

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2018 DEC -5 PM 4:39

Approved as to Form and Legality


City Attorney's Office
Ravi S. Patel

OAKLAND CITY COUNCIL

RESOLUTION NO. 87980 C.M.S.

RESOLUTION APPROVING THE ISSUANCE OF CITY OF OAKLAND GENERAL OBLIGATION BONDS (MEASURE KK) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$190,000,000 AND CITY OF OAKLAND GENERAL OBLIGATION REFUNDING BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$69,000,000; APPROVING A FISCAL AGENT AGREEMENT AND ESCROW AGREEMENT; AND AUTHORIZING NECESSARY RELATED ACTIONS

WHEREAS, the City Council of the City of Oakland (the "City") desires to authorize the issuance of its General Obligation Bonds (Measure KK), Series 2020B-1 (Tax-Exempt) (the "Series 2020B-1 Bonds"), General Obligation Bonds (Measure KK), Series 2020B-2 (Taxable) (the "Series 2020B-2 Bonds" and collectively with the Series 2020B-1 Bonds, the "Measure KK Bonds") and "General Obligation Refunding Bonds, Series 2020 (Taxable) (the "Refunding Bonds", and collectively with the Measure KK Bonds, the "Bonds"); and

WHEREAS, the Measure KK Bonds will be issued under an Ordinance Authorizing The Issuance of Infrastructure Bonds In An Amount Not To Exceed \$600 Million To Improve Public Safety And Invest In Neighborhoods ("Measure KK"), which was approved by more than two-thirds of the qualified voters of the City at the November 8, 2016, Statewide General Election; and

WHEREAS, the City previously authorized an initial issuance of Measure KK tax-exempt and taxable bonds in an aggregate principal amount not to exceed \$125,000,000 pursuant to Resolution No. 86817 C.M.S on June 29, 2017 and now desires to authorize the current further issuance;

WHEREAS, the proceeds of the indebtedness authorized by Measure KK will be used to acquire and make improvements to real property such as improvement and rehabilitation of streets, sidewalks and related infrastructure, renovation and rehabilitation of City facilities including libraries, public safety, recreation and other buildings, and acquisition, improvement, rehabilitation, preservation, construction and repair of affordable housing; and

WHEREAS, this City Council intends to issue the Measure KK Bonds for the purposes set forth above, pursuant to Measure KK and the City of Oakland Affordable Housing and Infrastructure Bond Law, Oakland Municipal Code, Chapter 4.54 (the "Bond Act"); and

WHEREAS, pursuant to Section 2(C) of Measure KK and the Bond Act, the City has approved projects eligible to be funded from Measure KK bond revenues pursuant to Resolution Nos. 86773 C.M.S., 86774 C.M.S., 86814 C.M.S., 86815 C.M.S., 86816 C.M.S. and a Resolution anticipated to be approved concurrently with this Resolution (the "Projects"); and

WHEREAS, the City issued its General Obligation Refunding Bonds, Series 2012 (the "Prior Bonds") on January 10, 2012; and

WHEREAS, pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Government Code"), the City is authorized to issue general obligation bonds to refund all or a portion of the Prior Bonds if the City Council determines that prudent management of the fiscal affairs of the City requires the issuance of such refunding bonds, and if the total net interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds does not exceed the total net interest cost to maturity of the Prior Bonds plus the principal amount of the Prior Bonds; and

WHEREAS, the City Council determines that prudent management of the fiscal affairs of the City requires the issuance of the Refunding Bonds for the purpose of refunding all or a portion of the Prior Bonds according to the terms and in the manner hereinafter set forth; and

WHEREAS, there have been submitted and are on file with the Clerk of this City Council (the "Clerk") proposed forms of a fiscal agent agreement, (the "Fiscal Agent Agreement"), by and between the City and U.S. Bank National Association as fiscal agent, and an escrow agreement (the "Escrow Agreement") by and between the City and The Bank of New York Mellon Trust Company, N.A., with respect to the Bonds; and

WHEREAS, pursuant to Section 5852.1 of the Government Code of the State of California, the City has received certain representations and good faith estimates from the Municipal Advisor and the City has disclosed such good faith estimates as set forth on Exhibit A attached hereto; now, therefore be it

RESOLVED: By the City Council of the City of Oakland as follows:

Section 1. Recitals. All of the above recitals are true and correct.

Section 2. Authorization of Bonds. This City Council hereby authorizes and approves the issuance of: "City of Oakland General Obligation Bonds (Measure KK) Series 2020B-1 (Tax-Exempt)" (the "Series 2020B-1 Bonds") in an aggregate principal amount not to exceed \$145,120,000; "City of Oakland General Obligation Bonds (Measure KK) Series 2020B-2 (Taxable)" (the "Series 2020B-2 Bonds," and collectively with the Series 2020B-1 Bonds, the "Measure KK Bonds") in an aggregate principal amount not to exceed \$44,880,000; and "City of Oakland General Obligation Refunding Bonds, Series 2020 (Taxable)" (the "Refunding Bonds" and collectively with the Measure KK Bonds, the "Bonds") in an aggregate principal amount not exceed 69,000,000. The principal amounts shall be finally determined by the City Administrator, the Director of Finance or such other officer of the City designated by the City Administrator or the Director of Finance in writing (each being hereinafter referred to as an "Authorized Representative"). The Bonds shall have a final maturity date no later than 31 years after issuance of the Bonds; and shall bear interest at an interest rate not to exceed a true interest cost of 6.00%.

Section 3. Terms of the Bonds. The aggregate principal amount of Bonds, the date thereof, the maturity dates, principal amounts and annual rates of interest of each maturity thereof, the initial and semiannual interest payment dates thereof, and the terms of optional and mandatory sinking fund redemption thereof, shall be as specified in the Fiscal Agent Agreement as executed by an Authorized Representative.

Section 4. Tax Levy. For the purpose of paying principal of and interest on the Measure KK Bonds and Refunding Bonds, the City Council shall, at the time of making the general tax levy after incurring the bonded indebtedness, and annually thereafter until the Measure KK Bonds and Refunding Bonds are paid or until there is a sum in the treasury of the City set apart for that purpose sufficient to meet all payments of principal and interest on the Measure KK Bonds and Refunding Bonds as they become due, levy and collect a tax sufficient to pay the interest on the Measure KK Bonds and Refunding Bonds and such part of the principal and interest as will become due before the proceeds of a tax levied at the next general tax levy will be available; provided, however, that if it is expected that all or any part of the Measure KK Bonds or Refunding Bonds will be sold at such time that the principal of or interest on such Bonds will become due before the proceeds of a tax levied after such sale would be available to pay such principal or interest, the City Council, at the time of fixing the annual tax levy, may levy a tax in an amount clearly sufficient to pay that portion of the principal of and interest on such Bonds which it is expected will become due before the proceeds of the next succeeding tax levy will be available. Such taxes shall be levied and collected as other City taxes that are collected on the assessor's roll for the County of Alameda and shall be in addition to all other taxes and shall be used only for payment of the principal of the Measure KK Bonds and Refunding Bonds and interest thereon. Said taxes as collected shall be forthwith paid into the fund for which the same were levied and collected and which shall be designated the "City of Oakland General Obligation Bonds (Measure KK) Debt Service Fund" and "City of Oakland General Obligation Refunding Bonds Debt Service Fund" (collectively, the "Debt Service Funds"), and all sums to become due for the principal of and interest on the Measure KK Bonds or Refunding Bonds shall be paid from the related Debt Service Fund.

When all of the principal of and interest on the Measure KK Bonds or Refunding Bonds shall have been paid, any balance of money then remaining in the related Debt Service Fund shall be transferred to the general fund of the City.

Section 5. Fiscal Agent Agreement. The form of the Fiscal Agent Agreement, by and between the City and U.S. Bank National Association, in substantially the form on file with the Clerk, is hereby approved and authorized. Any Authorized Representative is hereby authorized and directed to execute and deliver an agreement in substantially said form, completed with terms as shall be agreed to by the Authorized Representative in accordance with this Resolution, and with such other additions, changes or modifications therein as the Authorized Representative, upon consultation with legal counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. Escrow Agreement. The form of the Escrow Agreement, by and between the City and The Bank of New York Mellon Trust Company, N.A., in substantially the form on file with the Clerk, is hereby approved and authorized. Any Authorized Representative is hereby authorized and directed to execute and deliver an agreement in substantially said form, completed with terms as shall be agreed to by the Authorized Representative in accordance with this Resolution, and with such other additions, changes or modifications therein as the Authorized Representative, upon consultation with legal counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. Appointment of Bond Counsel, Disclosure Counsel and Municipal Advisor. The City Council hereby acknowledges the appointments by the City Attorney of Orrick, Herrington & Sutcliffe LLP, as bond counsel ("Bond Counsel"), and Curis Bartling P.C., as disclosure counsel ("Disclosure Counsel"). The selection by the Director of Finance of Fieldman, Rolapp & Associates, as municipal advisor ("Municipal Advisor") with respect to the Bonds, is hereby affirmed.

Section 8. Authorization of Further Actions. The officers and employees of the City are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized, and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution. Each Authorized Representative is hereby authorized and directed to execute and deliver any and all notices, certificates and representations, including signature certificates, no-litigation certificates, tax certificates, notices to the California Debt and Investment Advisory Commission, and to enter into such agreements or contracts or other services with respect to the Bonds, as such officers deem necessary and desirable to accomplish the purposes of this Resolution.

Section 9. Reimbursement. The City Council for purposes of establishing compliance with Section 1.150-2 of the Treasury Regulations hereby declares the City's intent to reimburse the City with the proceeds of the Bonds for expenditures with respect to the Projects.

Section 10. Ratification of Actions. All actions heretofore taken by the officers and agents of the City with respect to the issuance of the Bonds, and the other transactions authorized and contemplated herein, are hereby approved, confirmed and ratified.

Section 11. Effective Date. This Resolution shall be effective immediately upon passage.

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IN COUNCIL, OAKLAND, CALIFORNIA,

DEC 10 2019

PASSED BY THE FOLLOWING VOTE:

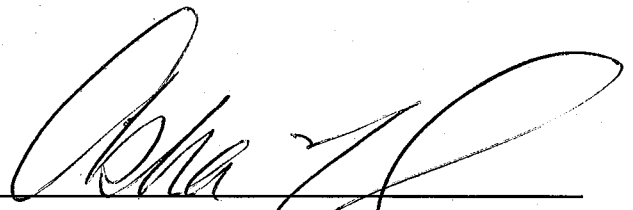
AYES - FORTUNATO BAS, GALLO, GIBSON MCELHANEY, KALB, REID, TAYLOR, THAO AND PRESIDENT KAPLAN - 8

NOES - 0

ABSENT - 0

ABSTENTION - 0

ATTEST:



LATONDA SIMMONS
City Clerk and Clerk of the Council of the
City of Oakland, California

Exhibit A

GOOD FAITH FINANCIAL ESTIMATES RELATED TO THE 2020 MEASURE KK BONDS AND THE 2020 REFUNDING BONDS

The good faith financial estimates set forth herein are provided with respect to the Measure KK Bonds Series 2020B-1 (Tax Exempt) SeriesB-2 (Taxable) collectively the ("2020 Measure KK Bonds") and the 2020 General Obligation Refunding Bonds (Taxable) ("2020 Refunding Bonds") in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the City by Fieldman, Rolapp & Associated the City's Municipal Advisor (the "Municipal Advisor").

Principal Amounts. The Municipal Advisor has informed the City that, based on the City's financing plan and current market conditions, its good faith estimate of the aggregate principal amounts of the 2020 Measure KK Bonds to be sold is \$184,125,000 and the 2020 Refunding Bonds to be sold is \$64,505,000 (the "Estimated Principal Amounts").

True Interest Cost of the 2020 Measure KK Bonds and the 2020 Refunding Bonds. The Municipal Advisor has informed the City that, assuming that the respective Estimated Principal Amounts of the 2020 Measure KK Bonds and the 2020 Refunding Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the 2020 Measure KK Bonds and the 2020 Refunding Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the 2020 Measure KK Bonds is 2.91% and for the 2020 Refunding Bonds, is 3.01%.

Finance Charge of the 2020 Measure KK Bonds and the 2020 Refunding Bonds. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amounts of the 2020 Measure KK Bonds and the 2020 Refunding Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the 2020 Measure KK Bonds is \$1,109,058.80 and for the 2020 Refunding Bonds is \$389,370.11 which means the sum of all fees and charges paid to third parties (or costs associated with the Refunding Bonds).

Amount of Proceeds to be Received. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amounts of the 2020 Measure KK Bonds and the 2020 Refunding Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the City for sale of the 2020 Measure KK Bonds is \$183,779,025.40 and for the 2020 Refunding Bonds is \$64,115,629.89, less the finance charge of the 2020 Measure KK Bonds and the 2020 Refunding Bonds, as estimated above.

Total Payment Amounts. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amounts of the 2020 Measure KK Bonds and the 2020 Refunding Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amounts, which means the sum total of all payments the City will make to pay debt service on the 2020 Measure KK Bonds and the 2020 Refunding Bonds, plus the finance charge for the 2020 Measure KK Bonds and the 2020 Refunding Bonds, as described above, not paid with the proceeds of the 2020 Measure KK Bonds and the 2020 Refunding Bonds, calculated to the final maturity of the 2020 Measure KK Bonds is \$278,665,446.55 and for the 2020 Refunding Bonds, is \$77,948,181.78.

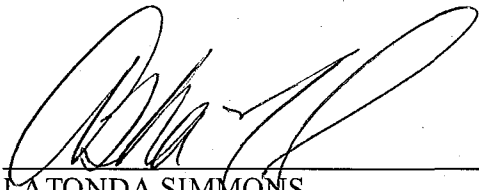
The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates. The actual principal amounts of the 2020 Measure KK Bonds and the 2020 Refunding Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the 2020 Measure KK and the 2020 Refunding Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of 2020 Measure KK Bonds and the 2020 Refunding Bonds sold being different from the respective Estimated Principal Amounts, (c) the actual amortization of the 2020 Measure KK Bonds and the 2020 Refunding Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the 2020 Measure KK Bonds and the 2020 Refunding Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the City's financing plan, or a combination of such factors. The actual date of sale of the 2020 Measure KK Bonds and the 2020 Refunding Bonds and the actual principal amounts of Measure KK and the 2020 Refunding Bonds sold will be determined by the City based on various factors. The actual interest rates borne by the 2020 Measure KK Bonds and the 2020 Refunding Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the 2020 Measure KK Bonds and the 2020 Refunding Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the City.

CERTIFICATE OF THE CITY CLERK

I, LaTonda Simmons, City Clerk and Clerk of the City Council of the City of Oakland (the "City"), hereby certify that the foregoing is a full, true and correct copy of Resolution No ~~878~~ 878 duly adopted at a meeting of the City Council of the City duly and regularly held on December 10, 2019, of which meeting all of said City Council had due notice.

I further certify that I have carefully compared the foregoing copy with the original minutes of said meeting on file and of record in my office; that said copy is a true, complete and correct copy of the original resolution duly adopted at said meeting and entered in said minutes; and that said resolution has not been modified, amended, rescinded or revoked except as provided in such resolution in any manner since the date of their adoption, and the same is now in full force and effect.

IN WITNESS WHEREOF, I have executed this certificate this 13 day of ~~December~~, 2019.



LATONDA SIMMONS
City Clerk and Clerk of the City Council
City of Oakland, California