

REPORT TO FINANCING AUTHORITY

DATE: APRIL 23, 2008

TO: HONORABLE CHAIRMAN AND MEMBERS OF THE FINANCING AUTHORITY

FROM: GREG RAMIREZ, EXECUTIVE DIRECTOR

BY: NATHAN HAMBURGER, ASSISTANT EXECUTIVE DIRECTOR

SUBJECT: PROPOSED ISSUANCE BY THE AGOURA HILLS REDEVELOPMENT AGENCY OF ITS SERIES 2008 TAX ALLOCATION BONDS AND SERIES 2008 HOUSING SET-ASIDE BONDS

Adoption of the attached resolutions will allow staff to proceed with (i) the issuance of bonds by the Agoura Hills Redevelopment Agency and (ii) the use of proceeds of the bonds to finance the purchase of land for redevelopment projects in the Agoura Hills Redevelopment Project Area (the "Project Area") and the purchase of land or other projects consistent with the approved Housing Implementation Strategy.

The Bonds consist of two series: 1) the "Series 2008 Tax Allocation Bonds", in an aggregate principal amount not to exceed \$7.5 million, and 2) the "Series 2008 Housing Set-Aside Bonds", in an aggregate principal amount not to exceed \$11.0 million. The Series 2008 Tax Allocation Bonds will be issued as taxable bonds. Repayment of the Series 2008 Tax Allocation Bonds will be secured by tax increment revenues generated in the Project Area and repayment of the Series 2008 Housing Set-Aside Bonds will be secured by the housing set-aside portion (e.g., the 20% set-aside) of tax increment generated in the Project Area.

Resolution No. 08-007 approves the execution and delivery of a Bond Purchase Agreement in connection with the Series 2008 Tax Allocation Bonds. The resolution permits staff to make the necessary changes to the Bond Purchase Agreement in order to finalize and execute the agreement.

Resolution No. 08-008 approves the execution and delivery of a Bond Purchase Agreement in connection with the Series 2008 Housing Set-Aside Bonds. The resolution permits staff to make the necessary changes to the Bond Purchase Agreement in order to finalize and execute the agreement.

Summary Of Bond Purchase Agreements

There is a separate Bond Purchase Agreement for the Series 2008 Tax Allocation Bonds (Attachment A) and for the Series 2008 Housing Set-Aside Bonds (Attachment B). These are

agreements between the Agency, the Agoura Hills Financing Authority, and the Underwriter for the purchase and sale of the Bonds. Pursuant to the Bond Purchase Agreements, the Authority agrees to purchase the Agency's Bonds and, in turn, to sell the Bonds to the Underwriter at specified prices and interest rates, subject to the receipt of certain opinions, certificates and other conditions. The Bond Purchase Agreements will be presented to the appropriate officers of the Agency and Authority for approval and execution as soon as the Underwriter has completed the process of offering and then pricing the Bonds in the market.

On March 28, 2008, staff, along with the guidance of the City's financial advisor, issued a Request for Proposal from qualified underwriters of the proposed bonds. The City received five (5) proposals which have been reviewed in depth. Although staff is very confident that the City will receive bond insurance coverage, specifically for the non-housing bonds, it is recommended that the City wait until a formal notification is given prior to selecting the underwriter. Staff will continue to complete its due diligence to insure the highest net proceeds for the City/Agency based on whether or not insurance coverage is approved.

RECOMMENDATION

Staff respectfully recommends the Authority adopt the following Resolutions in connection with the Bonds:

Resolution No. 08-007; A RESOLUTION OF THE AGOURA HILLS FINANCING AUTHORITY APPROVING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT IN CONNECTION WITH TAX ALLOCATION BONDS

Resolution No. 08-008; A RESOLUTION OF THE AGOURA HILLS FINANCING AUTHORITY APPROVING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT IN CONNECTION WITH HOUSING SET-ASIDE TAX ALLOCATION BONDS

Attachments: Resolution Nos. 08-007 and 08-008
(A) Bond Purchase Agreement for the Series 2008 Tax Allocation Bonds
(B) Bond Purchase Agreement for the Series 2008 Housing Set-Aside Bonds

RESOLUTION NO. 08-007

A RESOLUTION OF THE AGOURA HILLS FINANCING AUTHORITY APPROVING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT IN CONNECTION WITH TAX ALLOCATION BONDS

WHEREAS, the City Council of the City of Agoura Hills approved and adopted a redevelopment plan for a redevelopment project designated as the Agoura Hills Redevelopment Project Area (the “Project Area”); and

WHEREAS, the Agoura Hills Redevelopment Agency (the “Agency”) desires to issue its Tax Allocation Bonds (Agoura Hills Redevelopment Project Area), Series 2008 (Taxable) (the “Bonds”) for the purpose of financing the costs of redevelopment within the Project Area; and

WHEREAS, pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (being Article 4, Chapter 5, Division 7, Title 1 of the California Government Code), the Agoura Hills Financing Authority (the “Authority”) has the authority to purchase and resell the Bonds; and

WHEREAS, there has been presented to the Authority the form of a Bond Purchase Agreement (the “Purchase Agreement”) proposed to be entered into by and among the Authority, the Agency and an underwriter to be selected by the Executive Director of the Agency, with respect to the Bonds;

NOW, THEREFORE, THE AGOURA HILLS FINANCING AUTHORITY HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS AS FOLLOWS:

Section 1. Recitals. The above recitals, and each of them, are true and correct.

Section 2. Purchase Agreement. The Purchase Agreement in the form presented and on file with the Secretary of the Authority (the “Secretary”) and the purchase and resale of the Bonds pursuant to the Purchase Agreement upon the terms and conditions set forth therein are hereby approved. Subject to the parameters set forth in the Resolution of the Agency authorizing the sale and issuance of the Bonds, each of the Chairperson and Vice Chairperson of the Board of Directors and the Executive Director (each, an “Authorized Officer”), acting singly, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Purchase Agreement in substantially said form, with such changes therein as the Authorized Officer executing the same may approve (such approval to be conclusively evidenced by such Authorized Officer’s execution and delivery thereof).

Section 3. Other Acts. Each Authorized Officer and the other officers of the Authority are hereby authorized and directed, jointly and severally, to execute and deliver any and all documents and instruments which they may deem necessary or proper in connection with the purchase and resale of the Bonds as described above, or otherwise to effectuate the purposes of this Resolution and the Purchase Agreement, and any such actions previously taken by such officers are hereby ratified, confirmed and approved.

Section 4. Effective Date. This Resolution shall take effect immediately upon adoption.

PASSED, APPROVED, AND ADOPTED, by the Agoura Hills Financing Authority at a meeting held on April, 23, 2008, by the following vote to wit:

AYES: (0)
NOES: (0)
ABSTAIN: (0)
ABSENT: (0)

John M. Edelston, Authority Chair

ATTEST:

Kimberly M. Rodrigues, Authority Secretary

RESOLUTION NO. 08-008

A RESOLUTION OF THE AGOURA HILLS FINANCING AUTHORITY APPROVING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT IN CONNECTION WITH HOUSING SET-ASIDE TAX ALLOCATION BONDS

WHEREAS, the City Council of the City of Agoura Hills approved and adopted a redevelopment plan for a redevelopment project designated as the Agoura Hills Redevelopment Project Area (the “Project Area”); and

WHEREAS, the Agoura Hills Redevelopment Agency (the “Agency”) desires to issue its Housing Set-Aside Tax Allocation Bonds (Agoura Hills Redevelopment Project Area), Series 2008A and Housing Set-Aside Tax Allocation Bonds (Agoura Hills Redevelopment Project Area), Series 2008B (Taxable) (together, the “Bonds”) for the purpose of financing the costs of redevelopment within the Project Area; and

WHEREAS, pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (being Article 4, Chapter 5, Division 7, Title 1 of the California Government Code), the Agoura Hills Financing Authority (the “Authority”) has the authority to purchase and resell the Bonds; and

WHEREAS, there has been presented to the Authority the form of a Bond Purchase Agreement (the “Purchase Agreement”) proposed to be entered into by and among the Authority, the Agency and an underwriter to be selected by the Executive Director of the Agency, with respect to the Bonds;

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