

RESOLUTION NO. SA-2017-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DESERT HOT SPRINGS, ACTING AS THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF DESERT HOT SPRINGS, APPROVING PRELIMINARY AND FINAL OFFICIAL STATEMENTS AND A PURCHASE CONTRACT IN CONNECTION WITH THE ISSUANCE OF 2017 TAX ALLOCATION REFUNDING BONDS, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, all Section references hereinafter being to such Code), the Redevelopment Agency of the City of Desert Hot Springs (the "Former Agency") has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173, the Successor Agency to the Redevelopment Agency of the City of Desert Hot Springs (the "Successor Agency") has become the successor entity to the Former Agency;

WHEREAS, prior to dissolution of the Former Agency, for the purpose of financing redevelopment activities of the Former Agency, the Former Agency issued the following outstanding series of bonds (the "Prior Bonds"):

(i) \$7,025,000 initial principal amount Redevelopment Agency of the City of Desert Hot Springs Merged Redevelopment Project Tax Allocation Refunding Bonds, Series 2006 (the "Prior Bonds"), issued pursuant to the Indenture, dated as of August 1, 2006, by and between the Agency and U.S. Bank National Association, as trustee;

(ii) \$15,870,000 initial principal amount Redevelopment Agency of the City of Desert Hot Springs Merged Redevelopment Project Tax Allocation Bonds, Series 2008A-2 issued pursuant to the 2006 Indenture and a First Supplemental Indenture, dated as of April 1, 2008;

(iii) \$5,635,000 initial principal amount of Redevelopment Agency of the City of Desert Hot Springs Merged Redevelopment Project Tax Allocation Bonds, Issue of 2009 (the "2009 Bonds") issued pursuant to an Indenture, dated as of July 1, 2009, by and between the Agency and Wells Fargo Bank, National Association (under which the Prior Trustee was subsequently substituted as Trustee);

WHEREAS, Section 34177.5(a)(1) authorizes the Successor Agency to undertake proceedings for the refunding of outstanding bonds and other obligations of the Former Agency in order to achieve debt service savings within the parameters set forth in Section 34177.5(a)(1) (the "Savings Parameters"), and to issue bonds for such purpose pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law")

WHEREAS, the Successor Agency determined that it will achieve debt service savings on the Prior Bonds in compliance with the Savings Parameters as evidenced by the analysis prepared by its Financial Advisor, Urban Futures, Inc., describing potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the refunding of the Prior Bonds (the "Debt Service Savings Analysis");

WHEREAS, the Successor Agency has determined that the potential debt service savings evidenced by the Debt Service Savings Analysis can be achieved by refunding the Prior Bonds through the issuance, as authorized by Section 34177.5(f), by the Successor Agency of its "Successor Agency to the Redevelopment Agency of the City of Desert Hot Springs 2017 Subordinate Tax Allocation Refunding Bonds" (the "Refunding Bonds") pursuant to the Redevelopment Law, the Refunding Law and the form of a Indenture of Trust approved by the Successor Agency pursuant to the Resolution No. SA-2017-004, adopted February 21, 2017 (the "Resolution of Issuance");

WHEREAS, pursuant to Section 34179, an oversight board (the "Oversight Board") has been established for the Successor Agency and pursuant to Section 34177.5(f), the Oversight Board by Resolution No. OB-2017-003, adopted March 1, 2017, directed the Successor Agency to undertake such refunding proceedings and approved the issuance, sale and delivery of refunding bonds by the Successor Agency for the purpose of refunding the Prior Bonds;

WHEREAS, Resolution No. OB-2017-003 of the Oversight Board was submitted to the California Department of Finance for its approval of such approval by the Oversight Board and the Department of Finance in a letter dated _____, 2017 approved Resolution No. OB-2017-003 in accordance with Section 34177.5(f);

WHEREAS, the Agency has determined to sell the Refunding Bonds to Stifel, Nicolaus & Company, Incorporated (the "Underwriter") pursuant to a Purchase Contract between the Successor Agency and the Underwriter (the "Purchase Contract"), the form of which is on file with the Secretary;

WHEREAS, the Successor Agency has caused to be prepared a form of Official Statement describing the Refunding Bonds and containing material information relating to the Refunding Bonds, the preliminary form of which is on file with the Secretary;

WHEREAS, the Successor Agency, with the aid of its staff, has reviewed the Purchase Contract and the Official Statement and wishes at this time to approve the foregoing as in the public interests of the Successor Agency and applicable taxing entities;

NOW THEREFORE, THE CITY COUNCIL ACTING AS SUCCESSOR AGENCY HEREBY RESOLVES AS FOLLOWS:

SECTION 1. Confirmation of Approval of Issuance of the Bonds. The Successor Agency hereby confirms its actions in the Resolution of Issuance authorizing and approving the issuance of the Refunding Bonds pursuant to the Indenture and under the Redevelopment Law and the Refunding Law.

SECTION 2. Approval of Official Statement. The Successor Agency hereby approves the preliminary Official Statement describing the Refunding Bonds, in substantially the form on file with the Secretary. Each of the Mayor of the City of Desert Hot Springs, as Chair of the Successor Agency, the City Manager of the City of Desert Hot Springs, as the chief administrative officer of the Successor Agency, the Finance Director, as the chief financial officer of the Successor Agency, the City Attorney of the City, as the general counsel of the Successor Agency, or the written designee of any such officer (each, an "Authorized Officer"), is hereby authorized and directed to execute and deliver the final Official Statement for and on behalf of the Successor Agency, to deliver to the Underwriter a certificate with respect to the information set forth therein and to deliver to the Underwriter a Continuing Disclosure Certificate

substantially in the form appended to the final Official Statement. Distribution of the preliminary Official Statement by the Underwriter is hereby approved, and, prior to the distribution of the preliminary Official Statement, either Authorized Officer is authorized and directed, on behalf of the Successor Agency, to deem the preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). The executed final Official Statement, which shall include such changes and additions thereto deemed advisable by an Authorized Officer, including bond insurance and/or a reserve surety if deemed by an Authorized Officer to be appropriate for savings, and such information permitted to be excluded from the preliminary Official Statement pursuant to the Rule, is hereby approved for delivery to the purchasers of the Refunding Bonds.

SECTION 3. Purchase Contract. The Successor Agency hereby approves the Purchase Contract prescribing the provisions for purchase and sale of the Refunding Bonds. Each Authorized Officer is hereby authorized and directed to execute and deliver, and the City Clerk, as the secretary of the Successor Agency, is hereby authorized and directed to attest to, the Purchase Contract for and in the name and on behalf of the Successor Agency, in substantially the form on file with the City Clerk, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer shall approve, such approval to be conclusively evidenced by the execution and delivery of the Purchase Contract. The Successor Agency hereby authorizes the delivery and performance of the Purchase Contract.

SECTION 4. Official Actions. All actions heretofore taken by the officers and agents of the Successor Agency with respect to the issuance of the Refunding Bonds are hereby approved, confirmed and ratified. The Authorized Officers and any and all other officers of the Successor Agency and the Commission are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in obtaining the requested approval by the California Department of Finance, and in the issuance, sale and delivery of the Refunding Bonds. Whenever in this Resolution any officer of the Successor Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

SECTION 5. Effective Date. This Resolution shall take effect from and after the date of approval and adoption thereof.

PASSED AND ADOPTED by the City Council of the City of Desert Hot Springs at a regular meeting held on the 16th day of May, 2017, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

ATTEST:

Jerryl Soriano, CMC, City Clerk

APPROVED:

Scott Matas, Mayor

APPROVED AS TO FORM:

Jennifer A. Mizrahi, City Attorney