



**Contra  
Costa  
County**

To: Successor to the Contra Costa County Redevelopment Agency  
From: FINANCE COMMITTEE  
Date: April 25, 2017

Subject: Issuance and Sale of Tax Allocation Refunding Bonds/Successor Agency

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**RECOMMENDATION(S):**

Acting as the Governing Board of the Successor Agency to the Contra Costa County Redevelopment Agency:

1. ADOPT Resolution No. 2017/147 that authorizes the issuance and sale of two series of tax allocation refunding bonds (the "Refunding Bonds") to refinance five series of County of Contra Costa Public Finance Authority Tax Allocation Bonds (the "Prior Agency Indebtedness") issued for the benefit of the former Contra Costa County Redevelopment Agency, and approving related documents and actions; AUTHORIZE the Chair of the Board of Supervisors of the County, the County Administrator, the County Director of Conservation and Development, and the Deputy director and Assistant Deputy Director of Conservation and Development, and the Community Development Bond Program Manager (the "Designated Officers") to take necessary actions and execute necessary documents in order to assist the Successor Agency with the lawful issuance and sale of the Refunding Bonds, and to use the proceeds thereof to refinance the Prior Agency Indebtedness.
2. DETERMINE that there are significant potential savings available to the Successor Agency and to applicable taxing entities as evidenced by the Debt Service Savings Analysis;
3. APPROVE the Indenture of Trust (the "Indenture") between the Successor Agency to the Contra Costa County Redevelopment Agency (the "Successor Agency") and U.S. Bank

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

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Action of Board On: **04/25/2017** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

**VOTE OF SUPERVISORS**

AYE: John Gioia, District I Supervisor  
Candace Andersen, District II Supervisor  
Diane Burgis, District III Supervisor  
Karen Mitchoff, District IV Supervisor  
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: April 25, 2017

David Twa, County Administrator and Clerk of the Board of Supervisors

By: June McHuen, Deputy

Contact: Kristen Lackey  
925-674-7888

cc:

National Association (the "Escrow Bank") and AUTHORIZE the execution, delivery and performance by the Successor Agency of the Indenture;

4. APPROVE four Escrow Deposit and Trust Agreements (the "Escrow Agreements") between the Successor Agency, County of Contra Costa Public Financing Authority (the "Authority"), and the Escrow Bank in connection with the Refunding Bonds and AUTHORIZE the execution, delivery and performance by the Successor Agency of the four Escrow Agreements;

5. AUTHORIZE the sale of the Refunding Bonds to Stifel, Nicolaus & Company

### RECOMMENDATION(S): (CONT'D)

Incorporated (the "Underwriter"); APPROVE the Bond Purchase Agreement between the Underwriter and the Successor Agency (the "Agreement) and AUTHORIZE the execution, delivery and performance by the Successor Agency of the Agreement;

6. AUTHORIZE and DIRECT the Designated Officers to take all actions necessary to obtain a municipal bond insurance policy for the Refunding Bonds and reserve account surety bond or insurance policy for the Refunding Bonds if it is determined that such action will reduce the interest cost with respect to the Refunding Bonds;

7. DIRECT staff and consultants to prepare a form of official statement for the Refunding Bonds;

8. REQUEST the Oversight Board to undertake refunding proceedings and make certain determinations;

9. AUTHORIZE and DIRECT the Secretary of the Successor Agency to file a certified copy of this Resolution with the Oversight Board; and

10. AUTHORIZE the Designated Officers to approve modifications to the documents approved by this Resolution.

### FISCAL IMPACT:

The issuance of Refunding Bonds at current market rates is expected to save over \$25 million in debt service payments over the next 19 years. The savings will be distributed among the various taxing entities within the former redevelopment project areas.

### BACKGROUND:

In 1999, 2003 and 2007, the County of Contra Costa Public Financing Authority (the "Authority"), issued bonds for the benefit of the former Contra Costa County Redevelopment Agency (the "RDA"). The bond debt service is paid from the revenue of twelve tax increment loans made to the former redevelopment project areas (Contra Costa Centre, North Richmond, Bay Point, Rodeo, and Montalvin Manor) from bond proceeds.

Staff to the Successor Agency to the RDA (the "Successor Agency"), with assistance from the County's municipal advisor, Montague DeRose and Associates, determined that, due to prevailing market conditions, it is in the best interest of the Successor Agency to refund the existing bonds with the issuance of two series of refunding bonds (the "Refunding Bonds"). The proposed refunding is expected to save approximately \$25 million in debt service payments over the next 19 years. This is a savings of 14.2 percent, which is significantly greater than the 3 percent savings required by the County's Debt Management Policy for Tax Allocation Bonds. The debt service savings will be distributed to the various taxing entities within the former redevelopment project areas. The refunding will consolidate the outstanding bonds and underlying loans resulting in a significant reduction of the monitoring and reporting burden on County staff.

In addition to this recommended action of the Authority, the Finance Committee is recommending parallel actions from the Governing Board of the Successor Agency (see April 25, 2017 agenda item D.5.) If approved by the Successor Agency, the Successor

Agency Oversight Board will consider authorizing the issuance of the Refunding Bonds at its May 4, 2017 meeting. The State Department of Finance must review and approve the transaction before staff can return to the Successor Agency for approval of the final bond sale transaction and associated documents.

CONSEQUENCE OF NEGATIVE ACTION:

The Successor Agency will be unable to issue the Refunding Bonds and thereby increase revenue to the taxing entities in the former redevelopment project areas.

ATTACHMENTS

Resolution No. 2017/147

Escrow Agreement for the 2007A-T Authority Bonds

Indenture of Trust

Debt Service Savings Analysis

Escrow Agreement for the 1999 Authority Bonds

Escrow Agreement for the 2003 Authority Bonds

Escrow Agreement for the 2007A and 2007B Authority Bonds

Bond Purchase Agreement