Office of Community Investment & Infrastructure

Final Approval of Bonds

Taxable Refunding Bonds (2017D)

and

Tax-Exempt Refunding Bonds (2017E)

October 17, 2017

OCII

Organizational Bodies

1. **OCII Commission**
2. **Financing Authority**

Proposed Issuances

2017D:	Taxable,
	Refunds 5 Bonds: 2009A, 2009B, 2009E, 2010A, & 2011A
2017E:	Tax-Exempt,
	Refunds 2 Bonds: 2009F & 2011B

2017D: Taxable Refunding Bonds

Bond Details

Par Amount:	$118.2M
Use of Proceeds:	Refunding 2009A, 2009B, 2009E, 2010A, 2011A
Credit:	RPTTF
Rating:	AA-
Subordination:	Loan Agreements
Final Maturity:	August 1, 2041
Avg. Ann Debt Svc:	$6.5M
Total Interest Cost:	3.5%

2017D: Taxable Refunding Bonds

Sources		Uses	
Par Amount	$ 118,180,000	Refunding Escrow	$ 132,352,300
Prior Reserve Funds	$ 15,162,403		
		Cost of Issuance	$ 383,992
		Underwriter's Discount	$ 422,605
		Surety	$ 183,506
Total Sources	**$ 133,342,403**	**Total Uses**	**$ 133,342,403**

2017E: Tax-Exempt Refunding Bonds

Bond Details

Par Amount:	$20.3M
Use of Proceeds:	Refunding 2009F and 2011B
Credit:	RPTTF
Rating:	AA-
Subordination:	Loan Agreements
Final Maturity:	August 1, 2041
Avg. Ann. Debt Svc:	$1.5M
Total Interest Cost:	3.62%

2017E: Tax-Exempt Refunding Bonds

Sources		Uses	
Par Amount	$ 20,315,000	Refunding Escrow	$ 25,631,905
Premium	$ 3,355,695		
Prior Reserve Funds	$ 2,168,502	Cost of Issuance	$ 75,189
		Underwriter's Discount	$ 100,559
		Surety	$ 31,544
Total Sources	**$ 25,839,197**	**Total Uses**	**$ 25,839,197**

2017D & 2017E Refunding Bonds

Complies with debt policy savings requirements

- Debt Policy requires NPV savings of 3.00%
- 2017D has estimated NPV savings of 20.24% ($23.06M)
- 2017E has estimate NPV savings of 19.42% ($4.3M)

Commission

Function: OCII governing body

Role: Confirms conformance with OCII debt policy and approves of bond documents and staff actions

Action: Resolutions approve Official Statement, in substantial form, with non-materials changes delegated to the Executive Director

Official Statement

Discloses information to potential investors regarding structure and security of bonds

Plan of Finance
Sources and Uses
Bonds
Debt Service Schedule
Security and Sources of Payment
Successor Agency
Project Areas
Pledged Tax Rev & Debt Svc
Risk Factors

Limitations on Tax Revenues
Tax Matters
Litigation
Continuing Disclosure
Legal Matters
Municipal Advisors
Financial Statements
Underwriting

OCII and Commission Liability

Distribution of the POS by OCII is subject to federal securities laws

- Federal securities laws require the POS to include all material facts
- Material facts are those facts that have a substantial likelihood to have actual significance in the deliberations of the reasonable investor
    - Repayment,
    - Tax-exempt status,
    - Undisclosed conflicts of interest with interested parties,
- If a member of the Commission has knowledge of any material facts or circumstances, he or she should endeavor to discover whether such facts are adequately disclosed in the Preliminary Official Statement.

Commission Resolutions

Staff recommends the Commission approve:

Resolution 43-2017 approving Preliminary Official Statement and other documents and actions required to complete the issuance of the 2017D and 2017E Refunding Bonds

Financing Authority

- Created as separate entity in 1989
- Pre-dissolution: Facilitated financing for SFRDA and composed of SFRDA Commission Members
- Post-dissolution: Facilitates financing for OCII and composed of OCII Commission Members
- Approves the refunding and related Redemption Agreements

Financing Authority

Redemption Agreements – Dictate financial terms under which the "old" bonds and loans will be refunded.

Financing Authority Resolutions

Staff recommends the Financing Authority approve:

- Resolution 3-2017: Approving the refunding of certain existing bonds and the execution of related Redemption Agreements pursuant to the 2017D and 2017E refunding bonds issuances.

Prior Action

Body	**Date**
Commission	June 20, 2017
Oversight Board	July 10, 2017
Department of Finance	September 11, 2017

Next Steps

Action	**Date**
Bond Issuance	Early November 2017
Bond Closing	Late November 2017

THANK YOU

OCII