COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 437
LOS ANGELES, CALIFORNIA 90012
TELEPHONE: (213) 974-2101 FAX: (213) 626-1812

MARK J. SALADINO
TREASURER AND TAX COLLECTOR

HOME PAGE
TTC.LACOUNTY.GOV

PROPERTY TAX PORTAL
LACOUNTYPROPERTYTAX.COM

December 24, 2013

TO: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

FROM: Mark J. Saladino
Treasurer and Tax Collector

SUBJECT: **REDEVELOPMENT BOND REFUNDING PROGRAM ACHIEVES SAVINGS IN EXCESS OF $33 MILLION**

Earlier today, my office successfully closed the first issuance of refunding bonds (the "2013 Refunding Bonds") sold under the County's Redevelopment Bond Refunding Program (the "County Program"). This County Program was first presented to your Board in January 2013 and had the stated intention of being the first countywide program in California to refinance outstanding bond obligations of the former redevelopment agencies ("RDAs"). My Department met its objective of concluding the initial series of refundings in 2013 and sold approximately $145 million of tax allocation revenue refunding bonds to the capital markets in December. Gross savings from this sale are approximately $33.6 million and will be recognized as additional future revenue by the County and other local taxing entities.

The final structure of the 2013 Refunding Bonds was highly complex and included two series of taxable bonds and four series of tax-exempt bonds issued on behalf of seven different successor agencies (to the former RDAs) and 13 separate redevelopment project areas. The 2013 Refunding Bonds are not only the first to be issued through a countywide program, but are also the first to utilize a "pooled" structure that combined individual successor agencies into a single series of refunding bonds. In the largest of the pooled series, the County Program successfully combined six successor agencies and seven different project areas into one refunding, with an aggregate par amount of close to $80 million.

The refunding bonds issued through the County Program received ratings from Standard & Poor's that ranged from 'BBB' to 'AA-'. The interest rates on the 2013 Refunding Bonds varied by series, but compared favorably to other redevelopment credits that priced during the same time period in December. A summary of the debt service savings that resulted from these interest rates is provided in the following table:

Successor Agency	Par Amount	Net Present Value Savings	Gross Debt Service Savings
Alhambra	$25,180,000	$1,744,891	$8,883,625
Claremont	5,200,000	458,559	524,663
Covina	12,151,600	1,441,851	3,136,892
CRA/Los Angeles (City of)	61,610,000	8,152,504	13,732,464
Lynwood	10,595,000	1,052,202	1,592,251
Monterey Park	20,905,000	1,329,360	4,674,111
West Hollywood	9,370,000	777,448	1,074,397
Total	**$145,011,600**	**$14,956,815**	**$33,618,403**

The savings highlighted in the preceding table will directly benefit each of the local taxing entities that receives a share of the ad valorem property tax associated with the above jurisdictions. By reducing future principal and interest payments on outstanding tax allocation bonds, the successor agencies that participated in the County Program will now have a smaller claim on tax increment revenues collected by the County. The result is increased property tax distributions to both the County and the local taxing entities.

With respect to the $33.6 million of gross savings achieved on the 2013 Refunding Bonds, the cities that sponsored the original RDAs can expect to receive anywhere between 10% and 25% of the additional property tax revenues. The County itself is expected to receive approximately 25% of the total benefit or $8.4 million over the life of the bonds. Such revenue gains represent the first installment from what is designed to be a multi-year financing program managed by my Department. It is the goal of the Treasurer and Tax Collector to complete two additional refundings in calendar 2014 and to significantly augment the savings achieved by the inaugural 2013 Refunding Bonds.

If you have any questions regarding this refunding program, please contact me directly or have your staff contact Glenn Byers at 974-7175.

MJS:GB:DB:ad
doc/RDA Refunding Prg_Closing Brd Memo_122413

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller