 2005 (the "2005 Los Altos Indenture"), between the  
15 Former RDA and The Bank of New York Trust Company, N.A. (now known as The Bank  
16 of New York Mellon Trust Company, N.A.), as trustee, in connection with the issuance by  
17 the Former RDA of \$4,685,000 aggregate principal amount of its 2005 Tax Allocation  
18 Bonds (Los Altos Redevelopment Project) of which \$2,135,000 is currently outstanding  
19 (the "2005 Los Altos Agency Bonds"), attributable to the Los Altos Redevelopment  
20 Project, which 2005 Los Altos Agency Bonds are subject to optional redemption on any  
21 date on or after August 1, 2015 to July 31, 2016 at a redemption price equal to the  
22 outstanding principal amount thereof, plus interest due thereon to the date fixed for  
23 redemption, without premium; and

24 WHEREAS, in 2005, the Former RDA executed and delivered an Indenture  
25 of Trust, dated as of February 1, 2005 (the "2005 Housing Indenture"), between the  
26 Former RDA and The Bank of New York Trust Company, N.A. (now known as The Bank  
27 of New York Mellon Trust Company, N.A.), as trustee, in connection with the issuance by  
28 the Former RDA of \$55,665,000 aggregate principal amount of its 2005 Tax Allocation

1 Bonds (Housing Projects) of which \$48,830,000 is currently outstanding (the “2005  
2 Housing Bonds”), which 2005 Housing Bonds are subject to optional redemption in  
3 accordance with the 2005 Housing Indenture on any date on or after August 1, 2015 to  
4 July 31, 2016 at a redemption price equal to 102% of the outstanding principal amount  
5 thereof, plus interest due thereon to the date fixed for redemption, and

6           WHEREAS, in 2005, the Former RDA executed and delivered an Indenture  
7 of Trust, dated as of May 1, 2002, as amended and supplemented by the First  
8 Supplemental Indenture of Trust, dated as of February 1, 2005 (as amended, the “2005  
9 North Long Beach Indenture”), each between the Former RDA and The Bank of New  
10 York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company,  
11 N.A.), as trustee, in connection with the issuance by the Former RDA of \$64,080,000  
12 aggregate principal amount of its 2005 Tax Allocation Bonds (North Long Beach  
13 Redevelopment Project) of which \$53,180,000 is currently outstanding (the “2005 North  
14 Long Beach Agency Bonds” which, together with those bonds approved for refunding  
15 among the 2002 Subordinate Downtown Agency Bonds, the 2002 North Long Beach  
16 Agency Bonds, the 2002 West Beach Agency Bonds, the 2002 Industrial Agency Bonds,  
17 the 2005 Central Agency Bonds, the 2005 Los Altos Agency Bonds, the 2005 Poly High  
18 Agency Bonds, the 2005 Subordinate West Beach Agency Bonds and the 2005 Housing  
19 Bonds, are referred to herein as the “Refunded Bonds”), attributable to the North Long  
20 Beach Redevelopment Project, which 2005 North Long Beach Agency Bonds are subject  
21 to optional redemption in accordance with the 2005 North Long Beach Indenture on any  
22 date on or after August 1, 2015 to July 31, 2016 at redemption prices equal, as to certain  
23 2005 North Long Beach Agency Bonds, to the outstanding principal amount thereof,  
24 without premium and as to other 2005 North Long Beach Agency Bonds, to 102% of the  
25 outstanding principal amount thereof, plus in each case interest due thereon to the date  
26 fixed for redemption, and

27           WHEREAS, immediately upon their issuance, the 2005 Central Agency  
28 Bonds, the 2005 Los Altos Agency Bonds, the 2005 Housing Bonds and the 2005 North

1 Long Beach Agency Bonds were sold to, in connection with the issuance by, the LBBFA  
2 of \$74,050,000 aggregate principal amount of its Revenue Bonds (Redevelopment,  
3 Housing and Gas Utility Financings) 2005 Series A-1 (Current Interest Bonds) of which  
4 \$63,825,000 is currently outstanding (the "2005A-1 LBBFA Bonds") and \$114,985,000  
5 aggregate initial principal amount of its Taxable Revenue Bonds (Redevelopment,  
6 Housing and Gas Utility Financings) 2005 Series B of which \$90,215,000 is currently  
7 outstanding (the "2005B LBBFA Bonds"), which 2005A-1 LBBFA Bonds are subject to  
8 optional redemption on any date on or after August 1, 2015 to July 31, 2016 at a  
9 redemption price equal to the outstanding principal amount thereof, plus interest due  
10 thereon to the date fixed for redemption, without premium, and which 2005B LBBFA  
11 Bonds are subject to optional redemption on any date on or after August 1, 2015 to July  
12 31, 2016 at a redemption price equal to 102% of the outstanding principal amount  
13 thereof, plus interest due thereon to the date fixed for redemption; and

14 WHEREAS, in 2005, the Former RDA executed and delivered an Indenture  
15 of Trust, dated as of February 1, 2005 (the "2005 Poly High Indenture"), by and between  
16 the Agency and The Bank of New York Trust Company, N.A. (now known as The Bank of  
17 New York Mellon Trust Company, N.A.), as trustee, in connection with the issuance by  
18 the Former RDA of \$2,557,752.60 aggregate initial principal amount of its 2005  
19 Subordinate Tax Allocation Bonds (Poly High Redevelopment Project) of which  
20 approximately \$3,052,015.20 accreted amount was outstanding as of August 1, 2014 (the  
21 "2005 Poly High Agency Bonds") attributable to the Poly High Redevelopment Project,  
22 which 2005 Poly High Agency Bonds are not subject to optional redemption prior to  
23 maturity but which bonds the Agency desires to refund to maturity and defease; and

24 WHEREAS, in 2005, the Former RDA executed and delivered an Indenture  
25 of Trust, dated as of February 1, 2005 (the "2005 Subordinate West Beach Indenture"),  
26 by and between the Agency and The Bank of New York Trust Company, N.A. (now  
27 known as The Bank of New York Mellon Trust Company, N.A.), as trustee, in connection  
28 with the issuance by the Former RDA of \$839,553.30 aggregate initial principal amount of

1 its 2005 Subordinate Tax Allocation Bonds (West Beach Redevelopment Project) of  
2 which approximately \$1,291,068.32 accreted amount was outstanding as of August 1,  
3 2014 (the "2005 Subordinate West Beach Agency Bonds") attributable to the West Beach  
4 Redevelopment Project, which 2005 Subordinate West Beach Agency Bonds are not  
5 subject to optional redemption prior to maturity but which bonds the Agency desires to  
6 refund to maturity and defease; and

7           WHEREAS, immediately upon their issuance, the 2005 Poly High Agency  
8 Bonds and the 2005 Subordinate West Beach Agency Bonds were sold to, in connection  
9 with the issuance by, the LBBFA in connection with the issuance by the LBBFA of  
10 \$3,397,305.90 aggregate initial principal amount of its Revenue Bonds (Redevelopment,  
11 Housing and Gas Utility Financings) 2005 Series A-2 (Capital Appreciation Bonds) of  
12 which approximately \$4,343,083.52 accreted amount was outstanding as of August 1,  
13 2014 (the "2005A-2 LBBFA Bonds"), which 2005A-2 LBBFA Bonds are not subject to  
14 optional redemption prior to maturity but which bonds are eligible for refunding to  
15 maturity; and

16           WHEREAS, in 2006, the Former RDA executed and delivered the Second  
17 Supplemental Indenture, dated as of February 1, 2006, supplementing the 2002  
18 Subordinate Downtown Indenture, between the Former RDA and The Bank of New York  
19 Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company,  
20 N.A.), as successor trustee, in connection with the sale to the LBBFA by the Former RDA  
21 of \$7,450,000 aggregate principal amount of its 2002 Subordinate Tax Allocation Bonds  
22 (Downtown Redevelopment Project) of which \$6,850,000 is currently outstanding (the  
23 "Purchased 2002 Subordinate Downtown Agency Bonds"), attributable to the Downtown  
24 Redevelopment Project, which Purchased 2002 Subordinate Downtown Agency Bonds  
25 are not being considered for redemption and refunding at this time; and

26           WHEREAS, in 2006, the Former RDA executed and delivered the Second  
27 Supplemental Indenture, dated as of February 1, 2006, supplementing the 2002 North  
28 Long Beach Indenture, between the Former RDA and The Bank of New York Mellon

1 Trust Company, N.A., as trustee, in connection with the sale to the LBBFA by the Former  
2 RDA of \$26,983,000 aggregate principal amount of its 2002 Tax Allocation Bonds (North  
3 Long Beach Redevelopment Project) of which \$24,980,000 is currently outstanding (the  
4 “Purchased 2002 North Long Beach Agency Bonds”), attributable to the North Long  
5 Beach Redevelopment Project, which Purchased 2002 North Long Beach Agency Bonds  
6 are not being considered for redemption and refunding at this time; and

7 WHEREAS, the Purchased 2002 Subordinate Downtown Agency Bonds  
8 and the Purchased 2002 North Long Beach Agency Bonds were sold to, in connection  
9 with the issuance by, the LBBFA of \$35,045,000 aggregate principal amount of its Tax  
10 Allocation Revenue Bonds (Downtown and North Long Beach Redevelopment Project  
11 Areas) 2005 Series C, of which \$31,895,000 is currently outstanding (the “2005C LBBFA  
12 Bonds”), which 2005C LBBFA Bonds are not being considered for redemption and  
13 refunding at this time; and

14 WHEREAS, in 2010, the Former RDA executed and delivered the Third  
15 Supplemental Indenture, dated as of May 1, 2010, supplementing the 2002 North Long  
16 Beach Indenture, between the Former RDA and The Bank of New York Mellon Trust  
17 Company, N.A., as trustee, in connection with the issuance by the Former RDA of  
18 \$22,235,000 aggregate principal amount of its Taxable Recovery Zone Economic  
19 Development Bonds, 2010 Series A (North Long Beach Redevelopment Project) of which  
20 \$22,235,000 is currently outstanding (the “2010 North Long Beach Recovery Zone  
21 Bonds”), attributable to the North Long Beach Redevelopment Project, which 2010 North  
22 Long Beach Recovery Zone Bonds are not being considered for redemption and  
23 refunding at this time; and

24 WHEREAS, also in 2010 pursuant to the Third Supplemental Indenture,  
25 dated as of May 1, 2010, supplementing the 2002 North Long Beach Indenture, between  
26 the Former RDA and The Bank of New York Mellon Trust Company, N.A., as trustee, the  
27 Former RDA issued \$10,745,000 aggregate principal amount of its Taxable Build  
28 America Bonds, 2010 Series B (North Long Beach Redevelopment Project) of which

1 \$8,325,000 is currently outstanding (the "2010 North Long Beach Build America Bonds"),  
2 attributable to the North Long Beach Redevelopment Project, which 2010 North Long  
3 Beach Build America Bonds are not being considered for redemption and refunding at  
4 this time; and

5 WHEREAS, the Agency desires to cause the refunding of the Refunded  
6 Bonds and such refundings will result in the redemption and defeasance of the related  
7 2002A LBBFA Bonds, the refunded portion of the 2002B LBBFA Bonds, the 2005A-1  
8 LBBFA Bonds, the 2005A-2 LBBFA Bonds, and the 2005B LBBFA Bonds (the "Refunded  
9 LBBFA Bonds"); and

10 WHEREAS, California Health and Safety Code Section 34177.5(a)  
11 authorizes successor agencies to refund outstanding bonds or other indebtedness to be  
12 refunded provided that (i) the total interest cost to maturity on the refunding bonds or  
13 other indebtedness plus the principal amount of the refunding bonds or other  
14 indebtedness shall not exceed the total remaining interest cost to maturity on the bonds  
15 or other indebtedness to be refunded plus the remaining principal of the bonds or other  
16 indebtedness to be refunded, and (ii) the principal amount of the refunding bonds or other  
17 indebtedness shall not exceed the amount required to defease the refunded bonds or  
18 other indebtedness, to establish customary debt service reserves, and to pay related  
19 costs of issuance; and

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

23 WHEREAS, an oversight board (the "Oversight Board") for the Agency has  
24 been duly established pursuant to California Health and Safety Code Section 34179(a);  
25 and

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

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

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

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

19           WHEREAS, pursuant to California Health and Safety Code Section  
20 34177.5(f), the Oversight Board has requested that the Agency prepare to issue  
21 refunding bonds, which refunding bonds may be sold to the Authority pursuant to the  
22 Marks-Roos Local Bond Pooling Act (Article 4 (commencing with Section 6584) of  
23 Chapter 5 of Division 7 of Title 1 of the California Government Code) following a  
24 determination by the Agency to participate in the Refunding Program, to refund all or a  
25 portion of the Refunded Bonds; provided that this request shall not offer any assurance  
26 that Authority Bonds will be sold by the Authority under the Refunding Program to refund  
27 all or any portion of the Refunded Bonds; and

28           WHEREAS, there are potential debt service savings that can be achieved

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

12 WHEREAS, if the 2005 Poly High Agency Bonds and the 2005 Subordinate  
13 West Beach Agency Bonds cannot achieve savings through a refinancing, and are not  
14 eligible for refunding under Health and Safety Code Section 34177.5(a), the terms of the  
15 2005 Central Agency Bonds, the 2005 North Long Beach Agency Bonds and the 2005  
16 Housing Bonds, respectively, provide that the 2005 Central Agency Bonds, the 2005  
17 North Long Beach Agency Bonds and the 2005 Housing Bonds may be redeemed only  
18 insofar as the Agency establishes a separate escrow with respect to the non-refunded  
19 2005 Poly High Agency Bonds and 2005 Subordinate West Beach Agency Bonds, each  
20 of which the Agency shall fund in an amount sufficient to satisfy the Asset Coverage Test  
21 and to pay the applicable Maturity Amount (as defined respectively in the 2005 Poly High  
22 Indenture and the 2005 Subordinate West Beach Indenture) on the 2005 Poly High  
23 Agency Bonds and 2005 Subordinate West Beach Agency Bonds on subsequent interest  
24 payment dates following such optional redemptions; and

25 WHEREAS, the Refunding Bonds when issued will be payable on a basis  
26 subordinate to the pledge of Tax Revenues (as defined in the Indenture) hereafter  
27 securing the payment of principal of and interest on, or accreted value of, as applicable,  
28 on the following bonds: the 1992 Downtown Agency Bonds, the 1992 Industrial Agency

1 Bonds, the non-callable 2002 Industrial Agency Bonds, the 2002B Downtown Agency  
2 Bonds, the Purchased 2002 Subordinate Downtown Agency Bonds, the Purchased 2002  
3 North Long Beach Agency Bonds, the 2010 North Long Beach Recovery Zone Bonds,  
4 the 2010 North Long Beach Build America Bonds and those bonds among the proposed  
5 Refunded Bonds deemed not eligible for refunding, and not in fact refunded or defeased  
6 with net proceeds of the Refunding Bonds, from amounts on deposit in the  
7 Redevelopment Property Tax Trust Fund of the Agency (the "RPTTF") and allocated to  
8 the Agency's Redevelopment Obligation Retirement Fund, pursuant to an Indenture of  
9 Trust (the "Indenture"), by and between the Agency and U.S. Bank National Association,  
10 as trustee (the "Agency Trustee"); and

11 WHEREAS, the Agency has determined that any remaining proceeds of the  
12 Refunded Bonds (the "Prior Proceeds") which are not intended to be spent by the Agency  
13 in a manner consistent with the respective bond covenants for the Refunded Bonds and  
14 AB 1484, shall be used to defease and/or refund the applicable Refunded Bonds and/or  
15 to fund a debt service reserve account for the related Refunding Bonds and that Prior  
16 Proceeds which are intended to be spent by the Agency in a manner consistent with the  
17 respective bond covenants for the Refunded Bonds will be deposited into special  
18 accounts to be established under the Indenture; and

19 WHEREAS, the Agency has determined pursuant to Section 6588(v) of the  
20 California Government Code to sell the Refunding Bonds to the Authority pursuant to a  
21 local obligation purchase contract (the "Local Obligation Purchase Contract") by and  
22 between the Agency and the Authority, and hereby finds and determines that such sale  
23 will result in significant public benefits including demonstrable savings in effective interest  
24 rate, bond preparation, bond underwriting discount, original issue discount or bond  
25 issuance costs and more efficient delivery of local agency services to residential and  
26 commercial development; and

27 WHEREAS, Stifel, Nicolaus & Company, Incorporated and Citigroup Global  
28 Markets Inc. (collectively, the "Underwriters"), have submitted to the Authority a proposed

1 form of an agreement to purchase each series of the Authority Bonds (the “Bond  
2 Purchase Agreement”) by and between the Underwriters and the Authority, which  
3 includes a Letter of Representations (the “Letter of Representations”) to be executed by  
4 the Agency; and

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

11 WHEREAS, in order to cause such requirement to be satisfied, the Agency  
12 desires to execute one or more continuing disclosure agreements (each, a “Continuing  
13 Disclosure Agreement”) by and between the Agency and the Authority, pursuant to which  
14 the Authority and the Agency will provide annual disclosure and notices in the event of  
15 certain enumerated events; and

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

23 NOW, THEREFORE, the City Council of the City of Long Beach, Acting as  
24 the Successor Agency to the Redevelopment Agency of the City of Long Beach resolves  
25 as follows:

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

28 Section 2. Approval of Bonds. Subject to the provisions of Section 3

1 hereof, the issuance of the Refunding Bonds, in one or more series, on the terms and  
2 conditions set forth and subject to the limitations specified in the Indenture, is hereby  
3 authorized and approved. The Refunding Bonds shall be dated, shall accrue interest at  
4 the rates, shall mature on the dates, shall be issued in the form, and shall be as  
5 otherwise provided in the Indenture, as the same shall be completed as provided in this  
6 Resolution.

7           Section 3. Approval of Indenture; Execution of Refunding Bonds. The  
8 form of the Indenture providing for the issuance of the Refunding Bonds, on file with the  
9 City Clerk, is hereby approved. The City Manager, Director of Financial Management,  
10 City Treasurer and Debt Manager and the City Clerk acting for the Agency (each an  
11 “Authorized Officer” and collectively, the “Authorized Officers”) are, and each of them is,  
12 hereby authorized and directed, for and in the name of the Agency (in such capacities or  
13 in their respective ex officio titles as named officers of the Agency, if any), to execute and  
14 deliver the Indenture, in substantially said form, with such changes therein as the  
15 Authorized Officer executing the same may require or approve, such approval to be  
16 conclusively evidenced by the execution and delivery thereof.

17           Each of the Authorized Officers are hereby authorized and directed,  
18 respectively, as such officers to execute, and the City Clerk is hereby authorized to  
19 countersign, each of the Refunding Bonds on behalf of the Agency, either manually or in  
20 facsimile, and such signing as herein provided shall be a sufficient and binding execution  
21 of the Refunding Bonds by the Agency. In case either of such officers whose signature  
22 appears on the Refunding Bonds shall cease to be such officer before the delivery of the  
23 Refunding Bonds to the purchaser, such signature shall nevertheless be valid and  
24 sufficient for all purposes the same as though such officer had remained in office until the  
25 delivery of the Refunding Bonds.

26           Section 4. Approval of Local Obligation Purchase Contract. The form of  
27 the Local Obligation Purchase Contract, on file with the City Clerk, is hereby approved.  
28 The Authorized Officers are, and each of them is, hereby authorized and directed, for and

1 in the name of the Agency, to execute and deliver one or more Local Obligation Purchase  
2 Contracts in substantially said form, with such changes therein as the Authorized Officer  
3 executing the same may require or approve, such approval to be conclusively evidenced  
4 by the execution and delivery thereof, provided that the issuance of the Refunding Bonds  
5 shall comply with the terms of California Health and Safety Code Section 34177.5(a) and  
6 the remaining Prior Proceeds which are not intended to be spent by the Agency in a  
7 manner consistent with the respective bond covenants for the Refunded Bonds and AB  
8 1484, shall be used to defease and/or refund the applicable Refunded Bonds and/or to  
9 fund a debt service reserve account for the related Refunding Bonds. The Agency's  
10 participation in the Refunding Program, the Authority Bonds and the Trust Agreement(s)  
11 are approved as described in this Resolution.

12                   Section 5. Approval of Letters of Representations. The form of the Bond  
13 Purchase Agreement is on file with the City Clerk and acknowledged by the Agency, and  
14 the form of Letter of Representations of the Agency attached thereto, on file with the City  
15 Clerk, is hereby approved with such changes as may be approved by an Authorized  
16 Officer. The Authorized Officers are, and each of them is, hereby authorized and  
17 directed, for and in the name of the Agency, to execute and deliver one or more Letters of  
18 Representation, in substantially said form and as required in connection with the  
19 Authority's execution and delivery of the Bond Purchase Agreement or Agreements, with  
20 such changes therein as the Authorized Officer executing the same may require or  
21 approve, such approval to be conclusively evidenced by the execution and delivery  
22 thereof.

23                   Section 6. Approval of Preliminary Official Statement. The form of the  
24 Preliminary Official Statement is on file with the City Clerk and acknowledged by the  
25 Agency, and the form of Agency "Appendix A" (to be attached as an appendix to the  
26 Preliminary Official Statement and the final Official Statement and completed with a letter  
27 designation distinguishing the Agency's appendix from that of other successor agencies  
28 participating in the Refunding Program, if any) (the "Agency Appendix"), on file with the

1 City Clerk, is hereby approved with such changes as may be approved by an Authorized  
2 Officer. The Authorized Officers are each hereby authorized to certify on behalf of the  
3 Agency that the Preliminary Official Statement (including the Agency Appendix but  
4 excluding information concerning the Authority, the Authority Bonds and information  
5 concerning other successor agencies, if any, The Depository Trust Company and its  
6 book-entry system and any municipal bond insurer, bond insurance policy and debt  
7 service reserve fund surety bond or policy as may be described the Preliminary Official  
8 Statement, and certain final pricing, rating and related information as permitted to be  
9 excluded by Rule 15c2-12), is deemed final as of its date, within the meaning of Rule  
10 15c2-12.

11 The Authorized Officers are each hereby authorized to approve corrections  
12 and additions to the Preliminary Official Statement and the Official Statement and related  
13 Agency Appendix by supplement or amendment thereto, by appropriate insertions, or  
14 otherwise as appropriate, provided that such corrections or additions shall be regarded  
15 by an Authorized Officer as necessary to cause the information contained therein to  
16 conform to facts material to the Refunding Bonds or the Authority Bonds or to the  
17 proceedings of the Agency or the Authority Board or that such corrections or additions  
18 are in form rather than in substance.

19 If and to the extent multiple series of Refunding Bonds are issued and each  
20 series of Refunding Bonds secure separate series of Authority Bonds offered pursuant to  
21 separate Preliminary Official Statements, the approvals herein shall apply equally to each  
22 such Preliminary Official Statement and related Agency Appendix.

23 Section 7. Approval of Official Statement. The preparation and delivery  
24 of one or more final Official Statements, and use of such by the Underwriters in  
25 connection with the offering and sale of the Authority Bonds, is hereby authorized and  
26 approved. Each Official Statement shall be in substantially the form of the related  
27 Preliminary Official Statement and related Agency Appendix with such changes,  
28 insertions and omissions as may be approved by an Authorized Officer, such approval to

1 be conclusively evidenced by the delivery thereof. The Authorized Officers are each  
2 hereby authorized and directed, for and in the name of and on behalf of the Agency, to  
3 deliver each final Official Statement and related Agency Appendix and any supplement or  
4 amendment thereto to the Underwriters.

5 Section 8. Approval of Continuing Disclosure Agreement. The form of  
6 the Continuing Disclosure Agreement, on file with the City Clerk, is hereby approved. The  
7 Authorized Officers are, and each of them is, hereby authorized and directed, for and in  
8 the name of the Agency, to execute and deliver one or more Continuing Disclosure  
9 Agreements in substantially said form, with such changes therein as the Authorized  
10 Officer executing the same may require or approve, such approval to be conclusively  
11 evidenced by the execution and delivery thereof.

12 The Agency hereby covenants for the benefit of the Authority and the  
13 holders of the Authority Bonds, to cooperate with the Authority in connection with  
14 providing continuing disclosure in compliance with the requirements of Rule 15c2-12.  
15 Without limiting the generality of the foregoing, the Authorized Officers are, and each of  
16 them, is hereby authorized and directed to provide the information in the possession of  
17 the Agency necessary for the Authority to prepare and file an annual report containing the  
18 matters required by Rule 15c2-12 and for issuance and publication of notices of  
19 enumerated events, if such enumerated events shall occur, pertaining to the Refunding  
20 Bonds and the Authority Bonds and related matters as prescribed by Rule 15c2-12. The  
21 estimated cost and expense of such continuing disclosure services shall be included in a  
22 future Recognized Obligation Payment Schedule.

23 Section 9. Other Acts. Each of the Authorized Officers and other  
24 appropriate officers of the Agency, each acting alone, are authorized and directed, jointly  
25 and severally, to do any and all things and to execute and deliver any and all documents  
26 and contracts which they may deem necessary or advisable in order to consummate the  
27 sale, execution and delivery of the Refunding Bonds and otherwise to carry out, give  
28 effect to and comply with the terms and intent of this Resolution, the Refunding Bonds,

1 and the Local Obligation Purchase Contract, each in order to facilitate the issuance of the  
2 Refunding Bonds and otherwise to carry out, give effect to and comply with the terms and  
3 intent of this Resolution including, without limitation, to agree to a reduction of the  
4 redemption prices of certain of the Refunded Bonds under the applicable indentures  
5 provided that such agreement results in savings for purposes of California Health and  
6 Safety Code Section 34177.5(a), to secure municipal bond insurance on the Refunding  
7 Bonds or the Authority Bonds and/or a reserve surety to fund any reserve account or fund  
8 established for the Refunding Bonds, if available (which may include entering into a  
9 mutual insurance agreement(s) therefor), to request subordination of any amounts  
10 required to be paid to an affected taxing entity to any or all of the Refunding Bonds, as  
11 the Authorized Officer may require or approve, in consultation with Bond Counsel and the  
12 City's financial advisors, and any such actions heretofore taken by such officers in  
13 connection therewith are hereby ratified, confirmed and approved.

14 Section 10. Bond Issuance Services. Orrick, Herrington and Sutcliffe LLP  
15 is hereby approved and appointed as Bond Counsel, Keyser Marston Associates, Inc. is  
16 hereby approved and appointed as Fiscal Consultant and KNN Public Finance is hereby  
17 approved and appointed as Financial Advisor, each of which are consultants to the  
18 Refunding Program, and KNN Public Finance and Quint & Thimmig LLP are hereby  
19 approved and appointed as Financial Advisor and counsel to the Agency, respectively,  
20 each to provide such services and any other related services as may be required to issue  
21 the Refunding Bonds and the Authority Bonds and to defease and/or refund the  
22 Refunded Bonds.

23 Section 11. Severability. If any provision of this Resolution or the  
24 application of any such provision to any person or circumstance is held invalid, such  
25 invalidity shall not affect other provisions or applications of this Resolution that can be  
26 given effect without the invalid provision or application, and to this end the provisions of  
27 this Resolution are severable. The Agency declares that the Agency would have adopted  
28 this Resolution irrespective of the invalidity of any particular portion of this Resolution.

OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

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Section 12. This resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify to the vote adopting this resolution.

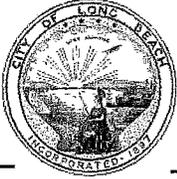
I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of \_\_\_\_\_, 2015, by the following vote:

Ayes: Councilmembers: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Noes: Councilmembers: \_\_\_\_\_  
\_\_\_\_\_

Absent: Councilmembers: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
City Clerk



# 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).

OVERSIGHT BOARD MEMBERS

September 22, 2014

Page 2 of 2

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

PHW:AJB:JG

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

Attachment: Resolution

OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

1 RESOLUTION NO. O.B. 04-2014

2  
3 A RESOLUTION OF THE OVERSIGHT BOARD OF  
4 THE CITY OF LONG BEACH AS THE SUCCESSOR  
5 AGENCY TO THE REDEVELOPMENT AGENCY OF THE  
6 CITY OF LONG BEACH DIRECTING THE  
7 COMMENCEMENT OF A REFUNDING OF CERTAIN  
8 BONDS AND INDEBTEDNESS

9  
10 WHEREAS, California Assembly Bill No. 26 (First Extraordinary Session)  
11 ("AB X1 26") enacted on June 28, 2011, dissolved all redevelopment agencies and  
12 community development agencies in existence in the State of California, as of February  
13 1, 2012, and designated "successor agencies" and "oversight boards" to satisfy  
14 "enforceable obligations" of the former redevelopment agencies and administer  
15 dissolution and wind down of the former redevelopment agencies; and

16 WHEREAS, California Assembly Bill No. 1484 (Stats 2012 c. 26) ("AB  
17 1484"), a follow on bill to AB X1 26, was enacted on June 27, 2012 and provides a  
18 mechanism to refund outstanding bonds and other indebtedness under certain  
19 circumstances; and

20 WHEREAS, pursuant to California Health and Safety Code Section  
21 34173(d), the City of Long Beach is the successor agency (the "Successor Agency") to  
22 the Redevelopment Agency of the City of Long Beach (the "Former RDA"), confirmed by  
23 Resolution No. 12-0009 adopted by the City of Long Beach on January 17, 2012; and

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

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

1 34179(a); and

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

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

9 WHEREAS, the recovery of such costs in connection with such a refunding  
10 transaction shall be supplemental to, and not constrained by, the administrative cost  
11 allowance as such allowance is defined in California Health and Safety Code Section  
12 34171(b); and

13 WHEREAS, the Oversight Board is informed by the Successor Agency that  
14 certain bonds and other indebtedness of the Former RDA (the "Prior Obligations"), as  
15 identified in Exhibit A to this resolution ("Resolution"), were issued in relation to various  
16 redevelopment project areas of the Former RDA during the period from December 1,  
17 1992 to May 12, 2010 and may be subject to optional redemption at a present or future  
18 date; and

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

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

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

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

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

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

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

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CHARLES PARKIN, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

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

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

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

15           This resolution shall take effect immediately upon its adoption by the  
16 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.

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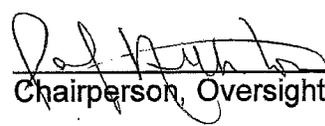
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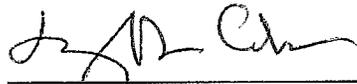
Noes: None.

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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
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\*\*\* 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	LBPPA 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.

\*\*\*Callible 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.