

RESOLUTION NUMBER 3604

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS AUTHORIZING THE ENTERING INTO OF LOAN AGREEMENTS BY THE REDEVELOPMENT AGENCY OF THE CITY OF PERRIS RELATING TO ITS 1987 REDEVELOPMENT PROJECT, 1994 REDEVELOPMENT PROJECT, CENTRAL AND NORTH REDEVELOPMENT PROJECT, AND THE AGENCY'S HOUSING FUND, IN CONNECTION WITH THE ISSUANCE OF THE PERRIS PUBLIC FINANCING AUTHORITY 2006 TAX ALLOCATION REVENUE BONDS; AND APPROVING CERTAIN ITEMS AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Redevelopment Agency of Perris (the "Agency") is a redevelopment agency authorized pursuant to the Community Redevelopment Law of the State of California, being Part 1 of Division 24 (commencing with Section 33000) of the California Health and Safety Code, as amended, (the "Law") to incur indebtedness for the purpose of financing and refinancing certain redevelopment and low and moderate income housing activities within and for the benefit of its redevelopment project areas; and

WHEREAS, redevelopment plans for redevelopment projects known and designated as the "1987 Redevelopment Project," the "1994 Redevelopment Project" and the "Central and North Redevelopment Project" (collectively referred to herein as the "Redevelopment Projects") have been adopted and approved and all requirements of the Law for, and precedent to, the adoption and approval of said plans have been duly complied with; and

WHEREAS, the redevelopment plans for the 1987 Redevelopment Project, the 1994 Redevelopment Project and the Central and North Redevelopment Project contemplate that the Agency would, from time to time, issue its bonds to finance a portion of the cost of such redevelopment, and the Agency has from time to time issued obligations to finance such redevelopment activities; and

WHEREAS, in order to finance additional redevelopment activities with respect to the 1987 Redevelopment Project, the Agency has requested that the Perris Public Financing Authority make a loan to the Agency, pursuant to the Loan Agreement (1987 Redevelopment Project), dated as of April 1, 2006, between the Agency and the Authority in an aggregate principal amount not to exceed \$5,500,000 (the "Subordinate 1987 Project Loan"); and

WHEREAS, in order to finance additional redevelopment activities with respect to the 1994 Redevelopment Project, the Agency has requested that the Authority make a loan to the Agency pursuant to the Loan Agreement (1994 Redevelopment Project), dated as of April 1, 2006, between the Agency and the Authority in an aggregate principal amount not to exceed \$14,500,000 (the "Subordinate 1994 Project Loan"); and

WHEREAS, in order to finance additional redevelopment activities with respect to the Central and North Redevelopment Project, the Agency has requested that the Authority make a loan to the Agency pursuant to the Loan Agreement (Central and North Redevelopment Project), dated as of April 1, 2006, between the Agency and the Authority in an aggregate principal amount not to exceed \$3,500,000 (the “2006 Subordinate Central and North Project Loan”); and

WHEREAS, in order to fund low and moderate income housing activities with respect to the 1987 Redevelopment Project, the 1994 Redevelopment Project and Central and North Redevelopment Project, the Agency has requested that the Authority make a loan to the Agency in an aggregate principal amount not to exceed \$8,500,000 (the “Subordinate Housing Loan”), secured by Housing Set-Aside Revenues (as defined in the Subordinate Housing Loan Agreement); and

WHEREAS, in order to finance the Subordinate 1987 Project Loan, the Subordinate 1994 Project Loan, the 2006 Subordinate Central and North Project Loan and the Subordinate Housing Loan (collectively, the “Loans”), the Perris Public Financing Authority (the “Authority”) is determined to issue not to exceed \$32,000,000 aggregate principal amount of Perris Public Financing Authority 2006 Tax Allocation Revenue Bonds (the “2006 Bonds”) pursuant to the terms of the Indenture of Trust, dated as of April 1, 2006 (the “Indenture”), by and between the Authority and Wells Fargo Bank, National Association, as trustee, and the Marks-Roos Local Bond Pooling Act of 1985, constituting Sections 6584, *et seq.*, of the California Government Code (the “Act”); and

WHEREAS, portions of the proceeds of the 2006 Bonds will be used to make the Subordinate 1987 Project Loan, the Subordinate 1994 Project Loan, the 2006 Subordinate Central and North Project Loan and the Subordinate Housing Loan to the Agency; and

WHEREAS, the Agency deems it necessary and desirable to enter into the Loans for the purpose of financing portions of the Redevelopment Projects; and

WHEREAS, Section 33640 of the Law requires the Agency to obtain the approval of the City Council before the issuance of the Loans; and

WHEREAS, the City Council, with the aid of its staff, has reviewed the documentation relating to the issuance of the Loans, and wishes to approve the Loans and the issuance of the 2006 Bonds; and

WHEREAS, the City Clerk has caused a notice of public hearing to be published pursuant to Section 6586.5 of the Act; and

WHEREAS, the City Council has held such public hearing; and

WHEREAS, the City Council approves of the Loans and the issuance of the 2006 Bonds by the Authority to provide proceeds to make the Loans to finance public capital improvements and has found that significant public benefits will occur as a result of the financing, including, but not limited to, demonstrable savings in effective interest rate, bond preparation, bond underwriting and financing costs associated with the issuance of the 2006 Bonds as contemplated by Section 6586 of the Act;

RESOLUTION NUMBER 3604

Page 3

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Perris, California, as follows:

Section 1. The City Council of the City of Perris finds that the above recitals are true and correct and are incorporated herein by reference.

Section 2. The entering into of the Loans by the Agency and the issuance of the 2006 Bonds by the Authority to finance the Loans are hereby approved.

Section 3. Each of the Mayor, the City Manager, the Finance Director and the City Clerk of the City, and any person designated by any of them, is hereby authorized and directed, jointly and severally, to execute and deliver any and all documents and instruments and to do all things which they may deem necessary or proper for carrying out the transactions contemplated by this Resolution.

Section 4. This Resolution shall be in full force and effect from its adoption.

ADOPTED, SIGNED and **APPROVED** this 28th day of March, 2006.

Mayor, Daryl R. Busch

ATTEST:

City Clerk, Margaret Rey

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
CITY OF PERRIS)

I, Margaret Rey, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number 3604 was duly and regularly adopted by the City Council of the City of Perris at a regular meeting thereof held the 28th day of March, 2006, and that it was so adopted by the following called vote:

AYES: Rogers, Yarbrough, Landers, Motte, Busch

NOES:

ABSENT:

ABSTAIN:

City Clerk, Margaret Rey