

RESOLUTION NO. 2025-01

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF HAWTHORNE AUTHORIZING THE ISSUANCE AND SALE BY THE SUCCESSOR AGENCY OF TAX ALLOCATION REFUNDING BONDS AND TAKING RELATED ACTIONS

RECITALS:

WHEREAS, the Community Redevelopment Agency of the City of Hawthorne (the "**Former Agency**") was a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers under and pursuant to the provisions of the Community Redevelopment Law (Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State of California (the "**Redevelopment Law**"), and the powers of the Former Agency included the power to issue bonds for any of its corporate purposes; and

WHEREAS, Project Area No. 2 (the "**Original Project Area**") in the City of Hawthorne (the "**City**"), was created by Ordinance No. 1330, adopted by the Hawthorne City Council on November 26, 1984. On September 22, 2003, the City Council adopted Ordinance No. 1785 annexing an additional 64 acres of land to the Original Project Area No. 2 (the "**Annexation Area**" and together with the Original Project Area, the "**Project Area No. 2**"); and

WHEREAS, pursuant to Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code (the "**Dissolution Act**"), enacted by AB X1 26 in June 2011, and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal. 4th 231 (2011), the Former Agency was dissolved as of February 1, 2012; and

WHEREAS, pursuant to the Dissolution Act, the Successor Agency to the Community Redevelopment Agency of the City of Hawthorne (the "**Successor Agency**") was constituted as a separate public entity from the City, and an Oversight Board to the Successor Agency (the "**Oversight Board**") was established; and

WHEREAS, Section 34177.5(a)(1) of the Dissolution Act specifically authorizes the issuance of refunding bonds by the Successor Agency to refund outstanding bonds for the purpose of reducing debt service and providing savings to the Successor Agency; and

WHEREAS, pursuant to an Indenture of Trust, dated as of January 1, 2016 (the "**2016 Indenture**"), by and between the Successor Agency and U.S. Bank Trust Company, National Association, as trustee (the "**Trustee**"), the Successor Agency issued its \$29,785,000 initial principal amount of Subordinate Tax Allocation Refunding Bonds, Series 2016, currently outstanding in the amount of \$15,625,000 (the "**2016 Bonds**"), for the purpose of refinancing redevelopment projects within or of benefit to the Project Area; and

WHEREAS, for the purpose of reducing debt service and providing savings to the Successor Agency, the Successor Agency desires to issue its Tax Allocation Refunding Bonds, Series 2025 (the “**2025 Bonds**”), in order to current refund the 2016 Bonds, secured by a pledge of property tax revenues authorized by Sections 34177.5(a) and (g) of the Health and Safety Code, and pursuant to and secured by the Indenture, dated as of [June] 1, 2025, by and between the Successor Agency and U.S. Bank Trust Company, National Association, as trustee (the “**2025 Indenture**”), all pursuant to the provisions of Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “**Refunding Bond Law**”); and

WHEREAS, proceeds from the sale of 2025 Bonds will be used to: (i) provide funds for the redemption of the 2016 Bonds, (ii) fund a deposit into a reserve account, if such deposit is required pursuant to the terms of the 2025 Indenture, and (iii) pay costs of issuance of the 2025 Bonds; and

WHEREAS, the Successor Agency will enter into an Escrow Agreement in order to refund and defease the 2016 Bonds by the 2025 Bonds and pursuant to the terms of the 2016 Indenture (the “**Escrow Agreement**”); and

WHEREAS, there has been presented to this Board an analysis of the potential debt service savings that will accrue as a result of the issuance of the 2025 Bonds to refund the 2016 Bonds; and

WHEREAS, pursuant to Health and Safety Code Sections 34177.5(f) and 34180, the issuance of the 2025 Bonds is subject to the Oversight Board’s prior approval;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF HAWTHORNE HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The issuance by the Successor Agency of the 2025 Bonds in an aggregate principal amount not to exceed Sixteen Million Dollars (\$16,000,000), pursuant to the provisions of Health and Safety Code Section 34177.5, the Refunding Bond Law and the 2025 Indenture is hereby approved and authorized.

Section 3. The 2025 Indenture, in substantially the form submitted at this meeting and made a part hereof as though set forth in full herein, is hereby approved. Each of the Chair of this Board, the Vice Chair of this Board and the Executive Director of the Successor Agency (the “**Authorized Officers**”), acting individually, is authorized to, for and in the name and on behalf of the Successor Agency, execute and deliver the 2025 Indenture in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).

Section 4. The Escrow Agreement in substantially the form submitted at this meeting and made a part hereof as though set forth in full herein, are hereby approved. Each Authorized Officer, acting singly, is hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to execute and deliver the Escrow Agreement, or either of them as applicable, in the form presented at this meeting with such changes, insertions and omissions as may be requested by Bond Counsel and approved by such Authorized Officer, said execution being conclusive evidence of such approval.

Section 5. The Successor Agency hereby appoints: (i) CSG Advisors Incorporated to serve as municipal advisor to the Successor Agency, (ii) Harris & Associates, as fiscal consultant and to assist the Successor Agency with annual reporting obligations, and (iii) Nossaman LLP to act as bond counsel and disclosure counsel. The Authorized Officers are authorized to execute, on behalf of the Successor Agency, agreements to effectuate the engagement of such firms for this refunding.

Section 6. The Authorized Officers, the Finance Officer of the Successor Agency, and all other officers of the Successor Agency are hereby authorized and directed, jointly and severally, to execute and deliver any and all documents and instruments, relating to the 2025 Bonds, and to do and cause to be done any and all acts and things (including, but not limited to, obtaining a reserve fund surety bond, a bond insurance policy or other types of credit enhancement and engagement of a verification agent for the defeasance escrow), which they may deem necessary or proper to effectuate the purposes of this Resolution, and any such actions previously taken by such officers are hereby ratified and confirmed.

Section 7. In accordance with Government Code Section 5852.1, there has been presented to this Board of Directors in the Staff Report accompanying this Resolution certain good faith estimates provided to the Successor Agency by its Municipal Advisor with respect to the Bonds. The Board of Directors hereby finds that the requirements of Government Code Section 5852.1 have been satisfied.

Section 8. This Board hereby requests that the Oversight Board approve the Successor Agency's issuance of the 2025 Bonds. The Secretary of the Successor Agency is hereby directed to transmit this Resolution to the Oversight Board for consideration at the earliest possible date.

Section 9. This Resolution shall take effect immediately upon adoption.

PASSED, APPROVED, and ADOPTED by the Board of Directors of the Successor Agency to the Community Redevelopment Agency of the City of Hawthorne at a meeting duly held on the 11th day of March, 2025.



Chair

ATTEST:


Secretary