

JOINT MEETING NOTICE AND AGENDA

SPECIAL MEETING OF MADERA CITY COUNCIL REGULAR MEETING OF THE CITY COUNCIL AS THE SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY AND SPECIAL MEETING OF CITY COUNCIL AS THE SUCCESSOR HOUSING AGENCY

Wednesday, May 9, 2018 at 6:00 p.m.

Frank A. Bergon Senior Center, 238 South D Street, Madera, California 93638

1. 6:00 p.m. – CALL TO ORDER

ROLL CALL

Mayor Andrew J. Medellin
Mayor Pro-Tem Jose Rodriguez
Council Member Cecelia K. Foley Gallegos
Council Member William Oliver
Council Member Derek O. Robinson Sr.
Council Member Charles F. Rigby
Council Member Donald E. Holley

INVOCATION

Pastor Eddie Gallegos, Good News Fellowship

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT

The first fifteen minutes of the meeting are reserved for members of the public to address the Agency or Council on items which are within the subject matter jurisdiction of the Agency or Council. Speakers shall be limited to three minutes. Speakers will be asked to identify themselves and state the subject of their comment. If the subject is an item on the Agenda, the Mayor has the option of asking the speaker to hold the comment until that item is called. Comments on items listed as a Public Hearing on the Agenda should be held until the hearing is opened. The Agency and Council are prohibited by law from taking any action on matters discussed that are not on the Agenda, and no adverse conclusions should be drawn if the Agency or Council does not respond to public comment at this time.

PRESENTATIONS

INTRODUCTIONS

2. WORKSHOP

There are no items for this section.

3. CONSENT CALENDAR

- 3A.** Minutes of the Joint Meeting of the Regular Meeting of the Madera City Council, Special Meeting of the City Council as the Successor Agency to the former Madera Redevelopment Agency and Special Meeting of the Successor Housing Agency – April 11, 2018 (**City/Successor Agency/Successor Housing Agency**)
- 3B.** Listing of Warrants Issued from April 1, 2018 to April 30, 2018 (**Successor Agency**)
- 3C.** Monthly Financial Reports – Successor Agency (**Successor Agency**)
- 3D.** Monthly Financial Reports – Code Enforcement (**City**)

4. PROJECTS AND REPORTS

There are no items for this section.

5. AGREEMENTS

- 5A.** A Resolution of the City Council of the City of Madera as the Successor Agency to the Former Madera Redevelopment Agency of the City of Madera Confirming the Issuance of Refunding Bonds, Approving Preliminary and Final Official Statements and Providing for Other Matters Properly Relating Thereto **(Successor Agency)**

6. HOUSING

- 6A.** Joint Public Hearing Regarding Consideration of Resolutions Approving 33433 Report and Approval of Sale of Real Properties Located at 757, 783, and 784 Merced Street and Consideration of a Resolution Approving Disposition and Development Agreement with Meelo Corporation **(City/Successor Housing Agency)**

- 6A.1** A Resolution of the City Council of the City of Madera, California Approving Sale of Properties Known as 757, 783 and 784 Merced Street Acquired by Tax Increment by the Former Madera Redevelopment Agency and Making Findings Related Thereto **(City)**
- 6A.2** Resolution of City of Madera as Successor Housing Agency to the Former Madera Redevelopment Agency Madera, California Approving the Sale of Properties Located at 757, 783 and 784 Merced Street for the Construction of One (1) Single Family Dwelling Unit on Each Lot Located in the City of Madera **(Successor Housing Agency)**
- 6A.3** Resolution of the City of Madera as Successor Housing Agency to the Former Madera Redevelopment Agency Madera, California Approving Disposition and Development Agreement for the Construction of Three Single Family Residences Located at 757, 783 and 784 Merced Street and Authorizing the Mayor to Execute the Agreement on Behalf of the Successor Housing Agency of the Former Madera Redevelopment Agency **(Successor Housing Agency)**

- 6B.** Joint Public Hearing Regarding Consideration of Resolutions Approving 33433 Report and Approval of Sale of Real Properties Located at 1106 and 1117 East Riverside Drive and Consideration of a Resolution Approving Disposition and Development Agreement with A-1 Construction and Remodel, Inc. **(City/Successor Housing Agency)**

- 6B.1** A Resolution of the City Council of the City of Madera, California Approving Sale of Properties Known as 1106 and 1117 East Riverside Drive Acquired by Tax Increment by the Former Madera Redevelopment Agency and Making Findings Related Thereto **(City)**
- 6B.2** Resolution of City of Madera as Successor Housing Agency to the Former Madera Redevelopment Agency Madera, California Approving the Sale of Properties Located at 1106 and 1117 East Riverside Drive for the Construction of One (1) Single Family Dwelling Unit on Each Lot Located in the City of Madera **(Successor Housing Agency)**
- 6B.3** Resolution of the City of Madera as Successor Housing Agency to the Former Madera Redevelopment Agency Madera, California Approving Disposition and Development Agreement for the Construction of Two Single Family Residences Located at 1106 and 1117 East Riverside Drive and Authorizing the Mayor to Execute the Agreement on Behalf of the Successor Housing Agency of the Former Madera Redevelopment Agency **(Successor Housing Agency)**

- 6C.** Joint Public Hearing Regarding Consideration of Resolutions Approving 33433 Report and Approval of Sale of Real Properties Located at 1030, 1034 and 1100 East Riverside Drive and Consideration of a Resolution Approving Disposition and Development Agreement with Bhandal Construction Inc. **(City/Successor Housing Agency)**

- 6C.1** A Resolution of the City Council of the City of Madera, California Approving Sale of Properties Known as 1030, 1034 and 1100 East Riverside Drive Acquired by Tax Increment by the Former Madera Redevelopment Agency and Making Findings Related Thereto **(City)**
- 6C.2** Resolution of City of Madera as Successor Housing Agency to the Former Madera Redevelopment Agency Madera, California Approving the Sale of Properties Located at 1030, 1034 and 1100 East Riverside Drive for the Construction of One (1) Single Family Dwelling Unit on Each Lot Located in the City of Madera **(Successor Housing Agency)**
- 6C.3** Resolution of the City of Madera as Successor Housing Agency to the Former Madera Redevelopment Agency Madera, California Approving Disposition and Development Agreement for the Construction of Three Single Family Residences Located at 1030, 1034 and 1100 East Riverside Drive and Authorizing the Mayor to Execute the Agreement on Behalf of the Successor Housing Agency of the Former Madera Redevelopment Agency **(Successor Housing Agency)**

6D. Joint Public Hearing Regarding Consideration of Resolutions Approving 33433 Report and Approval of Sale of Real Properties Located at 758 Merced Street, 1019 and 1023 East Riverside Drive and Consideration of a Resolution Approving Disposition and Development Agreement with Embiem Properties Inc. (City/Successor Housing Agency)

6D.1 A Resolution of the City Council of the City of Madera, California Approving Sale of Properties Known as 758 Merced Street, 1019 and 1023 East Riverside Drive Acquired by Tax Increment by the Former Madera Redevelopment Agency and Making Findings Related Thereto **(City)**

6D.2 Resolution of City of Madera as Successor Housing Agency to the Former Madera Redevelopment Agency Madera, California Approving the Sale of Properties Located at 758 Merced Street, 1019 and 1023 East Riverside Drive for the Construction of One (1) Single Family Dwelling Unit on Each Lot Located in the City of Madera **(Successor Housing Agency)**

6D.3 Resolution of the City of Madera as Successor Housing Agency to the Former Madera Redevelopment Agency Madera, California Approving Disposition and Development Agreement for the Construction of Three Single Family Residences Located at 758 Merced Street, 1019 and 1023 East Riverside Drive and Authorizing the Mayor to Execute the Agreement on Behalf of the Successor Housing Agency of the Former Madera Redevelopment Agency **(Successor Housing Agency)**

6E. Joint Public Hearing Regarding Consideration of Resolutions Approving 33433 Report and Approval of Sale of Real Properties Located at 1109 and 1113 East Riverside Drive and Consideration of a Resolution Approving Disposition and Development Agreement with GWC Management LLC (City/Successor Housing Agency)

6E.1 A Resolution of the City Council of the City of Madera, California Approving Sale of Properties Known as 1109 and 1113 East Riverside Drive Acquired by Tax Increment by the Former Madera Redevelopment Agency and Making Findings Related Thereto **(City)**

6E.2 Resolution of City of Madera as Successor Housing Agency to the Former Madera Redevelopment Agency Madera, California Approving the Sale of Properties Located at 1109 and 1113 East Riverside Drive for the Construction of One (1) Single Family Dwelling Unit on Each Lot Located in the City of Madera **(Successor Housing Agency)**

6E.3 Resolution of the City of Madera as Successor Housing Agency to the Former Madera Redevelopment Agency Madera, California Approving Disposition and Development Agreement for the Construction of Two Single Family Residences Located at 1109 and 1113 East Riverside Drive and Authorizing the Mayor to Execute the Agreement on Behalf of the Successor Housing Agency of the Former Madera Redevelopment Agency **(Successor Housing Agency)**

7. GENERAL

There are no items for this section.

8. AGENCY MEMBER REPORTS

9. CLOSED SESSION

There are no items for this section.

10. ADJOURN

The next Regular Meeting of the Successor Agency will be Wednesday, June 13, 2018.

The meeting room is accessible to the physically disabled, and the services of a translator can be made available. Requests for additional accommodations for the disabled, signers, assistive listening devices, or translators needed to assist participation in this public meeting should be made at least seventy two (72) hours prior to the meeting. Please call the Human Resources Office at (559) 661-5401. Those who are hearing impaired may call 711 or 1-800-735-2929 for TTY Relay Service.

Any writing related to an agenda item for the open session of this meeting distributed to the Agency/City Council less than 72 hours before this meeting is available for inspection at the Agency office located at 428 East Yosemite Avenue, Madera California 93638 during normal business hours.

Para asistencia en Español sobre este aviso, por favor llame al (559) 661-5113.

I, Claudia Mendoza, Recording Secretary, declare under penalty of perjury that I posted the above Joint Meeting Agenda of the Special Meeting of the Madera City Council, and Regular Meeting of the City Council as the Successor Agency for the former Madera Redevelopment Agency and Special Meeting of the City Council as the Successor Housing Agency for May 9, 2018 to be held at 6:00 p.m. in the Council Chambers at City Hall near the front entrances of City Hall before the close of business on Thursday, May 3, 2018.


Claudia Mendoza, Successor Agency Recording Secretary

MINUTES OF THE JOINT SPECIAL MEETING OF MADERA CITY COUNCIL, REGULAR MEETING OF THE MADERA CITY COUNCIL AS THE SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY, AND SPECIAL MEETING OF THE MADERA CITY COUNCIL AS THE SUCCESSOR HOUSING AGENCY, CITY OF MADERA, CALIFORNIA

April 11, 2018
6:00 p.m.

City Hall
Council Chambers

1. CALL TO ORDER

Mayor Andrew Medellin opened the Regular Meeting of the City Council and the Special Meeting of the Madera City Council as the Successor Agency to the former Madera Redevelopment Agency, and Special Meeting of the Madera City Council as the Successor Housing Agency at 6:00 p.m. and called for the roll call.

ROLL CALL

Present: Mayor Andrew J. Medellin
Mayor Pro-Tem Jose Rodriguez
Council Member Cecelia K. Foley Gallegos
Council Member William Oliver
Council Member Derek O. Robinson Sr.
Council Member Charles F. Rigby
Council Member Donald E. Holley

Absent: None

Successor Agency staff members present: Executive Director Bob Wilson, City Attorney Brent Richardson, Agency Treasurer Tim Przybyla and Recording Secretary Claudia Mendoza.

City of Madera staff members present: None.

INVOCATION

Pastor Tim Echevarria. Steve, New Harvest Church

Invocation was given by Pastor Steve Estrada of New Harvest Christian Fellowship due to the absence of Pastor Tim Echevarria. Steve, New Harvest Church

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Andrew Medellin.

PUBLIC COMMENT – REGULAR SESSION

The first fifteen minutes of the meeting are reserved for members of the public to address the Council/Agency on items which are within the subject matter jurisdiction of the Council/Agency. Speakers shall be limited to three minutes. Speakers will be asked to identify themselves and state the subject of their comment. If the subject is an item on the Agenda, the Mayor has the option of asking the speaker to hold the comment until that item is called. Comments on items listed as a Public Hearing on the Agenda should be held until the hearing is opened. The Council/Agency are prohibited by law from taking any action on matters discussed that are not on the Agenda, and no adverse conclusions should be drawn if the Council/Agency does not respond to public comment at this time.

No comments were offered and Mayor Medellin closed the Public Comment portion of the meeting.

PRESENTATIONS

No Presentations were given.

INTRODUCTIONS

There are no items for this section.

2. WORKSHOP

There are no items for this section.

3. CONSENT CALENDAR

3A. Minutes of the Joint Meeting of the Regular Meeting of the Madera City Council, Special Meeting of the City Council as the Successor Agency to the former Madera Redevelopment Agency and Special Meeting of the Successor Housing Agency – February 21, 2018 (City/Successor Agency/Successor Housing Agency)

3B. Minutes of the Joint Meeting of the Regular Meeting of the Madera City Council, Special Meeting of the City Council as the Successor Agency to the former Madera Redevelopment Agency and Special Meeting of the Successor Housing Agency – March 14, 2018 (City/Successor Agency/Successor Housing Agency)

3C. Listing of Warrants Issued from March 1, 2018 to March 31, 2018 (Successor Agency)

3D. Monthly Financial Reports – Successor Agency (Successor Agency)

3E. Monthly Financial Reports – Code Enforcement (City)

Mayor Medellin asked members of the council if there were any items on the Consent Calendar they wished to have pulled for further discussion. There were none.

On motion by Council Member Rodriguez seconded by Council Member Holley on the Consent Calendar was approved unanimously as presented by the following 7/0 vote: Ayes: Council Members Medellin, Rodriguez, Robinson, Foley Gallegos, Rigby, Oliver and Holley; Noes: None; Absent: None; Abstain: None; Resulting in the unanimous approval of Minutes of the Regular Meeting of the Madera City Council, Special Meeting of the City Council as the Successor Agency to the former Madera Redevelopment Agency and Special Meeting of the Successor Housing Agency on February 21, 2018 and Minutes of the Joint Meeting of the Regular Meeting of the Madera City Council, Special Meeting of the City Council as the Successor Agency to the former Madera Redevelopment Agency and Special Meeting of the Successor Housing Agency on March 14, 2018.

4. PROJECTS AND REPORTS

There are no items for this section.

5. AGREEMENTS

5A. Consideration of a Resolution Approving a Memorandum of Understanding with Madera County through its Department of the Auditor-Controller for Acceptance of Responsibilities of Staffing Countywide Oversight Board for Successor Agencies (City)

Executive Director Wilson reported at our January meeting he brought forward an item discussing Madera County Auditor Office's request for the City of Madera Successor Agency to provide staff for the consolidated Countywide Oversight Board. We worked with the County and prepared the Memorandum of Understanding (MOU) that states what the responsibilities are going to be. It comes down to preparing the agenda and conducting the meeting. We will be working with Chowchilla to prepare the agenda and go through the process of conducting the meeting and the activities that will take place after the meeting. It is important to note that there will be only one or two Oversight Board Meetings a year and the City of Chowchilla is at the same level of activities as us. We will be reimbursed for staff time or supplies that are used to run the meeting.

No other questions or comments were offered.

Mayor Medellin called for a motion to adopt the City Council resolution

CC 18-51 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA APPROVING A MEMORANDUM OF UNDERSTANDING WITH MADERA COUNTY THROUGH ITS DEPARTMENT OF THE AUDITOR-CONTROLLER FOR ACCEPTANCE OF RESPONSIBILITIES OF STAFFING THE COUNTYWIDE OVERSIGHT BOARD FOR SUCCESSOR AGENCIES

On motion by Council Member Holley, seconded by Council Member Robinson, Resolution Number CC 18-51 was approved unanimously as presented by the following 7/0 vote: Ayes: Council Members Medellin, Rodriguez, Robinson, Foley Gallegos, Rigby, Oliver and Holley; Noes: None; Abstain: None; Absent: None.

6. HOUSING

There were no items for this section.

7. GENERAL

There were no items for this section.

8. AGENCY MEMBER REPORTS

Council Member Robinson had nothing to report.

Council Member Foley Gallegos had nothing to report.

Council Member Rigby asked Mr. Wilson when the Council should expect his succession plan. The ROPS is clear and the projects are out there. He wants to start having these conversations now so it does not sneak up on us moving forward. It feels like once a week he is asked about the RDA building. He would like to have open dialog about it. Mr. Wilson stated that he has looked into it and asked Council Member Rigby if he would like to discuss ideas right now? Council Member Rigby replied no, it could be something that is agendized. He is not saying that we need to grind out a ton of answers right now but he would like to keep that in front of us so that we are moving forward. Mr. Wilson stated that he will meet with some City staff and discuss items that you are looking for answers on and will put it on the agenda whenever it feels right, maybe next month.

Council Member Rigby stated he would appreciate a timeline. He knows that Mr. Wilson mentioned that it would be a year and a half. He would like to know what that means, or we are just throwing out numbers. It would help him out.

Mr. Wilson stated that the dissolution of RDA is a simple item to look at. We have properties that we have to sell per the Long Range Property Maintenance Plan. We also have housing properties that we are selling now, some of which are scheduled to go on the May agenda. We are working towards our final ROPS. Once that happens that will pretty much wrap up the agency and the responsibilities of the consolidated Oversight Board will move over to Chowchilla.

Mr. Wilson stated he will meet with City staff to discuss some of the other items like the RDA building. Council Member Rigby responded that he would like to have that conversation, especially with his colleagues.

Council Member Rigby reported that this afternoon he had the honor of standing with Madera Police Department's Olive Foundation. It is a non-profit organization that is dedicated to help victims of human trafficking. They take the victims off of the street, place them into housing and programs that ensures that they will no longer return to the lifestyle they were captured in. The Olive Foundation has been around for a couple of years now but recently they have taken on a few interns. One of the interns jumped on the opportunity called the Red Sand Project. It is a simple act of pouring red sand in to cracks of sidewalks. The idea of it is to be mindful and bring attention to something that usually often overlooked. Which is why it is bright red glittery sand. The idea is to keep in mind that every thirty seconds another human is enslaved into human trafficking. By the time he is done giving this talk, about ten people will have been enslaved in human trafficking. Madera is the fifth largest city in California when it comes to human trafficking. Statistics tell us that one in every three hundred high school students are already involved in prostitution. That means that there is at least ten kids at each high school already involved in human trafficking. He would encourage the Council to find a crack to fill with the red sand. If not save your bag of sands and consider doing it with your family at home or keep on your desk as a reminder that is a fight is not an easy one. Drugs don't make money anymore, people make money. The new drug on the street is human lives. We can stop this.

Mayor Medellin thanked Council Member Rigby for his involvement and stated that the numbers he just described is staggering. As we live our life, we think that this is not in Madera. But the all of the volunteers and PD will tell you otherwise. The biggest thing is coming together as a community and not having this rest on anyone's shoulders.

Council Member Holley reported this morning he had a chance to attend Millview School's safe walk to school.

Council Member Holley also stated this Saturday, Madera's Big Brother and Big Sister will be having a tournament at AMC Bowl in Fresno.

Council Member Holley is participating in a fundraiser for Madera's Big Brother and Big Sister by selling pistachios and chocolate covered nuts. The Madera Police Department and Madera County Sheriff's Department both stepped on board. It is a great inspiration. Like Council Member Rigby stated about human trafficking. We have kids that need counseling and need someone to talk to. This helps stop the human trafficking problem. If we could help a kid today, maybe tomorrow he will be a better student and help someone else. We have forty five kids on the waiting list and hopefully when we get with the PD and the Sheriff we can cut that number in half.

Mayor Pro Tem Rodriguez had nothing to report.

Council Member Oliver had nothing to report.

Mayor Medellin had nothing to report.

9. CLOSED SESSION

9A. Closed Session Announcement – General Counsel/City Attorney

9B. Conference with Real Property Negotiators - Pursuant to Government Code Section 54956.8

216 W Adell Street, APN: 038-133-001

Agency Negotiators: Bob Wilson

Negotiating Party: Pedro C. & Teresa A. Caceres

Under Negotiations: Price and Terms

The City Council retired to Closed Session at 6:19 p.m. and reconvened the meeting at 6:35 p.m. with all members present.

9C. Reconvene Closed Session

Mr. Richardson announced that the City Council met in Closed Session for one item pursuant to Government Code Section 54956.8 and noted that no reportable action was taken during Closed Session.

10. ADJOURNMENT

Mayor Medellin adjourned the Joint Special Meeting of the Madera City Council, Regular Meeting of the Madera City Council as the Successor Agency to the former Madera Redevelopment Agency, and Special Meeting of the Madera City Council as the Successor Housing Agency at 6:36 p.m.

Claudia Mendoza, Recording Secretary

Andrew J. Medellin, Mayor

**THE SUCCESSOR AGENCY TO
THE FORMER CITY OF MADERA REDEVELOPMENT AGENCY**

RETURN TO AGENDA

Memorandum To: The Honorable Chairman,
Agency Board and
Executive Director

From: Office of the Treasurer

Subject: Listing of Warrants Issued

Date: May 9, 2018

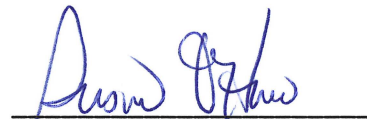
Attached, for your information, is the register of the warrants for the Successor Agency to the former Redevelopment Agency covering obligations paid during the period of:

April 1, 2018 - April 30, 2018

Each demand has been audited and I hereby certify to their accuracy and that there were sufficient funds for their payment.

General Warrants:	#1287-1300	\$	7,661.31
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Respectfully submitted,



Susan O'Haro
Financial Services Manager



Bob Wilson
Successor Agency Executive Director

THE SUCCESSOR AGENCY TO
THE FORMER CITY OF MADERA REDEVELOPMENT AGENCY
REGISTER OF AUDITED DEMANDS FOR BANK #1-UNION BANK MAIN ACCOUNT
May 9, 2018

CHECK	PAYDATE	ISSUED TO	DESCRIPTION	AMOUNT
1287	04/13/2018	BANK OF NEW YORK MELLON	2003 Bond Rebate Calculation	1,500.00
1288	04/13/2018	BANK OF NEW YORK MELLON	2008A, 2008B Bonds Rebate Calculation	1,500.00
1289	04/13/2018	BANK OF NEW YORK MELLON	1998 Bond Rebate Calculation	1,500.00
1290	04/13/2018	CITY OF MADERA	4/18 Water/Garbage Svs 5 E. Yosemite Ave.	74.67
1291	04/13/2018	MADERA CLEANERS AND LAUNDRY INC.	Mat Cleaning	4.50
1292	04/13/2018	PACIFIC GAS & ELECTRIC	3/18 Utility Svs 428 E Yosemite and 5 E Yosemite.	1,285.18
1293	04/13/2018	RICOH USA, INC	Copier maintenance fee for period 3/18	13.61
1294	04/20/2018	ANTHEM BLUE CROSS	City paid Retiree Medical Bill May- Taubert	143.67
1295	04/20/2018	ANTHEM BLUE CROSS	City paid Retiree Rx Bill - Taubert 5/1/18-6/1/18	169.80
1296	04/20/2018	CITY OF MADERA	Parking & Business District Assmt 6/30/18 5 E Yosemite	34.13
1297	04/20/2018	CITY OF MADERA	Parking & Business District Assmt 6/30/18 428 E Yosemite	113.69
1298	04/20/2018	MADERA CLEANERS AND LAUNDRY INC.	Mat Cleaning	4.50
1299	04/20/2018	MADERA UNIFIED SCHOOL DISTRICT	Fingerprinting Svs Aug 2017 through Mar 2018	1,181.00
1300	04/20/2018	SHRED-IT USA-FRESNO	Document Shredding Svs on 3/26/18	136.56
BANK #1 - Union Bank Main Acct. Total				<u>\$ 7,661.31</u>

CITY OF MADERA REDEVELOPMENT AGENCY REPORT TO SUCCESSOR AGENCY BOARD

RETURN TO AGENDA

SUCCESSOR AGENCY MEETING OF MAY 9, 2018

SUCCESSOR AGENCY ITEM NUMBER 3C & 3D

APPROVED BY


FINANCE DEPARTMENT


SUCCESSOR AGENCY EXECUTIVE DIRECTOR

Subject: Monthly Financial Reports

Background: Each month the Finance Department will be including in the agenda packet a set of reports that present the operating results for the Successor Agency during the prior month. Reports for the Code Enforcement program are also included in this presentation.

Recommendation: This report is for Successor Board Member review and no formal action is being requested.

Discussion: Due to the timing of the Successor Agency meetings, it will not be possible to reflect the results from each month based on information that is reconciled to the bank statement, since the statements are not available from the bank in time to do so. However, the information shown in the actual column is cumulative, so later months will reflect any changes made to an earlier month based on the reconciliation of accounting data to the bank and trustee statements.

CONSISTENCY WITH THE VISION MADERA 2025 PLAN

Approval of the monthly financial reports is not addressed in the vision or action plans; there is no formal action being requested, therefore, no conflict exists with any of the actions or goals contained in that plan.

Should the Successor Agency Board wish to have additional information, the Finance Department will make every effort to meet those requests.

05/03/2018
08:23:11

City of Madera, CA - LIVE 11.3
FLEXIBLE PERIOD REPORT

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RETURN TO AGENDA

FROM 2018 01 TO 2018 10

ACCOUNTS FOR:
4020 Housing Fund

	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	ACTUALS	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
40200000 Low/Mod Housing Fund							
40200000 4163 Interest Income/Loans	-203	0	-203	.00	.00	-203.00	.0%
40200000 4190 Rental Income	0	-2,100	-2,100	-2,100.00	.00	.00	100.0%
40200000 4434 Grant	-16,000	0	-16,000	.00	.00	-16,000.00	.0%
40200000 4659 Refunds and Reimbursements	0	-26,000	-26,000	-24,073.62	.00	-1,926.38	92.6%
40200000 4671 Sale of Real and Personal Pr	-250,000	-200,000	-450,000	-297,000.00	.00	-153,000.00	66.0%
40200000 5000 Salaries/Full-time	5,631	0	5,631	3,732.61	.00	1,898.39	66.3%
40200000 5005 Salaries/Part-time	526	0	526	169.94	.00	356.06	32.3%
40200000 5100 Salaries/Overtime	0	0	0	.31	.00	-.31	.0%
40200000 5105 Salaries/Leave Payout	354	80,000	80,354	2,509.04	.00	77,844.96	3.1%
40200000 5300 Public Employee Retirement S	1,318	0	1,318	539.85	.00	778.15	41.0%
40200000 5302 Long Term Disability Insuran	16	0	16	9.26	.00	6.74	57.9%
40200000 5303 Life Insurance Premiums	3	0	3	1.98	.00	1.02	66.0%
40200000 5304 Workers Compensation Insuran	552	0	552	282.68	.00	269.32	51.2%
40200000 5305 Medicare Tax- Employer's Sha	97	0	97	96.13	.00	.87	99.1%
40200000 5307 Deferred Comp/Part-Time	20	0	20	7.43	.00	12.57	37.2%
40200000 5308 Deferred Compensation/Full-t	321	0	321	137.36	.00	183.64	42.8%
40200000 5309 Unemployment Insurance	16	0	16	105.03	.00	-89.03	656.4%
40200000 5310 Section 125 Benefit Allow.	871	0	871	685.81	.00	185.19	78.7%
40200000 6401 Gas and Electric Utilities	4,000	0	4,000	499.80	.00	3,500.20	12.5%
40200000 6402 Telephone/Fax Charges	350	0	350	135.62	.00	214.38	38.7%
40200000 6411 Advertising/Bids and Notices	800	800	1,600	900.94	.00	699.06	56.3%
40200000 6416 Office Supplies/Expendable	200	0	200	3.56	.00	196.44	1.8%
40200000 6418 Postage / Other Mailing Char	100	0	100	.00	.00	100.00	.0%
40200000 6440 Contracted Services	30,000	0	30,000	22,084.58	.00	7,915.42	73.6%
40200000 6480 Adopt-A-School Grant Program	0	3,209	3,209	1,369.00	.00	1,840.00	42.7%
40200000 6485 Rehabilitation Costs	150,000	-140,000	10,000	8,436.54	.00	1,563.46	84.4%
40200000 6487 Disposal Costs	0	20,000	20,000	10,963.50	.00	9,036.50	54.8%
40200000 6515 Taxes and Assessments	2,000	0	2,000	86.72	.00	1,913.28	4.3%
40200000 6530 Conference/Training/Ed	100	0	100	.00	.00	100.00	.0%
40200000 6532 Maintenance/Other Supplies	400	0	400	429.63	.00	-29.63	107.4%
40200000 6562 Retiree Insurance Premiums	0	250	250	209.71	.00	40.29	83.9%
40200000 6802 Acquisitions	0	400,000	400,000	.00	.00	400,000.00	.0%
40200000 7030 Facilities And Improvements	450,000	-200,000	250,000	2,100.00	.00	247,900.00	.8%
TOTAL Low/Mod Housing Fund	381,472	-63,841	317,631	-267,676.59	.00	585,307.59	-84.3%
TOTAL Housing Fund	381,472	-63,841	317,631	-267,676.59	.00	585,307.59	-84.3%
TOTAL REVENUES	-266,203	-228,100	-494,303	-323,173.62	.00	-171,129.38	
TOTAL EXPENSES	647,675	164,259	811,934	55,497.03	.00	756,436.97	

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ACCOUNTS FOR:	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	ACTUALS	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
4030 Redev Prop Tax Trust Fd							
<hr/>							
40300000 Non Housing Tax Increment							
40300000 4000 Current Secured Property Tax	-3,686,763	0	-3,686,763	-3,686,763.00	.00	.00	100.0%
40300000 8200 Transfer Out	3,875,445	49,077	3,924,522	3,686,763.00	.00	237,759.00	93.9%
TOTAL Non Housing Tax Increment	188,682	49,077	237,759	.00	.00	237,759.00	.0%
TOTAL Redev Prop Tax Trust Fd	188,682	49,077	237,759	.00	.00	237,759.00	.0%
TOTAL REVENUES	-3,686,763	0	-3,686,763	-3,686,763.00	.00	.00	
TOTAL EXPENSES	3,875,445	49,077	3,924,522	3,686,763.00	.00	237,759.00	

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ACCOUNTS FOR:	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	ACTUALS	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
5750 Successor Agency Admin							
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57500000 Successor Agency Admin							
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57500000 4355 Transfer In	-250,000	0	-250,000	-250,000.00	.00	.00	100.0%
57500000 5000 Salaries/Full-time	219,753	-98,277	121,476	94,986.79	.00	26,489.21	78.2%
57500000 5005 Salaries/Part-time	20,522	-9,178	11,344	5,823.57	.00	5,520.43	51.3%
57500000 5100 Salaries/Overtime	0	0	0	6.90	.00	-6.90	.0%
57500000 5105 Salaries/Leave Payout	13,819	-6,180	7,639	55,500.02	.00	-47,861.02	726.5%
57500000 5300 Public Employee Retirement S	51,419	-22,983	28,436	13,426.63	.00	15,009.37	47.2%
57500000 5302 Long Term Disability Insuran	624	-279	345	240.61	.00	104.39	69.7%
57500000 5303 Life Insurance Premiums	136	-61	75	51.44	.00	23.56	68.6%
57500000 5304 Workers Compensation Insuran	20,157	-8,242	11,915	7,261.77	.00	4,653.23	60.9%
57500000 5305 Medicare Tax- Employer's Sha	3,768	-1,685	2,083	1,870.79	.00	212.21	89.8%
57500000 5307 Deferred Comp/Part-Time	770	-345	425	164.41	.00	260.59	38.7%
57500000 5308 Deferred Compensation/Full-t	5,014	-1,904	3,110	4,456.80	.00	-1,346.80	143.3%
57500000 5309 Unemployment Insurance	630	-282	348	2,342.03	.00	-1,994.03	673.0%
57500000 5310 Section 125 Benefit Allow.	33,978	-15,195	18,783	15,170.29	.00	3,612.71	80.8%
57500000 6401 Gas and Electric Utilities	4,000	0	4,000	14,650.46	.00	-10,650.46	366.3%
57500000 6402 Telephone/Fax Charges	3,500	0	3,500	1,246.38	.00	2,253.62	35.6%
57500000 6414 Professional Dues	300	0	300	200.00	.00	100.00	66.7%
57500000 6415 Publications/Subscriptions	100	0	100	39.00	.00	61.00	39.0%
57500000 6416 Office Supplies/Expendable	1,500	0	1,500	62.26	.00	1,437.74	4.2%
57500000 6420 Mileage Reimbursements	1,200	0	1,200	460.00	.00	740.00	38.3%
57500000 6440 Contracted Services	20,500	0	20,500	6,301.48	.00	14,198.52	30.7%
57500000 6515 Taxes and Assessments	800	0	800	454.76	.00	345.24	56.8%
57500000 6530 Conference/Training/Ed	3,312	0	3,312	480.00	.00	2,832.00	14.5%
57500000 6532 Maintenance/Other Supplies	5,000	0	5,000	.00	.00	5,000.00	.0%
57500000 6562 Retiree Insurance Premiums	0	0	0	1,133.83	.00	-1,133.83	.0%
TOTAL Successor Agency Admin	160,802	-164,611	-3,809	-23,669.78	.00	19,860.78	621.4%
TOTAL Successor Agency Admin	160,802	-164,611	-3,809	-23,669.78	.00	19,860.78	621.4%
TOTAL REVENUES	-250,000	0	-250,000	-250,000.00	.00	.00	
TOTAL EXPENSES	410,802	-164,611	246,191	226,330.22	.00	19,860.78	

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ACCOUNTS FOR:	ORIGINAL	TRANFRS/	REVISED			AVAILABLE	PCT
6050 Non Housing Bond Proceeds	APPROP	ADJSTMTS	BUDGET	ACTUALS	ENCUMBRANCES	BUDGET	USED
<hr/>							
60500000 Non Housing Bond Proceeds							
60500000 4201 Services for Other Agencies	0	0	0	-1,000.00	.00	1,000.00	.0%
60500000 5000 Salaries/Full-time	95,335	0	95,335	68,887.31	.00	26,447.69	72.3%
60500000 5005 Salaries/Part-time	8,858	0	8,858	3,164.21	.00	5,693.79	35.7%
60500000 5100 Salaries/Overtime	0	0	0	5.27	.00	-5.27	.0%
60500000 5105 Salaries/Leave Payout	6,077	0	6,077	42,352.63	.00	-36,275.63	696.9%
60500000 5300 Public Employee Retirement S	23,458	0	23,458	9,815.70	.00	13,642.30	41.8%
60500000 5302 Long Term Disability Insuran	272	0	272	173.16	.00	98.84	63.7%
60500000 5303 Life Insurance Premiums	62	0	62	36.92	.00	25.08	59.5%
60500000 5304 Workers Compensation Insuran	8,741	0	8,741	5,283.75	.00	3,457.25	60.4%
60500000 5305 Medicare Tax- Employer's Sha	1,634	0	1,634	1,709.19	.00	-75.19	104.6%
60500000 5307 Deferred Comp/Part-Time	333	0	333	125.44	.00	207.56	37.7%
60500000 5308 Deferred Compensation/Full-t	2,137	0	2,137	2,990.15	.00	-853.15	139.9%
60500000 5309 Unemployment Insurance	324	0	324	1,781.81	.00	-1,457.81	549.9%
60500000 5310 Section 125 Benefit Allow.	12,769	0	12,769	11,576.60	.00	1,192.40	90.7%
60500000 6401 Gas and Electric Utilities	4,000	0	4,000	1,212.84	.00	2,787.16	30.3%
60500000 6402 Telephone/Fax Charges	2,000	0	2,000	135.62	.00	1,864.38	6.8%
60500000 6416 Office Supplies/Expendable	0	0	0	3.56	.00	-3.56	.0%
60500000 6440 Contracted Services	52,000	0	52,000	2,804.18	.00	49,195.82	5.4%
60500000 6515 Taxes and Assessments	1,000	0	1,000	136.52	.00	863.48	13.7%
60500000 6532 Maintenance/Other Supplies	33,500	0	33,500	.00	.00	33,500.00	.0%
60500000 6562 Retiree Insurance Premiums	0	0	0	209.71	.00	-209.71	.0%
60500000 6804 Infrastructure Study	70,000	0	70,000	8,410.00	52,413.55	9,176.45	86.9%
60500000 7030 Facilities And Improvements	350,000	0	350,000	.00	.00	350,000.00	.0%
60500000 7050 Construction/Infrastructure	3,438,410	-990,848	2,447,562	28,597.06	115,214.12	2,303,750.76	5.9%
TOTAL Non Housing Bond Proceeds	4,110,910	-990,848	3,120,062	188,411.63	167,627.67	2,764,022.64	11.4%
TOTAL Non Housing Bond Proceeds	4,110,910	-990,848	3,120,062	188,411.63	167,627.67	2,764,022.64	11.4%
TOTAL REVENUES	0	0	0	-1,000.00	.00	1,000.00	
TOTAL EXPENSES	4,110,910	-990,848	3,120,062	189,411.63	167,627.67	2,763,022.64	

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ACCOUNTS FOR:	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	ACTUALS	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
6060 LowMod Housing Bond Proceeds							
<hr/>							
60600000 LowMod Housing Bond Proceeds							
60600000 6440 Contracted Services	0	131,358	131,358	49,735.00	.00	81,622.72	37.9%
60600000 7030 Facilities And Improvements	309,810	23,500	333,310	120,318.47	10,000.00	202,991.53	39.1%
TOTAL LowMod Housing Bond Proceeds	309,810	154,858	464,668	170,053.47	10,000.00	284,614.25	38.7%
TOTAL LowMod Housing Bond Proceeds	309,810	154,858	464,668	170,053.47	10,000.00	284,614.25	38.7%
TOTAL EXPENSES	309,810	154,858	464,668	170,053.47	10,000.00	284,614.25	

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ACCOUNTS FOR:	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	ACTUALS	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
8040 Debt Svc Fund - SA							
<hr/>							
80400000 Debt Svc Fund/Successor Agency							
80400000 4162 Interest Income	0	-75,000	-75,000	-60,638.77	.00	-14,361.23	80.9%
80400000 4355 Transfer In	-3,674,522	0	-3,674,522	-3,436,763.00	.00	-237,759.00	93.5%
80400000 6440 Contracted Services	93,997	0	93,997	12,026.00	.00	81,971.00	12.8%
80400000 8000 Interest Expense	2,278,015	0	2,278,015	2,278,135.25	.00	-120.25	100.0%
80400000 8001 Principal Payment	1,280,000	0	1,280,000	1,280,000.00	.00	.00	100.0%
TOTAL Debt Svc Fund/Successor Agency	-22,510	-75,000	-97,510	72,759.48	.00	-170,269.48	-74.6%
TOTAL Debt Svc Fund - SA	-22,510	-75,000	-97,510	72,759.48	.00	-170,269.48	-74.6%
TOTAL REVENUES	-3,674,522	-75,000	-3,749,522	-3,497,401.77	.00	-252,120.23	
TOTAL EXPENSES	3,652,012	0	3,652,012	3,570,161.25	.00	81,850.75	

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ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	ACTUALS	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
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GRAND TOTAL	5,129,166	-1,090,365	4,038,801	139,878.21	177,627.67	3,721,294.78	7.9%
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RETURN TO AGENDA

ACCOUNTS FOR:	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	ACTUALS	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
1020 General Fund							
<hr/>							
10204400 Code Enforcement							
<hr/>							
10204400 4076 Registration Fee	-16,750	0	-16,750	-4,035.00	.00	-12,715.00	24.1%
10204400 4203 Background Check/Report Fee	-900	900	0	-1,000.00	.00	1,000.00	.0%
10204400 4228 Revenue/ Graffitti Ordinance	0	0	0	-238.00	.00	238.00	.0%
10204400 4551 Fines/Penalties for Violati	-418,290	133,290	-285,000	-265,674.77	.00	-19,325.23	93.2%
10204400 4554 Vehicle Abatement Fee	-45,000	-7,118	-52,118	-52,118.28	.00	.28	100.0%
10204400 4555 Multi-Family Inspection Fees	0	0	0	-1,758.00	.00	1,758.00	.0%
10204400 4556 Revenue/ Foreclosures	-27,000	0	-27,000	-16,992.94	.00	-10,007.06	62.9%
10204400 4561 Rental Business License Insp	-100,000	48,750	-51,250	.00	.00	-51,250.00	.0%
10204400 4562 Taxi Cab Inspection Fee	-1,140	0	-1,140	-420.00	.00	-720.00	36.8%
10204400 4659 Refunds and Reimbursements	-16,000	16,000	0	-2,027.00	.00	2,027.00	.0%
10204400 4684 Cost Recovery for Weed Abate	-10,000	0	-10,000	-1,567.38	.00	-8,432.62	15.7%
10204400 5000 Salaries/Full-time	552,463	0	552,463	391,230.84	.00	161,231.86	70.8%
10204400 5005 Salaries/Part-time	86,490	0	86,490	36,942.74	.00	49,546.78	42.7%
10204400 5100 Salaries/Overtime	0	0	0	3,033.30	.00	-3,033.30	.0%
10204400 5105 Salaries/Leave Payout	11,966	0	11,966	13,886.81	.00	-1,920.48	116.0%
10204400 5110 Salaries/Uniform Pay	1,500	0	1,500	1,750.00	.00	-250.00	116.7%
10204400 5300 Public Employee Retirement S	123,856	0	123,856	58,928.14	.00	64,928.11	47.6%
10204400 5302 Long Term Disability Insuran	1,822	0	1,822	1,207.57	.00	614.39	66.3%
10204400 5303 Life Insurance Premiums	542	0	542	371.90	.00	170.32	68.6%
10204400 5304 Workers Compensation Insuran	56,469	0	56,469	37,200.23	.00	19,268.44	65.9%
10204400 5305 Medicare Tax- Employer's Sha	9,782	0	9,782	6,164.47	.00	3,617.96	63.0%
10204400 5307 Deferred Comp/Part-Time	3,243	0	3,243	1,555.25	.00	1,688.11	48.0%
10204400 5308 Deferred Compensation/Full-t	26,791	0	26,791	17,180.42	.00	9,610.96	64.1%
10204400 5309 Unemployment Insurance	3,106	0	3,106	2,532.86	.00	572.74	81.6%
10204400 5310 Section 125 Benefit Allow.	185,270	0	185,270	123,647.33	.00	61,622.77	66.7%
10204400 6401 Gas and Electric Utilities	15,000	0	15,000	.00	.00	15,000.00	.0%
10204400 6402 Telephone/Fax Charges	8,000	0	8,000	7,071.02	.00	928.98	88.4%
10204400 6411 Advertising/Bids and Notices	1,000	0	1,000	487.84	.00	512.16	48.8%
10204400 6414 Professional Dues	525	0	525	320.00	.00	205.00	61.0%
10204400 6415 Publications/Subscriptions	250	0	250	194.72	.00	55.28	77.9%
10204400 6416 Office Supplies/Expendable	6,000	0	6,000	3,181.39	.00	2,818.61	53.0%
10204400 6418 Postage / Other Mailing Char	8,000	0	8,000	5,317.40	.00	2,682.60	66.5%
10204400 6425 Vehicle Fuel, Supplies & Mai	7,000	0	7,000	3,078.60	.00	3,921.40	44.0%
10204400 6437 Weed Abatement Expense	10,000	0	10,000	835.50	.00	9,164.50	8.4%
10204400 6440 Contracted Services	80,000	-40,000	40,000	8,369.60	1,636.97	29,993.43	25.0%
10204400 6530 Conference/Training/Ed	10,000	0	10,000	5,450.35	.00	4,549.65	54.5%
10204400 6532 Maintenance/Other Supplies	10,000	-2,100	7,900	1,616.55	.00	6,283.45	20.5%
10204400 6902 Interfund Charges- Central S	600	0	600	378.88	.00	221.12	63.1%

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ACCOUNTS FOR:
1020 General Fund

	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	ACTUALS	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
10204400 6907 Interfund Chrg/Vehicle Replc	12,000	0	12,000	7,000.00	.00	5,000.00	58.3%
10204400 6908 Interfund Chrg/Vehicle Maint	19,255	0	19,255	11,235.00	.00	8,020.32	58.3%
10204400 6918 Interfund Charges- Comp Main	77,369	-3,884	73,485	48,990.00	.00	24,495.00	66.7%
10204400 6920 Interfund Charges - Computer	14,616	0	14,616	9,744.00	.00	4,872.28	66.7%
TOTAL Code Enforcement	707,836	145,838	853,674	463,071.34	1,636.97	388,965.81	54.4%
TOTAL General Fund	707,836	145,838	853,674	463,071.34	1,636.97	388,965.81	54.4%
TOTAL REVENUES	-635,080	191,822	-443,258	-345,831.37	.00	-97,426.63	
TOTAL EXPENSES	1,342,916	-45,984	1,296,932	808,902.71	1,636.97	486,392.44	

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ACCOUNTS FOR:	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	ACTUALS	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
1081 General Fund - LEA Tire Grant							
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10814460 Tire Amnesty Grant							
10814460 4559 Tire Amnesty Grant	-60,230	0	-60,230	-49,583.18	.00	-10,646.82	82.3%
10814460 5000 Salaries/Full-time	8,480	0	8,480	1,231.04	.00	7,248.96	14.5%
10814460 5300 Public Employee Retirement S	2,388	0	2,388	1,761.35	.00	626.66	73.8%
10814460 5302 Long Term Disability Insuran	31	0	31	5.75	.00	24.78	18.8%
10814460 5303 Life Insurance Premiums	0	0	0	1.77	.00	-1.77	.0%
10814460 5304 Workers Compensation Insuran	748	0	748	141.17	.00	606.51	18.9%
10814460 5305 Medicare Tax- Employer's Sha	128	0	128	24.37	.00	103.75	19.0%
10814460 5308 Deferred Compensation/Full-t	356	0	356	65.85	.00	290.31	18.5%
10814460 5309 Unemployment Insurance	254	0	254	.00	.00	254.40	.0%
10814460 5310 Section 125 Benefit Allow.	3,386	0	3,386	729.65	.00	2,656.25	21.5%
10814460 6412 Advertising/Other	1,866	0	1,866	1,134.00	.00	732.00	60.8%
10814460 6418 Postage / Other Mailing Char	1,029	0	1,029	.00	.00	1,029.00	.0%
10814460 6440 Contracted Services	40,690	0	40,690	8,210.00	32,500.00	-20.00	100.0%
10814460 6532 Maintenance/Other Supplies	911	0	911	337.96	.00	573.04	37.1%
TOTAL Tire Amnesty Grant	37	0	37	-35,940.27	32,500.00	3,477.07	%
TOTAL General Fund - LEA Tire Grant	37	0	37	-35,940.27	32,500.00	3,477.07	%
TOTAL REVENUES	-60,230	0	-60,230	-49,583.18	.00	-10,646.82	
TOTAL EXPENSES	60,267	0	60,267	13,642.91	32,500.00	14,123.89	

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	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	ACTUALS	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
GRAND TOTAL	707,873	145,838	853,711	427,131.07	34,136.97	392,442.88	54.0%

REPORT TO THE SUCCESSOR AGENCY


Approved by:

Board Meeting of: May 9, 2018



Treasurer

Agenda Number: 5A



Executive Director

SUBJECT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA AS THE SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY OF THE CITY OF MADERA CONFIRMING THE ISSUANCE OF REFUNDING BONDS, APPROVING PRELIMINARY AND FINAL OFFICIAL STATEMENTS AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

RECOMMENDED ACTION

Staff recommends the Successor Agency Board adopt the resolution confirming the issuance of refunding bonds, approving the preliminary and final official statements and providing for other matters properly relating thereto.

BACKGROUND

As part of the City's / Agency's ongoing effort to implement cost reduction, the Executive Director, Treasurer and Municipal Advisor have identified four outstanding bond issues of the Successor Agency (the "Agency") that can be refunded for significant debt service savings:

Issue	Original Amount	Outstanding Amount	Final Maturity	Remaining Interest Rates
1998 Tax Allocation Redevelopment Project Bonds ⁽¹⁾	\$7,440,000	\$5,415,000	9/1/2028	4.55-4.75%
2003 Tax Allocation Refunding and Redevelopment Project Bonds ⁽²⁾	\$19,495,000	\$13,350,000	9/1/2033	4.375-5.00%
Subordinate Tax Allocation Bonds, Series 2008A ⁽³⁾	\$25,455,000	\$22,260,000	9/1/2038	4.50-5.375%
Housing Set-Aside Subordinate Tax Allocation Bonds, Series 2008B ⁽⁴⁾	\$4,000,000	\$3,320,000	9/1/2038	4.50-5.375%

Notes

Collectively, the ("Prior Bonds")

- (1) Financed Redevelopment Activities, Funded a Reserve Fund, Paid Costs of Issuance
- (2) Financed Redevelopment Activities, Refunded 1993 Tax Allocation Refunding and Redevelopment Project Bonds, Funded a Reserve Fund Surety, Paid Costs of Issuance
- (3) Financed Redevelopment Activities, Funded a Reserve Fund, Paid Costs of Issuance
- (4) Financed Certain Low and Moderate Housing Activities, Funded a Reserve Fund, Paid Costs of Issuance

The Prior Bonds are secured by tax increment revenue received from the Agency's project area.

DISCUSSION

Based on current interest rates, substantial savings may be realized if the Prior Bonds are refunded, benefiting not only the City's General Fund but the other taxing entities. For that reason, staff is recommending the Successor Agency Board confirm the proposed sale of 2018 Tax Allocation Refunding Bonds, Series 2018A and Tax Allocation Refunding Bonds, 2018B (Federally Taxable) together the ("2018 Refunding Bonds") and approve the preliminary and final official statements and other matters relating thereto.

Benefits of the Refunding

The Prior Bonds are currently outstanding in the amount of \$44,345,000, have a final maturity of September 1, 2038 with existing interest rates ranging from 4.375% to 5.375%. Based on interest rates as of April 30, 2018, assuming an underlying investment grade rating, securing bond insurance and securing a surety policy for the reserve fund, the Prior Bonds can be refunded to the same term at approximate yields ranging from 2.22-4.21%.

Prior Issue	Outstanding Par Amount	New Issue Par Amount	Total Savings (1)	NPV Savings (2)	Avg. Annual Savings (2)	NPV % Prior Bonds
1998	\$5,415,000	\$4,415,000	\$637,541	\$544,848	\$70,691	10.06%
2003	\$13,350,000	\$11,910,000	\$1,490,886	\$1,134,145	\$100,804	8.50%
2008A	\$22,260,000	\$19,070,000	\$5,267,492	\$3,608,397	\$274,947	16.21%
2008B	\$3,320,000	\$2,860,000	\$705,404	\$504,932	\$36,882	15.21%
Totals	\$44,345,000	\$38,255,000	\$8,101,323	\$5,792,322	See Note 3	13.06%

Notes

- (1) Assumes interest rates as of April 30, 2018, underlying investment grade rating, securing bond insurance and securing a surety policy for the reserve fund
- (2) Net of all costs of issuance, prior issue reserve fund corpus (if applicable) and assumed prior issue reserve fund earnings at 1.50% (if applicable)
- (3) Average annual savings vary because transactions have differing final maturities

Since the last numbers run on March 5, general tax-exempt yields have risen by 35 basis points in 2019 and 10 basis points in 2038 and taxable yields have risen 27 basis points in 2019 and 41 basis points in 2023. The impact to the entire refunding is a rise in yields of approximately 13 basis points. The impact of these rising interest rates is a reduction in estimated overall savings from \$8,637,954 to \$8,101,323 for a total change of \$536,631. The estimated net present value savings have also declined from \$6,307,908 to \$5,792,322 for a total change of \$515,586. The overall net present value savings are now estimated at 13.06% which is down from the former estimate of 14.22%. The market move has also impacted the estimated annual savings reducing it in the early years from \$515,250 per year to \$483,324 per year for a change of an estimated \$31,925 per year. Please keep in mind that these savings are still very significant and, while reduced since the last set of numbers, still provide significant annual and net present value savings to the taxing entities.

The debt service on the Successor Agency bonds is not an obligation of the City's General Fund. The debt service is payable solely from tax increment revenues received from the City's project area and any funds held under the legal documents.

With two exceptions, most of the financing team will work on a contingent basis and all fees are payable solely upon the successful sale and closing of the 2018 Refunding Bonds: First, the fees and expenses of Fraser & Associates as Fiscal Consultant cannot be contingent because they prepare projections and other pertinent information relied upon by investors. Second, Standard & Poor's will be asked to provide a rating on the transaction and again, because this rating is relied upon by investors, their fee cannot be contingent. Should the 2018 Refunding Bonds not close, these two costs can be recovered through the Successor Agency ROPs process. All other fees and expenses of the transaction are paid from the costs of issuance of the transaction and are accounted for in all savings calculations.

Below is the current estimate of the net cash flow savings on the proposed refunding:

FY	1998 TABs	2003 TABs	2008A TABs	2008B TABs	Combined
2019	-5,205.78	-21,167.03	43,491.61	4,648.57	21,767.37
2020	69,719.97	98,981.24	268,543.90	33,772.74	471,017.85
2021	71,119.97	100,931.24	272,331.40	37,403.98	481,786.59
2022	68,663.72	99,931.24	270,606.40	36,022.73	475,224.09
2023	71,051.22	102,918.74	273,040.77	34,644.61	481,655.34
2024	73,163.72	100,343.74	275,375.14	38,254.00	487,136.60
2025	72,751.22	99,537.49	272,740.77	36,785.25	481,814.73
2026	69,701.22	100,593.74	280,281.40	35,222.75	485,799.11
2027	70,276.22	102,531.24	270,793.90	39,116.51	482,717.87
2028	69,776.22	100,524.99	269,156.40	38,522.76	477,980.37
2029	6,523.35	98,556.24	272,306.40	37,910.25	415,296.24
2030		101,081.24	270,237.65	37,272.75	408,591.64
2031		98,081.24	272,950.15	36,616.51	407,647.90
2032		103,165.62	273,081.40	39,366.51	415,613.53
2033		102,375.00	272,053.28	36,850.88	411,279.16
2034		102,500.00	272,053.28	35,638.38	410,191.66
2035			274,587.65	37,957.14	312,544.79
2036			284,265.78	38,729.01	322,994.79
2037			286,475.17	39,229.01	325,704.18
2038			289,675.17	31,205.40	320,880.57
2039			3,444.30	234.46	3,678.76
	637,541.05	1,490,885.97	5,267,491.92	705,404.20	8,101,323.14

Financing Team

To facilitate the issuance of the 2018 Refunding Bonds, the Successor Agency previously engaged the services of: Brandis Tallman LLC as Underwriter, Jones Hall, A Professional Law Corporation, as Bond Counsel and as Disclosure Counsel, Fraser & Associates as Fiscal Consultant, Del Rio Advisors, LLC as Municipal Advisor and the Bank of New York Mellon Trust Company as Trustee.

- Underwriter

The Underwriter is an investment banking firm that assists in structuring the bonds, assists the team with the bond rating and credit enhancement process and markets / sells the bonds to potential investors. The underwriter is also prepared to underwrite any unsold balances on the date of sale.

- Bond Counsel

Bond Counsel drafts the bond documents and ensures that all legal requirements critical to the validity of the bonds are satisfied, and issues the required opinions, including as to the tax exemption of the tax-exempt bonds.

- Disclosure Counsel

Disclosure Counsel prepares the official statement and sets up the continuing disclosure undertaking. The official statement is the primary marketing document used by the Underwriter to market the bonds to potential investors.

- Fiscal Consultant

The Fiscal Consultant prepares a Fiscal Consultant's Report used as an exhibit to the official statement and prepares the tables contained in the body of the document. The report and tables describe all information and data related to the project area including a projection of future tax increment expected to be received by the Agency for the remaining term of the bonds.

- Municipal Advisor

The Municipal Advisor assists the Agency in the solicitation of fee proposals and makes recommendations on the selection of Underwriter, Bond and Disclosure Counsel and Fiscal Consultant. The Municipal Advisor will make recommendations as to the structure, timing and terms of the bonds, reviews all fees and expenses, coordinates the financing team, assists in verifying coupons and yields on the date of sale and reviews and comments on all documents.

- Trustee

The Trustee receives all payments on the bonds and forwards those payments to bondholders, invests any proceeds of the 2018 Refunding Bonds on behalf of the Agency and manages all fund and accounts of the 2018 Refunding Bonds.

Documents for Review and Approval

To facilitate the issuance of the 2018 Refunding Bonds, on March 14, 2018, the Successor Agency approved certain documents required to start the review process by the California Department of Finance (“DoF”):

- Refunding Plan and Savings Analysis

The dissolution law requires a Municipal Advisor to review the refunding, make a representation to both the Successor Agency Board and the Oversight Board and ultimately to the State of California Department of Finance regarding the viability of the refunding. The Refunding Plan and Savings Analysis is the document prepared by the Municipal Advisor to meet this requirement.

- Indenture of Trust

A document between the Successor Agency and the Bank of New York Mellon Trust Company, N.A. as Trustee. This document governs all terms and conditions of the 2018 Refunding Bonds including payment terms, management of all funds and accounts, redemption provisions, security provisions, events of default and related remedies and roles and duties of the Trustee.

- Irrevocable Refunding Instructions

A document that governs the prepayment of the Prior Bonds.

At the March 14, 2018 meeting, it was communicated to the Agency Board that you would have another chance to review and affirm the refunding and take all final actions necessary to complete the transaction. Tonight, the Agency Board is being asked to affirm the refunding and approve the following additional documents:

- Preliminary Official Statement (“POS”)

The POS is the primary document used by the underwriter to market the 2018 Refunding Bonds to investors. The document contains all material information related to the 2018 Refunding Bonds, all material information related to the former redevelopment agency and the Successor Agency, a summary of the primary legal documents and the responsibilities of the Successor Agency for continuing disclosure.

- **Bond Purchase Agreement**

A document that governs the terms and conditions between the Successor Agency and the Underwriter to purchase the bonds at a public sale. This document is executed on the day of sale to memorialize the final coupons, yields and prices.

Tentative Schedule

If the Agency Board approves moving forward this evening, the remaining steps to complete the refunding are as follows:

- Agency Board reviews and approves the official statement
- S&P Rating Process / Secure Bond Insurance
- DoF Approval
- Print and Post the Preliminary Official Statement
- Sell the Bonds
- Execute All Documents
- Close the Transaction

It is anticipated that all the necessary steps will be completed by July 2018. However, the schedule is very dependent on how quickly DoF gives approval for the refunding.

FINANCIAL IMPACT

Total Estimated Savings:	\$8,101,323 ⁽¹⁾
Estimated Net Present Value “NPV” Savings:	\$5,792,322 ⁽¹⁾
Estimated NPV Savings % (Par of Prior Bonds)	13.06% ⁽¹⁾
Estimated Costs of Issuance:	\$280,199 ⁽²⁾
Estimated Cost of Credit Enhancement:	\$581,380 ⁽³⁾

Notes

(1) Based on interest rates as of April 30, 2018 and includes all costs of issuing the bonds

(2) Includes Underwriter’s Discount and Costs of Issuance

(3) Includes Bond Insurance and Surety Policy for the Reserve Fund

The City’s General Fund and the other taxing entities will receive a proportionate share of the annual debt service savings through the RPTTF distribution in the form of unrestricted property tax.

The table below displays a reasonable estimate of the costs of issuance related to the 2018 Refunding Bonds. The costs of issuance are taken into consideration for all savings calculations.

Estimated Costs of Issuance

Projected Issue Size	\$38,255,000.00
Bond / Disclosure Counsel	50,000.00
Municipal Advisor	48,250.00
Fiscal Consultant	26,000.00
Rating Fee	40,000.00
Trustee / Escrow Agent	7,500.00
Trustee Counsel	1,500.00
Verification Report	5,000.00
Printing	10,000.00
Miscellaneous	7,500.00
Rounding Adjustment	4,250.00
Total Estimated Costs of Issuance	\$200,000.00
Percentage	0.52%
Total Estimated Underwriter's Discount	\$80,199.00
Percentage	0.210%
Total Estimated Costs of Credit Enhancement	\$581,380.25
Percentage	1.52%
Total Estimated Costs of Issuance	\$861,579.25
Percentage	2.25%

To comply with a new law (Government Code 5852.1) the following good faith estimates of certain costs and charges for the 2018 Refunding Bonds are included here:

Estimated "All-In" True Interest Cost of the Bonds: 3.910%

Estimated Finance Charge of the Bonds
(Sum of all Fees and Charges Paid to Third Parties)
(Includes Credit Enhancement) \$861,579

Estimated Amount of Proceeds of the Bonds Received by the Agency
(Net of Finance Charges, Reserves and Capitalized Interest, If Any)
(Amount Used to Defease the Prior Bonds) \$39,805,251

Estimated Total Payment Amount to Maturity of the Bonds:
(Sum Total of all Payments to Pay Debt Service on the Bonds
Plus Finance Charges Not Paid with Proceeds of the Bonds, If Any) \$57,145,401

CONSISTENCY WITH THE VISION MADERA 2025 PLAN

The presentation of this item is consistent with Strategy 115 of the Vision Plan - Economic Resource Provision: Ensure sufficient economic resources to provide adequate City services and prepare for future growth. It is also in line with funding core services as articulated by the Vision Madera 2025 Plan.

ATTACHMENTS

- | | |
|---------------|-------------------------------------|
| Attachment A: | Successor Agency Resolution |
| Attachment B: | Preliminary Official Statement |
| Attachment C: | Bond Purchase Agreement |
| Attachment D: | Refunding Plan and Savings Analysis |

RESOLUTION NO. SA 18-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA AS THE SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY CONFIRMING THE ISSUANCE OF REFUNDING BONDS, APPROVING PRELIMINARY AND FINAL OFFICIAL STATEMENTS AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, all Section references hereinafter being to such Code), the Redevelopment Agency of the City of Madera (the "Former Agency") has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173, the Successor Agency to the former Madera Redevelopment Agency (the "Successor Agency") has become the successor entity to the Former Agency;

WHEREAS, prior to dissolution of the Former Agency, for the purpose of financing redevelopment activities of the Former Agency, the Former Agency issued four outstanding series of bonds (the "Outstanding Bonds"):

(i) \$7,440,000 Madera Redevelopment Agency 1998 Tax Allocation Redevelopment Project Bonds ("1998 Bonds")

(ii) \$19,495,000 Madera Redevelopment Agency 2003 Tax Allocation Refunding and Redevelopment Project Bonds ("2003 Bonds"); and

(iii) \$25,455,000 Madera Redevelopment Agency Subordinate Tax Allocation Bonds, Series 2008A and \$4,000,000 Madera Redevelopment Agency Housing Set-Aside Subordinate Tax Allocation Bonds, Series 2008B ("2008 Bonds");

WHEREAS, the Successor Agency has determined that debt service savings can be achieved by refunding the Outstanding Bonds and Section 34177.5 authorizes the Successor Agency to issue refunding bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law") for the purpose of achieving debt service savings within the parameters set forth in Section 34177.5(a)(1) (the "Savings Parameters");

WHEREAS, the Successor Agency, pursuant to Resolution No. SA 18-12 (the "SA Resolution"), adopted on March 14, 2018, approved the issuance by the Successor Agency of its Successor Agency to the former Madera Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018A and Tax Allocation Refunding Bonds, Series 2018B (Federally Taxable) (together, the "Refunding Bonds") for the purpose of refunding the Outstanding Bonds, subject to the Savings Parameters being met;

WHEREAS, the Successor Agency requested that the Oversight Board for the Successor Agency (the "Oversight Board") approve the issuance of the Refunding Bonds by the Successor Agency;

WHEREAS, the Oversight Board, by Resolution No. OB 18-03 (the "OB Resolution"), adopted on March 19, 2018, approved the issuance of the Refunding Bonds by the Successor Agency, and the OB Resolution, together with additional materials, were submitted to the

California Department of Finance for its approval of the OB Resolution and the issuance of the Refunding Bonds;

WHEREAS, the Successor Agency, with the assistance of its disclosure counsel, Jones Hall, A Professional Law Corporation, has prepared a draft of the Official Statement for the Refunding Bonds (the "Official Statement"), which contains, among other things, information regarding the Refunding Bonds, the Former Agency and the Successor Agency, the preliminary form of which is on file with the Recording Secretary of the Successor Agency; and

WHEREAS, the Successor Agency, with the aid of its staff, has reviewed the Official Statement and wishes at this time to approve its use and distribution as in the public interests of the Successor Agency and applicable taxing entities;

NOW, THEREFORE, BE IT RESOLVED the City Council of the City of Madera as the Successor Agency to the former Madera Redevelopment Agency of the City of Madera hereby finds, determines, resolves and orders as follows:

1. Confirmation of Issuance of Refunding Bonds. The Successor Agency hereby confirms its actions in the SA Resolution authorizing and approving the issuance and sale of the Refunding Bonds.

2. Approval of Official Statement. The Successor Agency hereby approves the preliminary Official Statement in substantially the form on file with the Recording Secretary of the Successor Agency. Distribution of the preliminary Official Statement by the Successor Agency and the Underwriter of the Refunding Bonds (as defined below) is hereby approved, and, prior to the distribution of the preliminary Official Statement, each of the Mayor of the City of Madera, as Chair of the Successor Agency, the Executive Director, as the chief administrative officer of the Successor Agency, the Director of Financial Services of the City, as the Finance Director/Treasurer of the Successor Agency, the City Attorney of the City, as the general counsel of the Successor Agency, or the written designee of any such officer (each, an "Authorized Officer"), each acting alone, are authorized and directed, on behalf of the Successor Agency, to deem the preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). The execution of the final Official Statement, which shall include such changes and additions thereto deemed advisable by the Authorized Officer executing the same, and such information permitted to be excluded from the preliminary Official Statement pursuant to the Rule, is hereby approved for delivery to the purchasers of the Refunding Bonds, and each Authorized Officer, acting alone, is authorized and directed to execute and deliver the final Official Statement for and on behalf of the Successor Agency, to deliver to the Underwriter a certificate with respect to the information set forth therein and to deliver to the Underwriter a continuing disclosure undertaking substantially in the form appended to the final Official Statement.

3. Confirmation of Underwriter; Approval of Bond Purchase Agreement. In the SA Resolution, the Successor Agency approved the sale of the Refunding Bonds to Brandis Tallman LLC, as underwriter (the "Underwriter") and the Successor Agency hereby confirms the selection of the Underwriter.

A form of Bond Purchase Agreement between the Successor Agency and the Underwriter is on file with the Recording Secretary, and the form of the Bond Purchase Agreement is hereby approved. An Authorized Officer is hereby authorized and directed to execute and deliver the Bond Purchase Agreement for and in the name and on behalf of the

Successor Agency, in substantially the form on file with the Successor Agency, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement. The Successor Agency hereby authorizes the delivery and performance of the Bond Purchase Agreement.

4. Official Actions. The Authorized Officers and any and all other officers of the Successor Agency are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in connection with the issuance, sale and delivery of the Refunding Bonds. Whenever in this Resolution any officer of the Successor Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

5. Effective Date. This Resolution shall take effect from and after the date of approval and adoption thereof.

* * * * *

PASSED AND ADOPTED by the City Council of the City of Madera as the Successor Agency to the former Madera Redevelopment Agency of the City of Madera this ____ day of _____, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Andrew J. Medellin, Mayor

ATTEST:

Claudia Mendoza, Recording Secretary

Approved as to Legal Form:

J. Brent Richardson, General Counsel

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2018**NEW ISSUE—BOOK-ENTRY**

INSURED RATING: S&P: “ ”
UNDERLYING RATING: S&P: “ ”
See “RATINGS”

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described in this Official Statement, under existing law, the interest on the 2018A Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax, although, in the case of tax years beginning prior to January 1, 2018, for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest earned by a corporation prior to the end of its tax year in 2018 is taken into account in determining certain income and earnings. Interest on the 2018B Bonds is not intended to be exempt from federal income taxation. In the further opinion of Bond Counsel, interest on the 2018 Bonds is exempt from California personal income taxes. See “TAX MATTERS.”

\$ _____ *

**SUCCESSOR AGENCY TO THE FORMER MADERA
REDEVELOPMENT AGENCY
TAX ALLOCATION REFUNDING BONDS, SERIES 2018A**

\$ _____ *

**SUCCESSOR AGENCY TO THE FORMER MADERA
REDEVELOPMENT AGENCY
TAX ALLOCATION REFUNDING BONDS, SERIES 2018B
(FEDERALLY TAXABLE)**

Dated: Delivery Date**Due: September 1, as shown on the inside front cover**

Purpose. The \$ _____ * aggregate principal amount of Successor Agency to the Former Madera Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018A (the “2018A Bonds”), and the \$ _____ * aggregate principal amount of Successor Agency to the Former Madera Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018B (Federally Taxable) (the “2018B Bonds” and together with the 2018A Bonds, the “2018 Bonds”) are being issued by the Successor Agency to the Former Madera Redevelopment Agency (the “Successor Agency”) to (a) refund four outstanding series of bonds payable from tax increment revenue generated in the Project Area (hereinafter defined), (b) purchase the 2018 Reserve Policy (hereinafter defined), and (c) pay the costs of issuance of the 2018 Bonds.

Payments; Book-Entry. The 2018 Bonds will be delivered as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), and will be available to ultimate purchasers (“Beneficial Owners”) in the denomination of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. Beneficial Owners will not be entitled to receive delivery of bonds representing their ownership interest in the 2018 Bonds. Semiannual interest on the 2018 Bonds due on March 1 and September 1 of each year, commencing March 1, 2019, and annual principal on the 2018 Bonds due on September 1 of each year, commencing March 1, 2019, will be payable by The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), to DTC for subsequent disbursement to DTC participants, so long as DTC or its nominee remains the registered owner of the 2018 Bonds (see “THE 2018 BONDS – Book-Entry System”). See “THE 2018 BONDS.”

Security. The 2018 Bonds are payable from and secured by a pledge of Tax Revenues (as defined in this Official Statement) to be derived from the Project Area and moneys in certain funds and accounts established under the Indenture of Trust, dated as of _____, 2018 (the “Indenture”), by and between the Successor Agency and the Trustee, as further described in this Official Statement. See “SECURITY FOR THE 2018 BONDS.”

Bond Insurance. The scheduled payment of principal of and interest on the 2018 Bonds will be guaranteed under a municipal bond insurance policy (the “2018 Policy”) to be issued by the 2018 Insurer concurrently with the delivery of the 2018 Bonds.

[INSURER'S LOGO]

Reserve Fund Surety Policy. The Successor Agency will fund a reserve fund for the 2018 Bonds by depositing with the Trustee a debt service reserve surety policy issued by _____ (the “2018 Reserve Policy”). See “SECURITY FOR THE 2018 BONDS – Reserve Account; 2018 Reserve Policy.”

Redemption. The 2018A Bonds are subject to optional redemption and mandatory sinking account redemption prior to maturity. The 2018B Bonds are not subject to redemption prior to maturity. See “THE 2018 BONDS – Redemption.”

Limited Obligations. The 2018 Bonds are special obligations of the Successor Agency and are secured by an irrevocable pledge of, and are payable as to principal and interest from Tax Revenues and other funds described in this Official Statement. The 2018 Bonds and the interest thereon are not a debt of the City of Madera (the “City”), the County of Madera (the “County”), the State of California (the “State”) or any of their political subdivisions except the Successor Agency, and none of the City, the County, the State or any of their political subdivisions except the Successor Agency is liable thereon. The 2018 Bonds and the interest thereon are not payable out of any funds or properties other than those set forth in the Indenture. Neither the members of the Successor Agency, the Oversight Board of the Successor Agency, the County Board of Supervisors nor any persons executing the 2018 Bonds are liable personally on the 2018 Bonds.

The 2018 Bonds are offered, when, as and if issued, subject to the approval of Jones Hall, A Professional Law Corporation, San Francisco, Bond Counsel to the Successor Agency. Jones Hall, A Professional Law Corporation, is also acting as Disclosure Counsel to the Successor Agency. Certain legal matters will be passed on for the Underwriter by Stradling Yocca Carlson & Rauth, P.C., San Francisco, California, Underwriter's Counsel. It is anticipated that the 2018 Bonds will be available for delivery through the facilities of DTC on or about July ____, 2018.

[BRANDIS TALLMAN LLC LOGO]

The date of this Official Statement is June ____, 2018.

* Preliminary; subject to change.

MATURITY SCHEDULE

\$ _____ *

**SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY
TAX ALLOCATION REFUNDING BONDS, SERIES 2018A**

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP†</u> <u>(Base _____)</u>
--	------------------------------------	--------------------------------	--------------	--------------	--------------------------------------

\$ _____ *

**SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY
TAX ALLOCATION REFUNDING BONDS, SERIES 2018B (FEDERALLY TAXABLE)**

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP†</u> <u>(Base _____)</u>
--	------------------------------------	--------------------------------	--------------	--------------	--------------------------------------

*Preliminary; subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association. None of the Successor Agency, the Trustee or the Underwriter takes any responsibility for the accuracy of the CUSIP data.

**SUCCESSOR AGENCY TO THE
FORMER MADERA REDEVELOPMENT AGENCY
(MADERA, CALIFORNIA)**

CITY COUNCIL

Andrew J. Medellin, *Mayor*
Cecelia Foley Gallegos, *Council Member*
Jose Rodriquez, *Council Member*
William Oliver, *Council Member*
Derek O. Robinson Sr., *Council Member*
Charles F. Rigby, *Council Member*
Donald E. Holley, *Council Member*

SUCCESSOR AGENCY STAFF

Bob Wilson, *Executive Director*
Tim Przybyla, *Finance Director/Treasurer*
Sonia Alvarez, *Secretary*

SPECIAL SERVICES

Bond and Disclosure Counsel

Jones Hall, A Professional Law Corporation
San Francisco, California

Municipal Advisor

Del Rio Advisors, LLC
Modesto, California

Fiscal Consultant

Fraser & Associates
Roseville, California

Trustee

The Bank of New York Mellon Trust Company, N.A.
San Francisco, California

Verification Agent

_____, _____

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ENDED JUNE 30, 2017

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APPENDIX G – BOOK-ENTRY ONLY SYSTEM

APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No Offering May Be Made Except by this Official Statement. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations with respect to the 2018 Bonds other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the 2018 Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the Successor Agency or the Project Area since the date of this Official Statement.

Use of this Official Statement. This Official Statement is submitted in connection with the sale of the 2018 Bonds referred to in this Official Statement and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract with the purchasers of the 2018 Bonds.

Preparation of this Official Statement. The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Document References and Summaries. All references to and summaries of the Indenture or other documents contained in this Official Statement are subject to the provisions of those documents and do not purport to be complete statements of those documents.

Stabilization of and Changes to Offering Prices. The Underwriter may overallocate or take other steps that stabilize or maintain the market price of the 2018 Bonds at a level above that which might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the 2018 Bonds to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

Bonds are Exempt from Securities Laws Registration. The issuance and sale of the 2018 Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934.

Estimates and Projections. Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE SUCCESSOR AGENCY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

Website. The City maintains an Internet website, but the information on the website is not incorporated in this Official Statement.

OFFICIAL STATEMENT

\$ _____ *
SUCCESSOR AGENCY TO THE FORMER MADERA
REDEVELOPMENT AGENCY
TAX ALLOCATION REFUNDING BONDS, SERIES 2018A

\$ _____ *
SUCCESSOR AGENCY TO THE FORMER MADERA
REDEVELOPMENT AGENCY
TAX ALLOCATION REFUNDING BONDS, SERIES 2018B
(FEDERALLY TAXABLE)

INTRODUCTION

This Official Statement, including the cover page, is provided to furnish information in connection with the sale by the Successor Agency to the Former Madera Redevelopment Agency (the “**Successor Agency**”) of the \$ _____ * Successor Agency to the Former Madera Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018A (the “**2018A Bonds**”), and the \$ _____ * Successor Agency to the Former Madera Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018B (Federally Taxable) (the “**2018B Bonds**” and, together with the 2018A Bonds, the “**2018 Bonds**”).

Authority and Purpose

The Successor Agency is issuing the 2018 Bonds pursuant to authority granted by Part 1 (commencing with Section 33000) and Part 1.85 of Division 24 (commencing with Section 34170) of the California Health and Safety Code (the “**Law**”), 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 Law**”) and an Indenture of Trust dated as of _____ 1, 2018 (the “**Indenture**”) by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the “**Trustee**”). See “THE 2018 BONDS – Authority for Issuance.”

The Successor Agency will use a portion of the proceeds of the 2018 Bonds to defease and redeem all amounts outstanding under the following bonds (collectively, the “**Prior Bonds**”) issued by the former Madera Redevelopment Agency (the “**Former Agency**”):

- \$7,440,000 Madera Redevelopment Agency 1998 Tax Allocation Redevelopment Project Bonds (the “**1998 Bonds**”), currently outstanding in the aggregate principal amount of \$5,415,000;
- \$19,495,000 Madera Redevelopment Agency 2003 Tax Allocation Refunding and Redevelopment Project Bonds (the “**2003 Bonds**”), currently outstanding in the aggregate principal amount of \$13,350,000; and
- \$25,455,000 Madera Redevelopment Agency Subordinate Tax Allocation Bonds, Series 2008A (the “**2008A Bonds**”) and the \$4,000,000 Madera Redevelopment Agency Housing Set-Aside Subordinate Tax Allocation Bonds, Series 2008B (the “**2008B Bonds**,” and together with the 2008A Bonds, the “**2008 Bonds**”), currently outstanding in the aggregate principal amounts of \$22,260,000 and \$3,320,000, respectively.

The proceeds of the Prior Bonds were used to fund certain redevelopment activities of benefit to property within the Madera Redevelopment Project Area (the “**Project Area**”) of the Former Agency.

The remaining proceeds of the 2018 Bonds will be used to pay the costs of issuing the 2018 Bonds, including the premium for a debt service reserve fund surety bond (the “**2018 Reserve Policy**”) issued by _____ (the “**2018 Reserve Insurer**”). See “SECURITY FOR THE 2018 BONDS – Reserve Account; 2018 Reserve Policy.”

The City and the Successor Agency

City and County. The City of Madera (the “**City**”), is located in Madera County (the “**County**”), approximately 240 miles northwest of the City of Los Angeles, 116 miles southeast of the City of San Francisco and 22 miles north of the City of Fresno on State Highway 99. The City was incorporated in 1907 and contains approximately 10.3 square miles in total area with a population of approximately 66,082 as of January 1, 2017. See “APPENDIX C – Supplemental Information – City and County of Madera” for additional information on the City and the County.

Former Agency. The Former Agency was a redevelopment agency with all of the powers vested in such entities under the Community Redevelopment Law (which is referred to in this Official Statement as the “**Redevelopment Law**”). The City Council of the City was the governing board of the Former Agency.

Dissolution Act. On June 29, 2011, Assembly Bill No. 26 (“**AB 1X 26**”) was enacted together with a companion bill, Assembly Bill No. 27 (“**AB 1X 27**”). The provisions of AB 1X 26 provided for the dissolution of all redevelopment agencies statewide as of February 1, 2012. The provisions of AB 1X 27 permitted redevelopment agencies to avoid such dissolution by the payment of certain amounts. A lawsuit was brought in the California Supreme Court, *California Redevelopment Association, et al., v. Matosantos, et al.*, 53 Cal. 4th 231 (Cal. Dec. 29, 2011), challenging the constitutionality of AB 1X 26 and AB 1X 27. On December 19, 2012, the California Supreme Court largely upheld AB 1X 26, invalidated AB 1X 27, and held that AB 1X 26 may be severed from AB 1X 27 and enforced independently. As a result of AB 1X 26 and the decision of the California Supreme Court in the California Redevelopment Association case, as of February 1, 2012, all redevelopment agencies in the State were dissolved, including the Former Agency, and successor agencies were designated as successor entities to the former redevelopment agencies to expeditiously wind down the affairs of the former redevelopment agencies.

The primary provisions enacted by AB 1X 26 relating to the dissolution and wind down of former redevelopment agency affairs are found in Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code of the State, as amended on June 27, 2012 by Assembly Bill No. 1484 (“**AB 1484**”), enacted as Chapter 26, Statutes of 2012 (as amended from time to time, the “**Dissolution Act**”).

Successor Agency. Pursuant to Section 34173 of the Dissolution Act, the City acts as the Successor Agency to the Former Agency. Subdivision (g) of Section 34173 of the Dissolution Act, added by AB 1484, expressly affirms that the Successor Agency is a separate public entity and legal entity from the City, that the two entities shall not merge, and that the liabilities of the Former Agency will not be transferred to the City nor will the assets of the Former Agency become assets of the City.

Security for the 2018 Bonds

The Dissolution Act authorizes the Successor Agency to issue refunding bonds secured by a pledge of, and lien on, and repaid from property tax revenues (as further defined herein, **"Tax Revenues"**) deposited with respect to the Project Area from time to time in the Redevelopment Property Tax Trust Fund (the **"Redevelopment Property Tax Trust Fund"**) established and held by the Madera County Auditor-Controller (the **"County Auditor-Controller"**). See "SECURITY FOR THE 2018 BONDS - Tax Revenues" for the complete definition of **"Tax Revenues."**

The Dissolution Act requires the County Auditor-Controller to determine the amount of property taxes that would have been allocated to the Former Agency from the Project Area had the Former Agency not been dissolved, using current assessed values on the last equalized roll on August 20, and to deposit that amount in the Redevelopment Property Tax Trust Fund. The Dissolution Act provides that any bonds authorized thereunder to be issued by the Successor Agency will be considered indebtedness incurred by the dissolved Former Agency, with the same lien priority and legal effect as if the bonds had been issued prior to the effective date of AB 1X 26, in full conformity with the applicable provisions of the Redevelopment Law that existed prior to that date, and will be included in the Successor Agency's Recognized Obligation Payment Schedules (see "SECURITY FOR THE 2018 BONDS – Recognized Obligation Payment Schedules").

The Dissolution Act further provides that property tax revenues pledged to any bonds authorized under the Dissolution Act, such as the 2018 Bonds, are taxes allocated to the Successor Agency pursuant to the provisions of the Redevelopment Law and the State Constitution.

Property tax revenues will be allocated to the Successor Agency on a semi-annual basis based on a Recognized Obligation Payment Schedule submitted by the Successor Agency to an oversight board established for the Successor Agency (the **"Oversight Board"**) and the State Department of Finance (the **"DOF"**). The County Auditor-Controller will distribute funds from the Redevelopment Property Tax Trust Fund for each six-month period in the order specified in the Dissolution Act. See "SECURITY FOR THE 2018 BONDS – Recognized Obligation Payment Schedules."

The Successor Agency has no power to levy property taxes and must rely on the allocation of taxes as described above. See "RISK FACTORS."

Reserve Account; 2018 Reserve Policy

The Successor Agency will meet the **"Reserve Requirement"** (as defined herein) for the 2018 Bonds by depositing the 2018 Reserve Policy issued by the 2018 Reserve Insurer with the Trustee. See "SECURITY FOR THE 2018 BONDS – Reserve Account; 2018 Reserve Policy."

Bond Insurance Policy

Concurrently with the issuance of the 2018 Bonds, the 2018 Insurer will issue its Municipal Bond Insurance Policy for the 2018 Bonds (the **"2018 Policy"**). The 2018 Policy guarantees the scheduled payment of principal of and interest on the 2018 Bonds when due as set forth in the form of the 2018 Insurance Policy included as an Appendix H to this Official Statement.

See “BOND INSURANCE” and “APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY.”

The Redevelopment Plan and the Project Area

Redevelopment Plan. On December 17, 1990, the City Council of the City (the “**City Council**”) adopted the Redevelopment Plan for the Project Area (as amended, the “**Redevelopment Plan**”) by Ordinance No. 565 C.S. The plan has been amended five times, as described herein. See “THE PROJECT AREA – The Redevelopment Plan” for a description of amendments to the Redevelopment Plan.

Project Area. The Project Area encompasses approximately 3,610 acres of land (2,286 acres in the original project area (the “**Original Area**”) and 1,325 acres added to the Project Area in 1999 (the “**1999 Amendment Area**”). An additional 597 acres of primarily residential land was also added to the Project Area in 2008 (the “**2008 Amendment Area**”). However, given that the assessed valuation of the 2008 Amendment Area has been below the base year value until Fiscal Year 2017-18 and is projected to generate less than \$3,000 in Fiscal Year 2017-18, detailed information regarding the 2008 Amendment Area has not been included in the Fiscal Consultant’s Report (defined herein) or this Official Statement. Unless the context otherwise requires, references in the Fiscal Consultant’s Report and in this Official Statement to the “**Project Area**” refers only the 3,610 acres of land in the Original Area and the 1999 Amendment Area.

The Project Area is largely comprised of single-family residential parcels, together with commercial and industrial parcels. Based on the County property tax roll for fiscal year 2017-18, there are 6,969 properties in the Project Area, of which 5,613 are residential. The assessed value of the Project Area for fiscal year 2017-18 is approximately \$1.3 billion and the base year valuation is approximately \$0.4 billion.

See “THE PROJECT AREA” for additional information on land use, assessed valuation and property ownership within the Project Area.

Limited Obligation

The 2018 Bonds are special obligations of the Successor Agency and are secured by an irrevocable pledge of and lien on, and are payable as to principal and interest from Tax Revenues and other funds. The 2018 Bonds and the interest thereon are not a debt of the City, the County, the State or any of their political subdivisions except the Successor Agency, and none of the City, the County, the State nor any of their political subdivisions (except the Successor Agency) are liable thereon. The 2018 Bonds and the interest thereon are not payable out of any funds or properties other than those set forth in the Indenture. No member, officer, agent, or employee of the Successor Agency, the Oversight Board, the County Board of Supervisors or any person executing the 2018 Bonds is liable personally on the 2018 Bonds by reason of their issuance.

Additional Bonds

The Indenture defines “**Parity Debt**” as any bonds, notes, or other obligations that are payable from and secured by a lien on Tax Revenues that is on a party with the lien under the Indenture. Upon the issuance of the 2018 Bonds, the Successor Agency will have no Parity Debt outstanding. However, the Indenture authorizes the issuance of Parity Debt by the

Successor Agency in the future, subject to the conditions set forth in the Indenture, which include the limitation that Parity Debt can only be issued to refund the 2018 Bonds and the condition that prior to the issuance of any Parity Debt, the Successor Agency shall use commercially reasonable efforts, to the extent permitted by law, to subordinate all amounts, if any, payable to a taxing entity pursuant to Section 33607.5 and 33607.7 to the payment of debt service on such Parity Debt. See “APPENDIX A – Summary of Certain Provisions of the Indenture.”

Professionals Involved in the Offering

Del Rio Advisors, LLC, Modesto, California, has served as municipal advisor to the Successor Agency and has advised the Successor Agency with respect to the financial structure of the refinancing and as to other financial aspects of the transaction. *Payment of the fees and expenses of the municipal advisor are contingent upon the sale and delivery of the 2018 Bonds.*

Fraser & Associates, Roseville, California, has acted as fiscal consultant to the Successor Agency (the “**Fiscal Consultant**”) and advised the Successor Agency as to the taxable values and Tax Revenues projected to be available to pay debt service on the 2018 Bonds as referenced in this Official Statement. The report prepared by the Fiscal Consultant is referred to as the “**Fiscal Consultant’s Report**” and is attached as APPENDIX B.

The Bank of New York Mellon Trust Company, N.A., San Francisco, California, will act as Trustee with respect to the 2018 Bonds and as escrow bank with respect to the refunding of the Prior Bonds.

All proceedings in connection with the issuance of the 2018 Bonds are subject to the approval of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel to the Successor Agency. Jones Hall is also acting as Disclosure Counsel to the Successor Agency. Certain legal matters will be passed on for the Underwriter by Stradling Yocca Carlson & Rauth, P.C., San Francisco, California. *Payment of the fees and expenses of Bond Counsel, Disclosure Counsel and Underwriter’s Counsel is contingent upon the sale and delivery of the 2018 Bonds.*

Further Information

Brief descriptions of the Redevelopment Law, the Dissolution Act, the Refunding Law, the 2018 Bonds, the Indenture, the Successor Agency, the Former Agency and the City are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references in this Official Statement to the Redevelopment Law, the Dissolution Act, the Refunding Law, the 2018 Bonds, the Indenture, the Constitution and the laws of the State as well as the proceedings of the Former Agency, the Successor Agency, and the City are qualified in their entirety by reference to such documents and laws. References in this Official Statement to the 2018 Bonds are qualified in their entirety by the form included in the Indenture and by the provisions of the Indenture. Capitalized terms used in this Official Statement and not otherwise defined shall have the meanings given to such terms as set forth in the Indenture. See “APPENDIX A – Summary of Certain Provisions of the Indenture.”

During the period of the offering of the 2018 Bonds, copies of the forms of all documents are available from the City Clerk, City of Madera, 205 West 4th Street, Madera, California 93637.

REFUNDING PLAN

Refunding of the Prior Bonds

Pursuant to Irrevocable Refunding Instructions (the “**Prior Bonds Refunding Instructions**”), by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee of the Prior Bonds (in such capacity, the “**Prior Bonds Escrow Bank**”), the Successor Agency will deliver a portion of the proceeds of the 2018 Bonds, along with other available amounts, to the Prior Bonds Escrow Bank for deposit in an escrow account established under the Prior Bonds Refunding Instructions (in such capacity, the “**Prior Bonds Escrow Account**”). The Prior Bonds Escrow Bank will invest a portion of the amount deposited to the Prior Bonds Escrow Account in certain federal securities through September 1, 2018, and hold the rest of the amounts uninvested (in cash).

The 1998 Bonds and the 2003 Bonds are anticipated to be redeemed within 30 days of the deposit of amounts in the Prior Bonds Escrow Account. The 2008 Bonds will be redeemed on September 1, 2018.

_____ (the “**Verification Agent**”), upon delivery of the 2018 Bonds, will deliver a report of the mathematical accuracy of certain computations, contained in schedules provided to them on behalf of the Successor Agency, relating to (a) the sufficiency of the maturing federal securities deposited in the Prior Bonds Escrow Account, the investment earnings thereon and the cash therein to pay redemption price of the Prior Bonds when due and (b) the “yields” on the amount of proceeds held and invested prior to redemption of the Prior Bonds and on the 2018 Bonds considered by Bond Counsel in connection with the opinion rendered by Bond Counsel that the 2018 Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended. The report of the Verification Agent will include the statement that the scope of their engagement is limited to verifying mathematical accuracy, of the computations contained in such schedules provided to them, and that they have no obligation to update their report because of events occurring, or data or information coming to their attention, subsequent to the date of their report.

The 2018B Bonds are being issued on a federally taxable basis to provide greater flexibility in the operation and ownership of certain assets financed or to be financed by the Prior Bonds and ensure continued compliance with federal tax law.

The Prior Bonds to be redeemed by the 2018 Bonds are set forth in the following tables.

SUCCESSOR AGENCY TO THE MADERA REDEVELOPMENT AGENCY Identification of Refunded 1998 Bonds*

Maturity Date (September 1)	CUSIP†	Principal Amount
2018	556444 BK2	\$860,000
2023T	556444 BL0	860,000
2028T	556444 BM8	4,405,000

*Preliminary; subject to change.

T Term Bonds.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP® data herein is provided by Standard & Poor's CUSIP Service Bureau. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service Bureau. CUSIP® numbers are provided for convenience of reference only. Neither the Successor Agency nor the Trustee take any responsibility for the accuracy of such numbers.

SUCCESSOR AGENCY TO THE MADERA REDEVELOPMENT AGENCY
Identification of Refunded 2003 Bonds*

Maturity Date (September 1)	CUSIP†	Principal Amount
2018	556444 CA3	\$660,000
2019	556444 CB1	690,000
2020	556444 CC9	720,000
2021	556444 CD7	760,000
2022	556444 CE5	790,000
2028T	556444 CF2	2,290,000
2033T	556444 CG0	7,440,000

*Preliminary; subject to change.

T Term Bonds.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP® data herein is provided by Standard & Poor's CUSIP Service Bureau. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service Bureau. CUSIP® numbers are provided for convenience of reference only. Neither the Successor Agency nor the Trustee take any responsibility for the accuracy of such numbers.

SUCCESSOR AGENCY TO THE MADERA REDEVELOPMENT AGENCY
Identification of Refunded 2008A Bonds*

Maturity Date (September 1)	CUSIP†	Principal Amount
2020T	556444 CU9	\$1,355,000
2023T	556444 CX3	1,565,000
2024	556444 CY1	575,000
2025	556444 CZ8	605,000
2030T	556444 DE4	3,550,000
2038T	556444 DN4	14,610,000

*Preliminary; subject to change.

T Term Bonds.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP® data herein is provided by Standard & Poor's CUSIP Service Bureau. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service Bureau. CUSIP® numbers are provided for convenience of reference only. Neither the Successor Agency nor the Trustee take any responsibility for the accuracy of such numbers.

SUCCESSOR AGENCY TO THE MADERA REDEVELOPMENT AGENCY
Identification of Refunded 2008B Bonds*

Maturity Date (September 1)	CUSIP†	Principal Amount
2020T	556444 EA1	\$285,000
2023T	556444 ED5	330,000
2030T	556444 EL7	1,000,000
2038T	556444 EU7	1,705,000

*Preliminary; subject to change.

T Term Bonds.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP® data herein is provided by Standard & Poor's CUSIP Service Bureau. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service Bureau. CUSIP® numbers are provided for convenience of reference only. Neither the Successor Agency nor the Trustee take any responsibility for the accuracy of such numbers.

The moneys and securities held by the Prior Bonds Escrow Bank in the Prior Bonds Escrow Account are pledged solely to the amounts due and payable by the Successor Agency for the Prior Bonds. Neither the funds deposited in the Prior Bonds Escrow Account nor any interest on the invested funds will be available for the payment of debt service on the 2018 Bonds.

Estimated Sources and Uses of Funds

The estimated sources and uses of funds related to the 2018 Bonds are summarized below.

	<u>2018A Bonds</u>	<u>2018B Bonds</u>	<u>Total</u>
<u>Sources:</u>			
Principal Amount	\$	\$	\$
Plus: Prior Bonds - Available Funds			
Plus/Less: [Net] Original Issue Premium/Discount			
Total Sources	\$	\$	\$
<u>Uses:</u>			
Prior Bonds Escrow Account	\$	\$	\$
Costs of Issuance ⁽¹⁾			
Total Uses	\$	\$	\$

(1) Costs of Issuance include fees and expenses for Bond Counsel, Disclosure Counsel, Municipal Advisor, Fiscal Consultant, and the Trustee, Underwriter's discount, premium for the 2018 Reserve Policy, premium for bond insurance, printing expenses, rating fee, and other costs related to the issuance of the 2018 Bonds.

Debt Service Schedule

The following table shows the annual debt service schedule for the 2018A Bonds and the 2018B Bonds, in each case, assuming no optional redemption.

Bond Year Ending <u>Sept. 1</u>	<u>2018A Bonds</u>		<u>2018B Bonds</u>		<u>Total Debt Service</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	

Total

THE 2018 BONDS

Authority for Issuance

The Dissolution Act authorizes the issuance of refunding bonds to provide savings to the Successor Agency, provided that (i) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness does not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (ii) the principal amount of the refunding bonds or other indebtedness does not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance.

The issuance of the 2018 Bonds and the execution and delivery of the Indenture were authorized by the Successor Agency pursuant to a resolution adopted on March 14, 2018 (the “**Resolution**”), and approved by the Oversight Board pursuant to a resolution adopted on March 19, 2018 (the “**Oversight Board Resolution**”). Pursuant to the Dissolution Act, written notice of the Oversight Board Resolution was provided to the DOF. On _____, 2018, the DOF provided a letter to the Successor Agency stating that based on the DOF’s review and application of the law, the Oversight Board Resolution approving the issuance of the 2018 Bonds is approved by the DOF.

Section 34177.5(f) of the Dissolution Act provides that when, as here, a successor agency issues refunding bonds with the approval of the oversight board and the DOF, the oversight board may not unilaterally approve any amendments to or early termination of the bonds, and the scheduled payments on the bonds shall be listed in the Recognized Obligation Payment Schedule and are not subject to further review and approval by the DOF or the California State Controller.

Description of the 2018 Bonds

The 2018 Bonds will be issued and delivered in fully-registered form without coupons in the denomination of \$5,000 or any integral multiple thereof for each maturity, initially in the name of Cede & Co., as nominee for The Depository Trust Company (“**DTC**”), as registered owner of all 2018 Bonds. The initially executed and delivered Bonds will be dated the date of delivery (the “**Closing Date**”) and mature on September 1 in the years and in the amounts shown on the inside cover page of this Official Statement.

Interest on the 2018 Bonds will be calculated on the basis of a 360-day year of twelve 30-day months at the rates shown on the inside cover page of this Official Statement, payable semiannually on March 1 and September 1 in each year, commencing on March 1, 2019, by check mailed to the registered owners thereof or upon the request of the Owners of \$1,000,000 or more in principal amount of 2018 Bonds, by wire transfer to an account in the United States which shall be designated in written instructions by such Owner to the Trustee on or before the Record Date preceding the Interest Payment Date. “**Record Date**” as defined in the Indenture means, with respect to any Interest Payment Date, the close of business on the 15th calendar day of the month preceding such Interest Payment Date, whether or not such 15th calendar day is a Business Day.

One fully-registered bond will be issued for each maturity of the 2018 Bonds, each in the aggregate principal amount of such series and maturity, and will be deposited with DTC. See “APPENDIX G – Book-Entry Only System.”

Redemption*

Optional Redemption. The 2018A Bonds maturing on or before September 1, 20__, are not subject to optional redemption prior to maturity. The 2018A Bonds maturing on or after September 1, 20__, are subject to redemption, at the option of the Successor Agency, on any date on or after September 1, 20__, as a whole or in part, by such maturities as will be determined by the Successor Agency and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium.

The 2018B Bonds are not subject to redemption prior to maturity.

Sinking Account Redemption. The 2018A Bonds maturing on September 1, 20__ (the “Term Bonds” are subject to redemption in part by lot, on September 1 in each of the years as set forth in the following table, from sinking fund payments made by the Successor Agency to the Principal Account pursuant to the Indenture, at a redemption price equal to the principal amount thereof to be redeemed, without premium; *provided, however*, that (i) in lieu of redemption thereof such Term Bonds may be purchased by the Successor Agency pursuant to the Indenture, and (ii) if some but not all of such Term Bonds have been redeemed pursuant to the Indenture, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the Successor Agency (notice of which determination shall be given by the Successor Agency to the Trustee) and shall include a revised sinking fund schedule.

2018A Bonds Maturing September 1, 20__

Sinking Account
Redemption Date
(September 1)

Principal Amount
To Be Redeemed

In lieu of redemption of the Term Bonds pursuant to the Indenture or pursuant to a Supplemental Indenture, amounts on deposit in the Special Fund or in the Principal Account or Sinking Account may also be used and withdrawn by the Successor Agency and the Trustee, respectively, at any time, upon the Written Request of the Successor Agency, for the purchase of the Term Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the Successor Agency may in its discretion determine. The par amount of any Term Bonds so purchased by the Successor Agency in any twelve-month period ending on July 15 in any year shall be credited towards and shall reduce the par amount of the Term Bonds required to be redeemed pursuant to the Indenture on September 1 in each year; provided that evidence

* Preliminary; subject to change.

satisfactory to the Trustee of such purchase has been delivered to the Trustee by said July 15. In no event shall the Successor Agency purchase any Term Bonds in lieu of redemption without canceling such Term Bonds.

Notice of Redemption. The Trustee on behalf of and at the expense of the Successor Agency will mail (by first class mail, postage prepaid) notice of any redemption at least 20 but not more than 45 days prior to the redemption date, to (i) the Owners of any 2018A Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) to the Securities Depositories and to the Information Services; but such mailing will not be a condition precedent to a redemption and neither failure to receive a redemption notice nor any defect in the redemption notice will affect the validity of the proceedings for the redemption of such 2018A Bonds or the cessation of the accrual of interest on the 2018A Bonds to be redeemed.

The redemption notice will state the redemption date and the redemption price, will state that such redemption is conditioned upon the timely delivery of the redemption price by the Successor Agency to the Trustee for deposit in the Redemption Account, will designate the CUSIP number of the 2018A Bonds to be redeemed, state the individual number of each Bond to be redeemed or state that all Bonds between two stated numbers (both inclusive) or all of the 2018A Bonds Outstanding are to be redeemed, and will require that such Bonds be then surrendered at the Principal Corporate Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on the 2018A Bonds to be redeemed will not accrue from and after the redemption date.

Upon the payment of the redemption price of 2018A Bonds being redeemed, each check or other transfer of funds issued for such purpose will, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the 2018A Bonds being redeemed with the proceeds of such check or other transfer.

Right to Rescind Notice. The Successor Agency may provide notice to owners of the 2018A Bonds that it intends to redeem the 2018A Bonds on an optional basis, but that the redemption is subject to there being sufficient funds for that purpose. The Successor Agency has the right to rescind any notice of the optional redemption of 2018A Bonds by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of optional redemption will be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the 2018A Bonds then called for redemption, and such cancellation will not constitute an Event of Default. The Successor Agency and the Trustee have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee will mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

Partial Redemption of 2018A Bonds. In the event only a portion of any 2018A Bond is called for redemption, then upon surrender of such 2018A Bond the Successor Agency will execute and the Trustee will authenticate and deliver to the Owner thereof, at the expense of the Successor Agency, a new 2018A Bond or 2018A Bonds of the same interest rate and maturity, of authorized denominations, in aggregate principal amount equal to the unredeemed portion of the 2018A Bond to be redeemed.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the redemption price of and interest on the 2018A Bonds so called for redemption have been duly deposited with the Trustee, the 2018A Bonds so called will cease to

be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest will accrue thereon from and after the redemption date specified in such notice.

Manner of Redemption. Whenever any 2018A Bonds or portions thereof are to be selected for redemption by lot, the Trustee will make the selection, in such manner as the Trustee deems appropriate. In the event of redemption by lot of 2018A Bonds, the Trustee shall assign to each 2018A Bond then Outstanding a distinctive number for each \$5,000 of the principal amount of each such 2018A Bond. The 2018A Bonds to be redeemed shall be the 2018A Bonds to which were assigned numbers so selected, but only so much of the principal amount of each such 2018A Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. All 2018A Bonds redeemed or purchased pursuant to the Indenture shall be cancelled and destroyed.

Additional Bonds

Parity Debt. The Indenture defines “**Parity Debt**” as any bonds, notes or other obligations that are payable from and secured by a lien on Tax Revenues that is on a parity with the lien under the Indenture. Upon the issuance of the 2018 Bonds, the Successor Agency will have no Parity Debt outstanding. However, the Indenture authorizes the issuance of Parity Debt by the Successor Agency in the future, subject to the conditions set forth in the Indenture, which include the limitation that Parity Debt can only be issued to refund the 2018 Bonds and the condition that prior to the issuance of any Parity Debt, the Successor Agency shall use commercially reasonable efforts, to the extent permitted by law, to subordinate all amounts, if any, payable to a taxing entity pursuant to Section 33607.5 and 33607.7 to the payment of debt service on such Parity Debt. See “APPENDIX A – Summary of Certain Provisions of the Indenture” for additional details.

Subordinate Debt. The Indenture permits the Successor Agency to issue and sell Subordinate Debt (as defined in the Indenture). Such Subordinate Debt would be payable from, or secured by a pledge or lien upon, the Tax Revenues on a subordinate basis to the payment of debt service on the 2018 Bonds. See “APPENDIX A – Summary of Certain Provisions of the Indenture” for additional details.

THE DISSOLUTION ACT

General. The Dissolution Act requires the County Auditor-Controller to determine the amount of property taxes that would have been allocated to the Former Agency (pursuant to subdivision (b) of Section 16 of Article XVI of the State Constitution) had the Former Agency not been dissolved pursuant to the operation of AB 1X 26, using current assessed values on the last equalized roll on August 20, and to deposit that amount in the Redevelopment Property Tax Trust Fund for the Successor Agency established and held by the County Auditor-Controller pursuant to the Dissolution Act.

The Dissolution Act provides that any bonds authorized thereunder to be issued by the Successor Agency will be considered indebtedness incurred by the Former Agency, with the same lien priority and legal effect as if the bonds had been issued prior to the effective date of AB 1X 26, in full conformity with the applicable provisions of the Redevelopment Law that existed prior to that date, and will be included in the Successor Agency's Recognized Obligation Payment Schedule (see "SECURITY FOR THE 2018 BONDS – Recognized Obligation Payment Schedules").

Redevelopment Property Tax Trust Fund. The Dissolution Act further provides that bonds authorized by the Dissolution Act to be issued by the Successor Agency will be secured by a pledge of, and lien on, and will be repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund, and that property tax revenues pledged to any bonds authorized to be issued by the Successor Agency under the Dissolution Act, including the 2018 Bonds, are taxes allocated to the Successor Agency pursuant to subdivision (b) of Section 33670 of the Redevelopment Law and Section 16 of Article XVI of the State Constitution.

Pursuant to subdivision (b) of Section 33670 of the Redevelopment Law and Section 16 of Article XVI of the State Constitution and as provided in the Redevelopment Plan for the Project Area, taxes levied upon taxable property in the Project Area each year by or for the benefit of the State, any city, county, city and county, district, or other public corporation (herein sometimes collectively called "**taxing agencies**") after the effective date of the ordinance approving the applicable Redevelopment Plan, or the respective effective dates of ordinances approving amendments to the applicable Redevelopment Plan that added territory to the Project Area, as applicable, are to be divided as follows:

(a) To Taxing Agencies: That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the taxing agencies upon the total sum of the assessed value of the taxable property in the Project Area as shown upon the assessment roll used in connection with the taxation of such property by such taxing agency last equalized prior to the effective date of the ordinance adopting the applicable Redevelopment Plan, or the respective effective dates of ordinances approving amendments to the applicable Redevelopment Plan that added territory to the Project Area, as applicable (each, a "**base year valuation**"), will be allocated to, and when collected will be paid into, the funds of the respective taxing agencies as taxes by or for the taxing agencies on all other property are paid; and

(b) To the Former Agency/Successor Agency: Except for that portion of the taxes in excess of the amount identified in (a) above which are attributable to a tax rate levied by a taxing agency for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of, and the

interest on, any bonded indebtedness approved by the voters of the taxing agency on or after January 1, 1989 for the acquisition or improvement of real property, which portion shall be allocated to, and when collected shall be paid into, the fund of that taxing agency, that portion of the levied taxes each year in excess of such amount, annually allocated within limitations established by the applicable Redevelopment Plan (which are no longer applicable, as described below), following the date of issuance of the 2018 Bonds, when collected will be paid into a special fund of the Successor Agency. Section 34172 of the Dissolution Act provides that, for purposes of Section 16 of Article XVI of the State Constitution, the Redevelopment Property Tax Trust Fund shall be deemed to be a special fund of the Successor Agency to pay the debt service on indebtedness incurred by the Former Agency or the Successor Agency to finance or refinance the redevelopment projects of the Former Agency.

That portion of the levied taxes described in paragraph (b) above, less amounts deducted pursuant to Section 34183(a) of the Dissolution Act for permitted administrative costs of the County Auditor-Controller, constitute the amounts required under the Dissolution Act to be deposited by the County Auditor-Controller into the Redevelopment Property Tax Trust Fund. In addition, Section 34183 of the Dissolution Act effectively eliminates the January 1, 1989 date from paragraph (b) above.

No Applicable Redevelopment Plan Limits. In accordance with the Redevelopment Law, redevelopment plans project areas were required to include certain limits on the financing of the redevelopment projects. These limits could include a time limit on the life of the redevelopment plan, a time limit on the incurrence of indebtedness, a time limit on the receipt of property tax increment and the repayment of indebtedness and a limit on the amount of bonded indebtedness outstanding at any time. The Dissolution Act, as amended by SB 107 as of September 22, 2015, clarifies that former tax increment limits set forth in redevelopment plans no longer apply for purposes of paying approved enforceable obligations.

Elimination of Housing Set-Aside. Before it was amended by the Dissolution Act, the Redevelopment Law required each redevelopment agency to set aside not less than 20% of all tax increment generated in project areas into a low and moderate income housing fund to be used for the purpose of increasing, improving and/or preserving the supply of low and moderate income housing. These tax increment revenues were commonly referred to as “**Housing Set-Aside.**” The Dissolution Act eliminates the characterization of certain tax increment revenues as Housing Set-Aside.

Last and Final Recognized Obligation Payment Schedule. Commencing on September 22, 2015, successor agencies that have received a Finding of Completion and the concurrence of the DOF as to the items that qualify for payment, among other conditions, at their option, may file a “Last and Final” Recognized Obligation Payment Schedule. If approved by the DOF, the Last and Final Recognized Obligation Payment Schedule will be binding on all parties and the successor agency will no longer submit future Recognized Obligation Payment Schedules to the DOF or the oversight board. The county auditor-controller would thereafter remit the authorized funds to the Successor Agency in accordance with the approved Last and Final Recognized Obligation Payment Schedule until each remaining enforceable obligation has been fully paid. A Last and Final Recognized Obligation Payment Schedule may only be amended twice, and only with approval of the DOF and the county auditor-controller.

[The Successor Agency has not submitted a “Last and Final” Recognized Obligation Payment Schedule and currently has no plans to do so.] **[CONFIRM]**

SECURITY FOR THE 2018 BONDS

The County Auditor-Controller will deposit Tax Revenues into the Redevelopment Property Tax Trust Fund pursuant to the requirements of the Dissolution Act, including Health and Safety Code sections 34183 and 34170.5(b). The 2018 Bonds are payable from and secured primarily by the Tax Revenues.

Pledge Under the Indenture

Except as required to compensate or indemnify the Trustee, the 2018 Bonds and any Parity Debt are equally secured by a pledge of, security interest in and lien on all of the Tax Revenues, including all of the Tax Revenues in the Redevelopment Obligation Retirement Fund and by a first and exclusive pledge and lien upon all of the moneys in the Debt Service Fund (including the Interest Account, the Principal Account, the Sinking Account, and the Redemption Account) without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. The 2018 Bonds are additionally secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys and assets in the Reserve Account established for the 2018 Bonds. The 2018 Bonds and any Parity Debt are also equally secured by the pledge and lien created with respect to the Bonds by Section 34177.5(g) of the Dissolution Act on Tax Revenues deposited from time to time in the Redevelopment Property Tax Trust Fund. Except for the Tax Revenues and such moneys, no funds or properties of the Successor Agency are pledged to, or otherwise liable for, the payment of principal of or interest on the Bonds.

In consideration of the acceptance of the 2018 Bonds by purchasers of the 2018 Bonds, the Indenture will be deemed to be and will constitute a contract between the Successor Agency and the Trustee for the benefit of the Owners from time to time of the 2018 Bonds, and the covenants and agreements set forth in the Indenture to be performed on behalf of the Successor Agency are for the equal and proportionate benefit, security and protection of all Owners of the 2018 Bonds without preference, priority or distinction as to security or otherwise of any of the 2018 Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or in the Indenture.

In the Indenture, the Successor Agency transfers, places a charge upon, assigns and sets over to the 2018 Insurer that portion of the Tax Revenues that is necessary in any Fiscal Year to pay the 2018 Insurer any amounts owed to the 2018 Insurer under the 2018 Policy and 2018 Reserve Policy Agreement. The pledge described in the preceding sentence constitutes a charge and lien on the Tax Revenues subject only to the lien granted to the Trustee, for the benefit of the Owners of the Bonds issued under the Indenture, and the lien granted to the owners of any other Parity Debt.

Tax Revenues

“**Tax Revenues**” is defined in the Indenture to mean for each Fiscal Year, all moneys deposited or available for deposit from time to time in the Redevelopment Property Tax Trust Fund, as provided in paragraph (2) of subdivision (a) of Section 34183 of the Law, excluding

amounts if any, payable by the Successor Agency pursuant to Sections 33676, 33607.5 and 33607.7 of the Law and Section 34183(a)(1) of the Dissolution Act, except to the extent such amounts are payable on a basis subordinate to the payment of annual debt service on the 2018 Bonds or any Parity Debt pursuant to Section 33607.5(e) of the Law or Section 34177.5(c) of the Dissolution Act.

Flow of Funds Under the Indenture

General. The Successor Agency previously established the Redevelopment Obligation Retirement Fund pursuant to Section 34170.5(a) of the Dissolution Act and agrees to hold and maintain the Redevelopment Obligation Retirement Fund as long as any of the Bonds are Outstanding.

Deposit in Redevelopment Obligation Retirement Fund; Transfer to Debt Service Fund. The Indenture provides that the Successor Agency shall deposit all Tax Revenues received into the Redevelopment Obligation Retirement Fund promptly upon receipt thereof. All Tax Revenues received by the Successor Agency in excess of amounts required in the Indenture or additionally required pursuant to a Supplemental Indenture or Parity Debt Instrument, shall be released from the pledge and lien under the Indenture and shall be applied in accordance with the Law, including but not limited to the payment of debt service on any Subordinate Debt. Prior to the payment in full of the principal of and interest and redemption premium (if any) on the 2018 Bonds and the payment in full of all other amounts payable under the Indenture and under any Supplemental Indentures, the Successor Agency shall not have any beneficial right or interest in the moneys on deposit in the Redevelopment Obligation Retirement Fund, except as may be provided in the Indenture and in any Supplemental Indenture.

Deposit of Amounts by Trustee. There is established a trust fund to be known as the Debt Service Fund, which will be held by the Trustee under the Indenture in trust. Concurrently with transfers with respect to Parity Debt pursuant to Parity Debt Instruments, moneys in the Redevelopment Obligation Retirement Fund shall be transferred by the Successor Agency to the Trustee in the following amounts, at the following times, and deposited by the Trustee in the following respective special accounts, which are established in the Debt Service Fund, and in the following order of priority:

Interest Account. On or before the 5th Business Day preceding each Interest Payment Date, the Successor Agency will withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee for deposit in the Interest Account an amount which when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds on such Interest Payment Date. No such deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds. All moneys in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it becomes due and payable.

Principal Account. On or before the 5th Business Day preceding each September 1 on which the principal of the Bonds becomes due and payable, and at maturity, the Successor Agency shall withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee for deposit in the Principal Account an amount which, when

added to the amount then on deposit in the Principal Account, will be equal to the amount of principal coming due and payable on such date on the Bonds. No such deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal to become due on the next September 1 on all of the Outstanding Bonds and any Parity Debt. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds and any Parity Debt as it shall become due and payable.

Sinking Account. No later than the 5th Business Day preceding each September 1 on which any Term Bond becomes subject to mandatory sinking account redemption, the Successor Agency shall withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee for deposit in the Sinking Account an amount which, when added to the amount then contained in the Sinking Account, will be equal to the aggregate principal amount of the Term Bonds required to be redeemed on such September 1. No such deposit need be made to the Sinking Account if the amount contained therein is at least equal to the Sinking Account payments to become due on the next September 1 on all of the Outstanding Bonds. All moneys on deposit in the Sinking Account shall be used and withdrawn by the Trustee for the sole purpose of paying the principal of the Term Bonds as it shall become due and payable upon redemption or purchase in lieu of redemption.

Reserve Account. The Reserve Requirement for each series of the 2018 Bonds will be satisfied by the delivery of the 2018 Reserve Policy by the 2018 Insurer on the Closing Date, which policy shall be proportionately allocated to each series. The provisions governing the administration of the 2018 Reserve Policy are set forth in the 2018 [Reserve Policy Agreement]. The Successor Agency will have no obligation to replace the 2018 Reserve Policy or to fund the Reserve Account with cash if, at any time that the 2018 Bonds are Outstanding, amounts are not available under the 2018 Reserve Policy. From time to time, the Successor Agency shall withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee for deposit in the Reserve Account the amount required to pay the 2018 Insurer any amounts owed by the Successor Agency to the 2018 Insurer under the 2018 [Reserve Policy Agreement].

See “–Reserve Account; 2018 Reserve Policy” below for further information regarding the Reserve Account.

Redemption Account. On or before the Business Day preceding any date on which Bonds are to be redeemed pursuant to the optional redemption provisions of the Indenture, other than mandatory Sinking Account redemption of Term Bonds, the Trustee will withdraw from the Debt Service Fund any amount transferred by the Successor Agency for deposit in the Redemption Account, such amount being the amount required to pay the principal of and premium, if any, on the Bonds to be redeemed on such date. All moneys in the Redemption Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal of and premium, if any, on the Bonds to be redeemed pursuant to an optional redemption on the date set for such redemption, other than mandatory Sinking Account redemption of Term Bonds. Interest due on Bonds to be redeemed on the date set for redemption will, if applicable, be paid from funds available therefor in the Interest Account.

Reserve Account; 2018 Reserve Policy

Deposit of 2018 Reserve Policy. The Reserve Requirement for each series of the 2018 Bonds will be satisfied by the delivery of the 2018 Reserve Policy by the 2018 Insurer on the Closing Date, which policy shall be proportionately allocated to each series. The Trustee shall comply with the terms of the 2018 Reserve Policy and the 2018 [Reserve Policy Agreement] as shall be required to receive payments thereunder in the event and to the extent required under the Indenture. See APPENDIX A for additional details regarding the 2018 Reserve Policy.

Use of Money in the Reserve Account. All money in the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account and the Principal Account, in the event of any deficiency at any time in any of such accounts or for the retirement of all the 2018 Bonds then Outstanding.

Definition of Reserve Requirement. The Indenture defines “**Reserve Requirement**” to mean, with respect to the 2018 Bonds, the lesser of (i) 10% of the original aggregate principal amount of the 2018 Bonds (if there is more than a de minimis amount of original issue discount or premium (as defined in the Code), the issue price shall be used instead of principal amount) or (ii) 125% of the average annual debt service with respect to the 2018 Bonds or (iii) maximum annual debt service with respect to the 2018 Bonds.

Limited Obligation

The 2018 Bonds are not a debt of the City, the County, the State or any of their political subdivisions except the Successor Agency, and none of the City, the County, the State or any of their political subdivisions except the Successor Agency are liable therefor. The 2018 Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. No member of the Successor Agency, the Oversight Board or the Board of Supervisors of the County shall be individually or personally liable for the payment of the principal of or interest on the 2018 Bonds; but nothing contained in the Indenture relieves any such member, officer, agent or employee from the performance of any official duty provided by law.

Recognized Obligation Payment Schedules

Submission of Recognized Obligation Payment Schedule. The Dissolution Act requires successor agencies to prepare, and submit to the successor agency’s oversight board and the DOF for approval, a Recognized Obligation Payment Schedule (each, a “**Recognized Obligation Payment Schedule**”) pursuant to which enforceable obligations (as defined in the Dissolution Act) of the successor agency are listed, together with the source of funds to be used to pay for each enforceable obligation. Successor agencies are required to file Recognized Obligation Payment Schedules with the DOF for approval each February 1 for the July 1 through June 30 period immediately following such February 1. Pursuant to Section 34177(o)(1)(E) of the Dissolution Act, once per the Recognized Obligation Payment Schedule period, and no later than October 1, a successor agency may submit one amendment to DOF for the second half of the yearly Recognized Obligation Payment Schedule period (January-June), if the Oversight Board makes a finding that a revision is necessary to pay enforceable obligations during the second half of the Recognized Obligation Payment Schedule period. Currently, DOF does not allow successor agencies to add lines for additional obligations when submitting the Amended Recognized Obligation Payment Schedule.

Payment of Amounts Listed on the Recognized Obligation Payment Schedule. As defined in the Dissolution Act, “**enforceable obligation**” includes bonds, including the required debt service, reserve set-asides, and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds of the former redevelopment agency or the successor agency, as well as other obligations such as loans, judgments or settlements against the former redevelopment agency or the successor agency, any legally binding and enforceable agreement that is not otherwise void as violating the debt limit or public policy, contracts necessary for the administration or operation of the successor agency, and, under certain circumstances, amounts borrowed from the successor agency’s low and moderate income housing fund.

A reserve may be included on the Recognized Obligation Payment Schedule and held by the successor agency when required by a bond indenture or when the next property tax allocation will be insufficient to pay all obligations due under the provisions of the bonds for the next payment due in the following half of the calendar year.

Sources of Payments for Enforceable Obligations. Under the Dissolution Act, the categories of sources of payments for enforceable obligations listed on a Recognized Obligation Payment Schedule are the following: (i) the low and moderate income housing fund, (ii) bond proceeds, (iii) reserve balances, (iv) administrative cost allowance (successor agencies are entitled to receive not less than \$250,000, unless that amount is reduced by the oversight board), (v) the Redevelopment Property Tax Trust Fund (but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or otherwise required under the Dissolution Act), or (vi) other revenue sources (including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the redevelopment agency, as approved by the oversight board).

The Dissolution Act provides that only those payments listed in the Recognized Obligation Payment Schedule may be made by a successor agency and only from the funds specified in the Recognized Obligation Payment Schedule.

Order of Priority of Distributions from Redevelopment Property Tax Trust Fund. Typically, under the Redevelopment Property Tax Trust Fund distribution provisions of the Dissolution Act, a county auditor-controller is to distribute funds for each six-month period in the following order specified in Section 34183 of the Dissolution Act:

(i) first, subject to certain adjustments for subordinations to the extent permitted under the Dissolution Act (if any, as described above under “SECURITY FOR THE 2018 BONDS – Statutory Pass-Through Payments” and “– Pass-Through Agreements”) and no later than each January 2 and June 1, to each local successor agency and school entity, to the extent applicable, amounts required for pass-through payments such entity would have received under provisions of the Redevelopment Law, as those provisions read on January 1, 2011, including negotiated pass-through agreements and statutory pass-through obligations;

(ii) second, on each January 2 and June 1, to the successor agency for payments listed in its Recognized Obligation Payment Schedule, with debt service payments scheduled to be made for tax allocation bonds having the highest priority over payments scheduled for other debts and obligations listed on the Recognized Obligation Payment Schedule;

(iii) third, on each January 2 and June 1, to the successor agency for the administrative cost allowance, as defined in the Dissolution Act; and

(iv) fourth, on each January 2 and June 1, to taxing entities any moneys remaining in the Redevelopment Property Tax Trust Fund after the payments and transfers authorized by clauses (i) through (iii), in an amount proportionate to such taxing entity's share of property tax revenues in the tax rate area in that fiscal year (without giving effect to any pass-through obligations that were established under the Redevelopment Law).

Failure to Submit a Recognized Obligation Payment Schedule. If a successor agency does not submit a recognized obligation payment schedule to the Oversight Board and the DOF by each February 1 (unless a successor agency elects to file a last and final recognized obligation payment schedule), then a successor agency will be subject to a \$10,000 per day civil penalty for every day the schedule is late. Additionally, if a successor agency does not submit a recognized obligation payment schedule to the Oversight Board and the DOF at least 10 days after each February 1 (unless a successor agency elects to file a last and final recognized obligation payment schedule), then a successor agency's administrative cost allowance may be reduced by up to 25%. For additional information regarding procedures under the Dissolution Act relating to late Recognized Obligation Payment Schedules and implications thereof on the 2018 Bonds, see "RISK FACTORS – Recognized Obligation Payment Schedule."

Recognized Obligation Payment Schedule Covenant. Under the Indenture, the Successor Agency covenants that it will comply with all of the requirements of the Law. Pursuant to Section 34177 of the Law, not later than each date a Recognized Obligation Payment Schedule is due, the Successor Agency shall submit to the Oversight Board and the DOF, a Recognized Obligation Payment Schedule. The Successor Agency shall take all actions required under the Law to include in the Recognized Obligation Payment Schedule for each Bond Year (i) debt service on the Bonds and (ii) all amounts due and owing to the 2018 Insurer, so as to enable the Madera County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund for deposit in the Redevelopment Obligation Retirement Fund on each January 2 and June 1, as applicable, amounts required to enable the Successor Agency to pay timely principal of, and interest on, the Bonds on a timely basis, as such amounts of debt service are set forth in the Recognized Obligation Payment Schedule attached as an exhibit to the Indenture, or as such Schedule may be amended, as well as all amounts due and owing to the 2018 Insurer.

In order to ensure that amounts are available for the Trustee to pay debt service on all Outstanding Bonds and all amounts due and owing to the 2018 Insurer on a timely basis, for so long as any Bonds are outstanding, the Successor Agency shall submit a Recognized Obligation Payment Schedule meeting the requirements of the Dissolution Act to the DOF and to the Madera County Auditor-Controller that shall include annual distribution to the Successor Agency of an amount sufficient to pay all of the debt service coming due during the period applicable to the respective annual distributions, and an amount sufficient to all amounts due and owing to the 2018 Insurer.

In addition to the amounts described above, if the amount of Tax Revenues distributed to the Successor Agency is less than the sum of the amounts specified above or required to be paid pursuant to the 2018 Bonds or the Indenture, the Successor Agency shall submit a

Recognized Obligation Payment Schedule or amendment thereto to the DOF and to the Madera County Auditor-Controller that shall include the balance due to the Successor Agency or balance of the amount needed to pay the amounts specified above or required to be paid pursuant to the 2018 Bonds or the Indenture, which amount shall be requested to be distributed in full to the Successor Agency at the next opportunity allowed by the Dissolution Act.

In the event the provisions set forth in the Dissolution Act as of the Closing Date of the 2018 Bonds that relate to the filing of Recognized Obligation Payment Schedules are amended or modified in any manner, the Successor Agency agrees to take all such actions as are necessary to comply with such amended or modified provisions so as to ensure the timely payment of debt service on the Bonds and, if the timing of distributions of the Redevelopment Property Tax Trust Fund is changed, the receipt of (i) not less than the debt service due on September 1 on all Outstanding Bonds prior to September 1 of such Bond Year, and (ii) all of the debt service due on March 1 on all Outstanding Bonds prior to the next succeeding March 1.

The Successor Agency has no power to levy and collect taxes, and various factors beyond its control could affect the amount of Tax Revenues available in any six-month period to pay the principal of and interest on the 2018 Bonds (see "RISK FACTORS").

History of Submission of the Recognized Obligation Payment Schedules. The Successor Agency has procedures in place to ensure full and timely compliance with the above-described covenant. [The Successor Agency has submitted all of its Recognized Obligation Payment Schedules on a timely basis.] **[CONFIRM]** For additional information regarding procedures under the Dissolution Act relating to late Recognized Obligation Payment Schedules and implications for the 2018 Bonds, see "RISK FACTORS – Recognized Obligation Payment Schedule."

Statutory Tax Sharing Obligations

Statutory Tax Sharing Payments Generally. In certain circumstances, Sections 33607.5 and 33607.7 of the Redevelopment Law require redevelopment agencies and successor agencies to make statutory tax sharing payments to taxing agencies whose territory is located within a redevelopment project area, to alleviate the financial burden or detriment caused by the redevelopment project.

Generally speaking, the County Auditor-Controller is required to deduct from the Successor Agency's Redevelopment Property Tax Trust Fund to pay to the affected taxing agencies percentages of tax increment generated in a project area as follows:

Tier 1: throughout the period that the Successor Agency is eligible to receive property tax revenues from a project area, 25% of revenues in excess of revenues generated in such project area from the date the redevelopment plan for such project area was adopted, for post-1994 plans, and from the year in which one of several specified plan limitations would have been reached, in the absence of an amendment to a redevelopment plan extending or eliminating such limitation, for pre-1994 plans with such amendments, all computed as though housing set-aside is still in effect; plus,

Tier 2: for the 11th year of the receipt of tax increment and thereafter, 21% of revenues in excess of revenues based on assessed values in the project area for the 10th year of statutory tax sharing payments; plus,

Tier 3: for the 31st year of the receipt of tax increment and thereafter, 14% of revenues in excess of revenues based on assessed values in the project area for the 30th year of statutory tax sharing payments.

Statutory Tax Sharing Obligations in the Project Area. On and after January 1, 1994 (the effective date of AB 1290), the former tax increment revenues a redevelopment agency could receive from a new redevelopment project were reduced by certain mandatory statutory tax sharing payments paid pursuant to Sections 33607.5 and 33607.7 of the Redevelopment Law to affected taxing entities pursuant to the Redevelopment Law. Any amendment of a redevelopment plan after January 1, 1994 that increased the amount of tax increment revenues to be received in a project area or increased or eliminated the time limits on the effectiveness of the redevelopment plan or for establishing of loans, advances, and indebtedness in a redevelopment plan also triggered such payments to affected taxing entities. These payments, which were to begin the fiscal year following the adoption of the project area, or in the case of payments triggered by an amendment, in the year after the project area's original plan limitations would have taken effect, are calculated using the increase in revenue over the revenue in the last assessment roll published before the redevelopment plan was adopted, for new plans, or the amount of revenue generated by the project area in the year that the former limit would have been reached, for amendments. Under the Dissolution Act, in particular Section 34183, the County Auditor-Controller is obligated to remit these statutory tax sharing payments to the affected taxing entities from the Redevelopment Property Tax Trust Fund on each RPTTF Distribution Date.

With respect to the 1999 Amendment Area, the Successor Agency is required to make Tier 1 and Tier 2 statutory tax sharing payments pursuant to Section 33607.5 of the Redevelopment Law because it was formed after January 1, 1994. The Successor Agency also deleted the time limitation for the incurrence of debt for the Original Area pursuant to SB 211. This triggered statutory tax sharing payments to those affected taxing entities that do not have a negotiated tax sharing agreement for the Original Area. Tax sharing payments are due on tax increment revenues attributable to increases in taxable values above levels in 2010-11 (when the debt incurrence limit would have been reached for the Original Area). Tax sharing payments are only due to those taxing entities which do not have a pass through agreement for the Original Area, although the County is allocating the statutory tax sharing payments to all of the taxing entities except for the City. The payments are based on the same 3-tier formula shown above.

The Fiscal Consultant reports that the County Auditor-Controller's calculation of statutory payments for both the Original Area and the 1999 Amendment Area appear to be overstated by approximately \$105,000 for fiscal year 2017-18. Accordingly, calculations made by the Fiscal Consultant have been adjusted to reflect the higher County amount.

Pursuant to the provisions of the Redevelopment Law and the Dissolution Act, the Successor Agency has requested that the taxing entities approve the subordination of the statutory payments to debt service on the 2018 Bonds. [[As of the date of this Official Statement, subordination has become effective with respect to _____].]

See "APPENDIX H – FISCAL CONSULTANT'S REPORT" for more information regarding the payments required to be made with respect to the Project Area pursuant to Sections 33607.5 and 33607.7 of the Redevelopment Law, and the impact of subordination.

Section 33676 (2%) Payments

Taxing entities are able to separately receive their share of the growth in valuation due to inflation, known as Section 33676 payments or the 2% payments, pursuant to Section 33676 of the Redevelopment Law. Section 33676 payments are distributed by the County Auditor-Controller to two taxing entities: the State Center Community College District and the Madera County Office of Education. For Fiscal Year 2017-18, the total Section 33676 payments amounted to approximately \$154 million. See "APPENDIX B – FISCAL CONSULTANT'S REPORT" for further information.

Pass-Through Agreements

The Project Area is subject to several negotiated pass-through agreements with taxing entities (the "**Pass-Through Agreements**"), each of which is briefly summarized below. *[[Amounts payable under the Pass-Through Agreements with _____ have been subordinated to the payment of debt service on the 2018 Bonds.]]*

Madera County and County Flood Control and Water Conservation Agency. Under an Agreement, dated March 5, 1991, among the Former Agency, the County and the County Flood Control and Water Conservation Agency, the County taxing entities each receive 90% of their share of the tax increment from the Original Area. The County's share equals 21.54% and the County Flood Control Agency's share equals 0.5%.

Madera County Mosquito Abatement District. Pursuant to an Agreement, dated May 6, 1991, between the Former Agency and the Mosquito Abatement District, the district receives 100% of its share of tax increment, which equals 2.74% of tax increment.

Madera County Cemetery District. Pursuant to an Agreement, dated May 6, 1991, between the Former Agency and the Cemetery District, the district receives 100% of its share of tax increment, which equals 1.75% of tax increment.

Madera Unified School District. Pursuant to an Agreement, dated as of February 12, 1991 between the Former Agency and the Madera Unified School District, the school district receives tax sharing payments that are calculated in the same way as Section 33676 Revenues. Essentially, the School District receives its share (43.2%) of the Section 33676 Revenues, but such amounts are paid as part of the negotiated agreement.

As noted above, the Pass-Through Agreements with the County, Mosquito Abatement District and Madera County Cemetery District include a process to be followed for subordination of the tax sharing payments. The Successor Agency must submit appropriate information to each taxing entity along with a request for subordination, and has done so with respect to the 2018 Bonds. *[[Accordingly, amounts payable under the Pass-Through Agreements with _____ have been subordinated to the payment of debt service on the 2018 Bonds.]]*

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the 2018 Bonds, _____ (the “**2018 Insurer**”) will issue its Municipal Bond Insurance Policy for the 2018 Bonds (the “**2018 Policy**”). The 2018 Policy guarantees the scheduled payment of principal of and interest on the 2018 Bonds when due as set forth in the form of the 2018 Policy included as Appendix H to this Official Statement.

[TO BE UPDATED UPON RECEIPT OF INSURANCE COMMITMENT]

PROPERTY TAXATION IN CALIFORNIA

Property Tax Collection Procedures

Classification. In the State, property which is subject to ad valorem taxes is classified as “secured” or “unsecured.” Secured and unsecured property are entered on separate parts of the assessment roll maintained by the County assessor. The secured classification includes property on which any property tax levied by a county becomes a lien on that property. A tax levied on unsecured property does not become a lien against the taxed unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens on the secured property arising pursuant to State law, regardless of the time of the creation of other liens.

Generally, ad valorem taxes are collected by a county (the “**Taxing Authority**”) for the benefit of the various entities (e.g., cities, schools and special districts) that share in the ad valorem tax (each a taxing entity) and successor agencies eligible to receive distributions from the respective Redevelopment Property Tax Trust Funds.

Collections. Secured and unsecured property are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property. The taxing authority has four ways of collecting unsecured personal property taxes: (i) initiating a civil action against the taxpayer, (ii) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer, (iii) filing a certificate of delinquency for record in the county recorder’s office to obtain a lien on certain property of the taxpayer, and (iv) seizing and selling personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes with respect to property on the secured roll is the sale of the property securing the taxes to the State for the amount of taxes which are delinquent.

Penalty. A 10% penalty is added to delinquent taxes which have been levied with respect to property on the secured roll. In addition, property on the secured roll on which taxes are delinquent is declared in default by operation of law and declaration of the tax collector on or about June 30 of each fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the county tax collector. A 10% penalty also applies to delinquent taxes with respect to property on the unsecured roll, and further, an

additional penalty of 1.5% per month accrues with respect to such taxes beginning on varying dates related to the tax bill mailing date.

Delinquencies. The valuation of property is determined as of the January 1 lien date as equalized in August of each year and equal installments of taxes levied upon secured property become delinquent on the following December 10 and April 10. Taxes on unsecured property are due January 1 and become delinquent August 31.

Supplemental Assessments. California Revenue and Taxation Code Section 75.70 provides for the reassessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Such reassessment is referred to as the Supplemental Assessment and is determined by applying the current year's tax rate to the amount of the increase or decrease in a property's value and prorating the resulting property taxes to reflect the portion of the tax year remaining as determined by the date of the change in ownership or completion of new construction. Supplemental Assessments become a lien against real property. Prior to the enactment of this law, the assessment of such changes was permitted only as of the next tax lien date following the change, and this delayed the realization of increased property taxes from the new assessments for up to 14 months. Since fiscal year 1984-85, revenues derived from Supplemental Assessments have been allocated to redevelopment agencies and taxing entities in the same manner as the general property tax. The receipt of Supplemental Assessment revenues by taxing entities typically follows the change of ownership by a year or more. This statute provides increased revenue to the Redevelopment Property Tax Trust Fund to the extent that supplemental assessments of new construction or changes of ownership occur within the boundaries of redevelopment projects subsequent to the January 1 lien date. To the extent such supplemental assessments occur within the Project Area, tax increment may increase.

The County Auditor-Controller reports that that Successor Agency received approximately \$262,987 in supplemental revenues in Fiscal Year 2016-17. Revenues resulting from Supplemental Assessments have not been included in the Fiscal Consultant's projections of tax increment available to pay debt service on the 2018 Bonds.

Property Tax Administrative Costs. In 1990, the Legislature enacted SB 2557 (Chapter 466, Statutes of 1990) which allows counties to charge for the cost of assessing, collecting and allocating property tax revenues to local government jurisdictions in proportion to the tax-derived revenues allocated to each. SB 1559 (Chapter 697, Statutes of 1992) explicitly includes redevelopment agencies among the jurisdictions which are subject to such charges. The portions of the reimbursement amount that are allocated to each taxing entity within the County are based on the percentage of the total assessed value in the County that each taxing entity's assessed value represents.

In addition, Sections 34182(e) and 34183(a) of the Dissolution Act allow administrative costs of the County Auditor-Controller for the cost of administering the provisions of the Dissolution Act to be deducted from tax increment revenues before monies are deposited into the Redevelopment Property Tax Trust Fund.

The combined property tax and AB x1 26 administration fees are estimated to amount to approximately \$215,866 in fiscal year 2017-18, or approximately [[__]]% of the tax increment revenue from the Project Area.

Delinquencies; Teeter Plan

The County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “**Teeter Plan**”). Consequently, secured property tax revenues in the Project Area do not reflect actual collections because the County allocates secured property tax revenues to the Successor Agency as if 100% of the calculated property taxes were collected without adjustment for delinquencies, redemption payments or roll adjustments. The County could elect to terminate this policy and, in such event, the amount of the levy of property tax revenue that could be allocated to the Successor Agency would depend upon the actual collections of the secured taxes within the Project Area.

In the County, tax increment generated from the unsecured tax roll is also allocated based on 100% of the County calculated levy. The method is similar to the Teeter Plan, except the Teeter Plan only includes secured taxes. Under the County methodology, redevelopment projects are shielded from the impact of delinquent property taxes on both the secured and unsecured roll. The County does not adjust tax increment payments for roll corrections, such as refunds of property taxes due to successfully appealed assessments. The impact of reductions for appeals is reflected in the subsequent fiscal years report of taxable values.

Unitary Property

Assembly Bill (“**AB**”) 2890 (Statutes of 1986, Chapter 1457) provides that, commencing with fiscal year 1988-89, tax revenues derived from unitary property and assessed by the State Board of Equalization are accumulated in a single Tax Rate Area for the County. The tax revenues are then to be allocated to each taxing entity county-wide as follows: (i) each taxing entity will receive the same amount as in the previous year plus an increase for inflation of up to 2%; (ii) if utility tax revenues are insufficient to provide the same amount as in the previous year, each taxing entity's share would be reduced pro rata county wide; and (iii) any increase in revenue above 2% would be allocated in the same proportion as the taxing entity's local secured taxable values are to the local secured taxable values of the County.

AB 454 (Statutes of 1987, Chapter 921) further modified Chapter 1457 regarding the distribution of tax revenues derived from property assessed by the State Board of Equalization. Chapter 921 provides for the consolidation of all State-assessed property, except for regulated railroad property, into a single tax rate area in each county. Chapter 921 further provides for a new method of establishing tax rates on State-assessed property and distribution of property tax revenue derived from State-assessed property to taxing jurisdictions within each county in accordance with a new formula. Railroads will continue to be assessed and revenues allocated to all tax rate areas where railroad property is sited.

The County includes the taxable value of utilities as part of the reported taxable values of a project area. Consequently, the base year values of redevelopment projects are increased by the amount of utility value that existed originally in the base year. The Successor Agency's unitary revenue is expected to be approximately \$266,460 for fiscal year 2017-18 based on prior years' experience.

Article XIII A of the State Constitution

Article XIII A limits the amount of ad valorem taxes on real property to 1% of “full cash value” of such property, as determined by the county assessor. Article XIII A defines “full cash value” to mean “the County Assessor's valuation of real property as shown on the 1975-76 tax

bill under 'full cash value,' or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." Furthermore, the "full cash value" of all real property may be increased to reflect the rate of inflation, as shown by the consumer price index, not to exceed 2% per year, or may be reduced.

Article XIII A has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by substantial damage, destruction or other factors, and to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other special circumstances.

Article XIII A (i) exempts from the 1% tax limitation taxes to pay debt service on (a) indebtedness approved by the voters prior to July 1, 1978 or (b) bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition; (ii) requires a vote of two-thirds of the qualified electorate to impose special taxes, or certain additional ad valorem taxes; and (iii) requires the approval of two-thirds of all members of the State Legislature to change any State tax laws resulting in increased tax revenues.

The validity of Article XIII A has been upheld by both the California Supreme Court and the United States Supreme Court.

In the general election held November 4, 1986, voters of the State approved two measures, Propositions 58 and 60, which further amended Article XIII A. Proposition 58 amended Article XIII A to provide that the terms "purchase" and "change of ownership," for the purposes of determining full cash value of property under Article XIII A, do not include the purchase or transfer of (1) real property between spouses and (2) the principal residence and the first \$1,000,000 of other property between parents and children. This amendment to Article XIII A may reduce the rate of growth of local property tax revenues.

Proposition 60 amended Article XIII A to permit the State Legislature to allow persons over the age of 55 who sell their residence and buy or build another of equal or lesser value within two years in the same county, to transfer the old residence assessed value to the new residence. As a result of the State Legislature's action, the growth of property tax revenues may decline.

Legislation enacted by the State Legislature to implement Article XIII A provides that all taxable property is shown at full-assessed value as described above. In conformity with this procedure, all taxable property value included in this Official Statement is shown at 100% of assessed value and all general tax rates reflect the \$1 per \$100 of taxable value (except as noted). Tax rates for voter-approved bonded indebtedness and pension liabilities are also applied to 100% of assessed value.

Each year the SBE announces the applicable adjustment factor. Since the adoption of Proposition 13, inflation has, in most years, exceeded 2% and the announced factor has reflected the 2% cap. The changes in the California Consumer Price Index from October of one year and October of the next year are used to determine the adjustment factor for the January assessment date. During the ten previous fiscal years, the inflation factor has been less than 2% on five occasions. The table below reflects the inflation adjustment factors for the current fiscal year and the 12 prior fiscal years.

Historical Inflation Adjustment Factors

<u>Fiscal Year</u>	<u>Inflation Adj. Factor</u>
2006-07	2.000%
2007-08	2.000
2008-09	2.000
2009-10	2.000
2010-11	-0.237
2011-12	0.753
2012-13	2.000
2013-14	2.000
2014-15	0.454
2015-16	1.998
2016-17	1.525
2017-18	2.000
2018-19	2.000

Appropriations Limitation - Article XIII B

Article XIII B limits the annual appropriations of the State and its political subdivisions to the level of appropriations for the prior fiscal year, as adjusted for changes in the cost of living, population and services rendered by the government entity. The “base year” for establishing such appropriations limit is the 1978/79 fiscal year, and the limit is to be adjusted annually to reflect changes in population, consumer prices and certain increases in the cost of services provided by these public agencies.

Section 33678 of the Redevelopment Law provides that the allocation of taxes to a redevelopment agency for the purpose of paying principal of, or interest on, loans, advances, or indebtedness shall not be deemed the receipt by a redevelopment agency of proceeds of taxes levied by or on behalf of a redevelopment agency within the meaning of Article XIII B, nor shall such portion of taxes be deemed receipt of proceeds of taxes by, or an appropriation subject to the limitation of, any other public body within the meaning or for the purpose of the Constitution and laws of the State, including Section 33678 of the Redevelopment Law. The constitutionality of Section 33678 has been upheld in two California appellate court decisions. On the basis of these decisions, the Successor Agency has not adopted an appropriations limit.

Proposition 87

On November 8, 1988, the voters of the State approved Proposition 87, which amended Article XVI, Section 16 of the State Constitution to provide that property tax revenue attributable to the imposition of taxes on property within a redevelopment project area for the purpose of paying debt service on certain bonded indebtedness issued by a taxing entity (not the Former Agency or the Successor Agency) and approved by the voters of the taxing entity after January 1, 1989 will be allocated solely to the payment of such indebtedness and not to redevelopment agencies.

Appeals of Assessed Values

Pursuant to California law, a property owner may apply for a reduction of the property tax assessment for such owner's property by filing a written application, in a form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board.

In the County, a property owner desiring to reduce the assessed value of such owner's property in any one year must submit an application to the County Assessment Appeals Board (the "**Appeals Board**"). Applications for any tax year must be submitted by September 15 of such tax year. Following a review of each application by the staff of the County Assessor's Office, the staff makes a recommendation to the Appeals Board on each application which has not been rejected for incompleteness or untimeliness or withdrawn. The Appeals Board holds a hearing and either reduces the assessment or confirms the assessment. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal's filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level for fiscal years following the year for which the reduction application is filed. However, if the taxpayer establishes through proof of comparable values that the property continues to be overvalued (known as "ongoing hardship"), the Assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year as well. Appeals for reduction in the "base year" value of an assessment, which generally must be made within three years of the date of change in ownership or completion of new construction that determined the base year, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. Moreover, in the case of any reduction in any one year of assessed value granted for "ongoing hardship" in the then current year, and also in any cases involving stipulated appeals for prior years relating to base year and personal property assessments, the property tax revenues from which Tax Revenues are derived attributable to such properties will be reduced in the then current year. In practice, such a reduced assessment may remain in effect beyond the year in which it is granted.

See "THE PROJECT AREA" for information regarding historical and pending appeals of assessed valuations by property owners in the Project Area.

Proposition 8

Proposition 8, approved in 1978 (California Revenue and Taxation Code Section 51(b)), provides for the assessment of real property at the lesser of its originally determined (base year) full cash value compounded annually by the inflation factor, or its full cash value as of the lien date, taking into account reductions in value due to damage, destruction, obsolescence or other factors causing a decline in market value. Reductions under this code section may be initiated by the County Assessor or requested by the property owner.

After such reductions in value are implemented, the County Assessor is required to review the property's market value as of each subsequent lien date and adjust the value of real property to the lesser of its base year value as adjusted by the inflation factor pursuant to Article XIII A of the California Constitution or its full cash value taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. Reductions made under Proposition 8 to residential properties are normally initiated by the County Assessor but may also be requested by the property owner. Reductions of value for commercial, industrial and other land use types under Proposition 8 are normally initiated by the property owner as an assessment appeal.

After a roll reduction is granted under this code section, the property is reviewed on an annual basis to determine its full cash value and the valuation is adjusted accordingly. This may result in further reductions or in value increases. Such increases must be in accordance with the

full cash value of the property and may exceed the maximum annual inflationary growth rate allowed on other properties under Article XIII A of the State Constitution. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A.

For a summary of the recent history of Proposition 8 reductions in the Project Area, see “THE PROJECT AREA – Assessment Appeals.”

Propositions 218 and 26

On November 5, 1996, California voters approved Proposition 218—Voter Approval for Local Government Taxes—Limitation on Fees, Assessments, and Charges—Initiative Constitutional Amendment. Proposition 218 added Articles XIII C and XIII D to the State Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. On November 2, 2010, California voters approved Proposition 26, the “Supermajority Vote to Pass New Taxes and Fees Act.” Proposition 26 amended Article XIII C of the California Constitution by adding an expansive definition for the term “tax,” which previously was not defined under the California Constitution.

Tax Revenues securing the 2018 Bonds are derived from property taxes that are outside the scope of taxes, assessments and property-related fees and charges which are limited by Proposition 218 and Proposition 26.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C and Article XIII D and certain other propositions affecting property tax levies were each adopted as measures which qualified for the ballot pursuant to California’s initiative process. From time to time other initiative measures could be adopted, further affecting Successor Agency revenues or the Successor Agency’s ability to expend revenues.

THE SUCCESSOR AGENCY

The Dissolution Act dissolved the Former Agency as of February 1, 2012. Thereafter, pursuant to Section 34173 of the Dissolution Act, the City became the Successor Agency to the Former Agency. Subdivision (g) of Section 34173 of the Dissolution Act, added by AB 1484, expressly affirms that the Successor Agency is a separate public entity from the City, that the two entities shall not merge, and that the liabilities of the Former Agency will not be transferred to the City nor will the assets of the Former Agency become assets of the City.

Successor Agency Powers

All powers of the Successor Agency are vested in its seven members who are elected members of the City Council. Pursuant to the Dissolution Act, the Successor Agency is a separate public body from the City and succeeds to the organizational status of the Former Agency but without any legal authority to participate in redevelopment activities, except to complete any work related to an approved enforceable obligation. The Successor Agency is tasked with expeditiously winding down the affairs of the Former Agency, pursuant to the procedures and provisions of the Dissolution Act. Under the Dissolution Act, substantially all Successor Agency actions are subject to approval by the Oversight Board, as well as review by the DOF.

Status of Compliance with Dissolution Act

The Successor Agency completed the due diligence process required by the Dissolution Act, and received its Finding of Completion from the DOF on May 7, 2013.

Last and Final ROPS

[The Successor Agency currently has no plans to file a “Last and Final” ROPS.]
[CONFIRM]

Audited Financial Statements

The City of Madera’s Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2017 (the “**City CAFR**”) is attached as APPENDIX E. The City CAFR includes the Successor Agency’s audited financial statements for the fiscal year ended June 30, 2017. The Successor Agency’s audited financial statements were audited by [[_____]] (the “**Auditor**”). The Auditor has not been asked to consent to the inclusion of the Successor Agency’s audited financial statements in this Official Statement and has not reviewed this Official Statement.

As described in “SECURITY FOR THE 2018 BONDS – Limited Obligation,” the 2018 Bonds are payable from and secured by a pledge of Tax Revenues and the 2018 Bonds are not a debt of the City. The City CAFR is attached as APPENDIX E to this Official Statement only because it includes the Successor Agency’s audited financial statements.

THE PROJECT AREA

General

The Former Agency and the City adopted the original Madera Redevelopment Plan (the “**Original Plan**”) on December 17, 1990 concerning the redevelopment of approximately 2,286 acres of territory (referred to herein as the “**Original Area**”) encompassing most of the central portions of the City. The Original Area also includes an area adjacent to the municipal airport, as well as the region to the southwest of the City’s central area.

Subsequently, the Original Plan was amended (i) by Ordinance No. 629 C.S., adopted by the City Council on November 16, 1994 to establish certain time and financial limits for the Original Area in accordance with statutory requirements; (ii) by Ordinance No. 654 C.S., adopted by the City Council on April 3, 1996 to add capital improvements and activities targeted toward public improvements and improving the housing stock; (iii) by Ordinance No. 700 C.S., adopted by the City Council on June 16, 1999 to add approximately 1,325 acres to the Original Project Area (referred to herein as the “**1999 Amendment Area**”) and to add additional capital improvements; and (iv) by Ordinance No. 833 C.S., adopted by the City Council on March 19, 2008 to amend and restate the Madera Redevelopment Plan (as amended and restated, the “**Redevelopment Plan**”), to add 597 acres to the existing project area (the “**2008 Amendment Area**” together with the Original Project Area and the 1999 Amendment Area, the “**Project Area**”), to increase the Redevelopment Plan’s tax increment cap and its bonded indebtedness limit and to authorize the Former Agency to implement plan activities in territory currently within the County (collectively, the “**2008 Amendments**”).

The Project Area includes approximately 3,610 acres of land (2,286 acres in the Original Area and 1,325 acres in the 1999 Amendment Area). The 2008 Amendment Area includes 597 acres of primarily residential uses but had been below the base year value until 2017-18 and is projected to generate less than \$3,000 in such fiscal year. Given this, the Fiscal Consultant has excluded the 2008 Amendment Area from its analysis. Existing land uses in the Project Area include a substantial number of residential uses; neighborhood, highway-oriented and community-level retail and service commercial; and a variety of industrial uses.

Land Use Types

The table on the following page shows the value of existing land uses for fiscal year 2017-18 in the Project Area.

TABLE 1
SUCCESSOR AGENCY TO THE
FORMER MADERA REDEVELOPMENT AGENCY
2017-18 Secured Valuation by Land Use Category

	Number of Parcels	Taxable Value	Percent of Total Value
Residential	5,613	\$622,820,693	46.31%
Commercial	686	366,434,046	27.24
Industrial	220	202,583,768	15.06
Vacant Land	368	28,367,531	2.11
Other	82	3,061,575	0.23
Total Secured	6,969	\$1,223,267,613	90.95%
Unsecured / State Assessed		\$121,753,324	9.05%
Grand Total		\$1,345,020,937	100.00%

Source: County Assessor; Fraser & Associates.

Assessed Valuation

The table below shows the historical assessed valuations for the Project Area for fiscal years 2007-08 through 2017-18 based upon the County Auditor-Controller's equalized rolls.

TABLE 2
SUCCESSOR AGENCY TO THE
FORMER MADERA REDEVELOPMENT AGENCY
Historic Assessed and Incremental Valuations⁽¹⁾

Fiscal Year	Locally-Assessed Secured Value	Unsecured Value	Total Taxable Value	% Change	Incremental Value ⁽²⁾
2007-08	\$1,127,004,954	\$84,293,382	\$1,211,298,336	--	\$774,115,542
2008-09	1,126,343,418	84,322,282	1,210,665,700	(0.05)%	773,482,906
2009-10	1,124,407,449	97,507,688	1,221,915,137	0.93	784,732,343
2010-11	1,059,991,976	81,536,577	1,141,528,553	(6.58)	704,345,759
2011-12	1,054,853,453	79,629,945	1,134,483,398	(0.62)	697,300,604
2012-13	1,039,355,336	90,669,653	1,130,024,989	(0.39)	692,842,195
2013-14	1,053,294,851	102,351,626	1,155,646,477	2.27	718,463,683
2014-15	1,097,540,255	109,994,686	1,207,534,941	4.49	770,352,147
2015-16	1,149,311,136	110,664,700	1,259,975,836	4.34	822,793,042
2016-17	1,181,856,304	124,486,713	1,306,343,017	3.68	869,160,223
2017-18	1,223,267,613	121,753,324	1,345,020,937	2.96	907,838,143
Total Percentage Change					11.04%
Average Percentage Change					1.05%

(1) Based on data provided by the Madera Auditor-Controller's Office.

(2) Taxable value above base year value of \$437,182,794.

Source: County Assessor; Fraser & Associates.

For projections of growth in incremental assessed valuation and Tax Revenue, see "—Projected Tax Revenues and Debt Service Coverage" below.

Major Property Owners

The following table lists the ten largest payers of property taxes in the Project Area for fiscal year 2017-18. The total assessed valuation of the top ten property taxpayers accounted for approximately 11.71% and 17.57% of the secured and incremental secured assessed value of the Project Area, respectively.

**TABLE 3
SUCCESSOR AGENCY TO THE
FORMER MADERA REDEVELOPMENT AGENCY
Largest Property Owners in the Project Area
Fiscal Year 2017-18**

	Assessee	Type of Use	2017-18 Secured AV ⁽¹⁾	% Secured AV Value ⁽²⁾	% of Inc. Secured Value ⁽³⁾
1.	Sealed Air Corporation	Industrial	\$18,841,656	1.54%	2.31%
2.	Berry & Berry Inc.	Commercial	17,628,865	1.44	2.16
3.	John Bean Technologies Inc.	Industrial	16,268,944	1.33	2.00
4.	Eurodrip USA Inc.	Industrial	15,238,899	1.25	1.87
5.	Color Box LLC	Industrial	14,621,047	1.20	1.80
6.	Advanced Drainage Systems Inc.	Industrial	13,212,330	1.08	1.62
7.	HPC Hallmark Investors	Shopping Center	12,401,166	1.01	1.52
8.	Evapco Inc	Industrial	12,068,174	0.99	1.48
9.	Q/S Tozer Avenue	Commercial	11,909,792	0.97	1.46
10.	HD Development of Maryland	Nursery	10,961,643	0.90	1.35
Total 2017-18 Valuation			\$143,152,516	11.71%	17.57%

(1) Based on ownership of locally-assessed secured and unsecured property.

(2) Based on fiscal year 2017-18 Project Area secured taxable value of \$1,222,828,728.

(3) Based on fiscal year 2017-18 secured incremental taxable value of \$814,524,053.

Source: County of Madera, Fraser & Associates.

Assessment Appeals; Proposition 8 Reductions

Appeals of Assessed Values. Pursuant to State law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the SBE, with the appropriate county board of equalization or assessment appeals board.

After the applicant and the assessor have presented their arguments, the Appeals Board makes a final decision on the proper assessed value. The Appeals Board may rule in the assessor's favor, in the applicant's favor, or the Board may set their own opinion of the proper assessed value, which may be more or less than either the assessor's opinion or the applicant's opinion.

Any reduction in the assessment ultimately granted applies to the year for which the application is made and may also affect the values in subsequent years. Refunds for taxpayer overpayment of property taxes may include refunds for overpayment of taxes in years after that

which was appealed. Current year values may also be adjusted as a result of a successful appeal of prior year values. Any taxpayer payment of property taxes that is based on a value that is subsequently adjusted downward will require a refund for overpayment.

Appeals for reduction in the “base year” value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

Appeals may also be filed under Section 51 of the Revenue and Taxation Code, which requires that for each lien date the value of real property shall be the lesser of its base year value annually adjusted by the inflation factor pursuant to Article XIII A of the State Constitution or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. Significant reductions have taken place in some counties due to declining real estate values. Reductions made under this code section may be initiated by the County Assessor or requested by the property owner. After a roll reduction is granted under this section, the property is reviewed on an annual basis to determine its full cash value and the valuation is adjusted accordingly. This may result in further reductions or in value increases. Such increases must be in accordance with the full cash value of the property and it may exceed the maximum annual inflationary growth rate allowed on other properties under Article XIII A of the State Constitution. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A. See “PROPERTY TAXATION IN CALIFORNIA” above.

The Fiscal Consultant reviewed appeals data received from the County for fiscal years 2013-14 through 2016-17 to determine what, if any, impact pending appeals may have on projected Tax Revenues. The Fiscal Consultant reports that for such period there are three appeals pending with respect to assessed values in the Project Area seeking a total reduction in assessed value of approximately \$___ million. [Certain of the pending assessment appeals were filed by the top ten largest property tax payers in the Project Area.] According to the Fiscal Consultant’s Report and based on information provided by the County, the Fiscal Consultant estimates that, assuming an ___% reduction in assessed value (based on the average of actual reductions of assessed value for fiscal years 2013-14 through 2017-18 of approximately ___%), the Successor Agency can expect to experience a further reduction in assessed value of the Project Area of approximately \$___ million thereby resulting in a reduction in Tax Revenues of approximately \$_____. The projections of Tax Revenues prepared by the Fiscal Consultant and set forth in this Official Statement take into account reductions in assessed values related to pending appeals based on such estimate. See “APPENDIX B – FISCAL CONSULTANT’S REPORT” and “– Projected Tax Revenues and Debt Service Coverage.”

The following table includes certain appeals data that are incorporated into the Fiscal Consultant’s projections of Tax Revenues in the Fiscal Consultant’s Report and this Official Statement. As previously described, two of the top ten taxpayers within the Project Area have pending assessment appeals as of the date of this Official Statement.

TABLE 4
Madera Redevelopment Project Area
Historical Assessment Appeals Summary
Fiscal Years 2012-13 through 2016-17

Total Number of Filed Appeals
 Number of Resolved Appeals with Reductions
 % of Appeals Resulting in Reductions to AV
 Assessed Value Reductions from Resolved Appeals
 Average Percent Reduction to Assessed Value
Overall Success Factor

Source: Fraser & Associates.

Proposition 8 Reductions. As discussed in “PROPERTY TAXATION IN CALIFORNIA – Proposition 8” above, Proposition 8 allows a temporary reduction in assessed value when the current market value of a property is less than the current assessed value as of the lien date. Due to the economic recession experienced in much of the State beginning in 2008, assessed values of certain property within the Project Area have been temporarily reduced pursuant to Proposition 8.

According to the Fiscal Consultant, the assessed values of 1,336 residential parcels (inclusive of both single and multifamily parcels) within the Project Area were temporarily reduced pursuant to Proposition 8 for the period between fiscal year 2008-09 and fiscal year 2012-13, resulting in a reduction in assessed values of approximately \$85 million. Beginning in fiscal year 2013-14 and continuing through fiscal year 2017-18, the County partially or fully restored the assessed values of 1,472 parcels resulting in an increase of approximately \$56.8 million. The parcel counts differ because the parcels that are included are different for the two periods (for example, due to changes in ownership between the relevant dates).

The Fiscal Consultant also reviewed median list prices for homes in the City of Madera on the real estate site Zillow, which showed that home prices had risen from \$189,000 in 2014 to \$295,000 in 2018. Given that median list prices are rising and that the County has reversed most of the prior residential Proposition 8 reductions, the Fiscal Consultant has assumed that no further Proposition 8 reductions would occur in fiscal year 2017-18 and future fiscal years for purposes of the projections of Tax Revenues. See “THE PROJECT AREA – Projected Tax Revenues and Debt Service Coverage.”

See “APPENDIX B – FISCAL CONSULTANT’S REPORT” for more additional information regarding pending assessment appeals, including pending assessment appeals filed by certain of the ten largest payers of property taxes within the Project Area.

Projected Tax Revenues and Debt Service Coverage

The Successor Agency has retained the Fiscal Consultant to provide projections of taxable valuations on land in the Project Area and projected Tax Revenues available for debt service on the 2018 Bonds. Tax Revenues are projected over the duration of the 2018 Bonds, as shown in Tables 5 and 6 below.

The projection assuming 2% growth incorporates the Proposition 13 adjustment of 2% for real property from Fiscal Year 2017-18 forward. Neither projection takes into consideration any changes in assessed valuation due to new construction, property sales, Proposition 8 reductions or other factors. The actual growth rate of assessed valuation may be less than the projected rate in the Project Area. Secured personal property and unsecured valuations are assumed to remain constant throughout. Real property taxable values have been reduced in 2018-19 for the potential impact of open appeals [to come]. The other property category of value has been held constant in the projections. Table 6.1 shows a projection based on a 0 percent growth scenario, except for the impact of open appeals.

The Successor Agency believes that the assumptions used in Tables 6.1 and 6 to the Fiscal Consultant's Report and its footnotes, upon which the projections in Tables 5 and 6, respectively, below are based, are reasonable; however, some assumptions may not materialize and unanticipated events and circumstances may occur. Therefore, the actual Tax Revenues received during the forecast period may vary from the projections and the variations may be material.

Tables 7 and 8 sets forth projected debt service coverage on the 2018 Bonds based on the projection of Tax Revenues set forth in Tables 5 and 6, respectively.

For additional details on the assumptions used to project Tax Revenues, see the Fiscal Consultant's Report which is attached hereto as APPENDIX B.

Table 5
SUCCESSOR AGENCY TO THE
FORMER MADERA REDEVELOPMENT AGENCY
Projection of Tax Revenues
(0% Growth)
(000's Omitted)

Fiscal Year Ending June 30	Real Property ⁽¹⁾	Other Property ⁽²⁾	Total Value	Value Over Base of \$437,205	Total Tax Increment ⁽³⁾	33676 Revenue ⁽⁴⁾	Property Tax Admin. Fees ⁽⁵⁾	Tax Revenues ⁽⁶⁾
2018	\$1,237,532	\$107,489	\$1,345,021	\$907,816	\$9,345	\$154	\$226	\$8,965
2019	1,237,532	107,489	1,345,021	907,816	9,345	154	226	8,965
2020	1,237,532	107,489	1,345,021	907,816	9,345	154	226	8,965
2021	1,237,532	107,489	1,345,021	907,816	9,345	154	226	8,965
2022	1,237,532	107,489	1,345,021	907,816	9,345	154	226	8,965
2023	1,237,532	107,489	1,345,021	907,816	9,345	154	226	8,965
2024	1,237,532	107,489	1,345,021	907,816	9,345	154	226	8,965
2025	1,237,532	107,489	1,345,021	907,816	9,345	154	226	8,965
2026	1,237,532	107,489	1,345,021	907,816	9,345	154	226	8,965
2027	1,237,532	107,489	1,345,021	907,816	9,345	154	226	8,965
2028	1,237,532	107,489	1,345,021	907,816	9,345	154	226	8,965
2029	1,237,532	107,489	1,345,021	907,816	9,345	154	226	8,965
2030	1,237,532	107,489	1,345,021	907,816	9,345	154	226	8,965
2031	1,237,532	107,489	1,345,021	907,816	9,345	154	226	8,965
2032	1,237,532	107,489	1,345,021	907,816	9,345	154	226	8,965
2033	1,237,532	107,489	1,345,021	907,816	9,345	154	226	8,965
2034	1,237,532	107,489	1,345,021	907,816	9,345	154	226	8,965
2035	1,237,532	107,489	1,345,021	907,816	9,345	154	226	8,965
2036	1,237,532	107,489	1,345,021	907,816	9,345	154	226	8,965
2037	1,237,532	107,489	1,345,021	907,816	9,345	154	226	8,965
2038	1,237,532	107,489	1,345,021	907,816	9,345	154	226	8,965

(1) Prior year real property value held constant. No new development included.

(2) Includes personal property value that has been held constant.

(3) Based on the application of 1% tax rate to incremental taxable value plus unitary estimate.

(4) Allocation per former Section 33676 of the California Redevelopment Law.

(5) Per SB 2557, reflect Project Area share of County's property tax administrative costs.

(6) Assumes subordination of all pass-throughs.

Source: Fraser & Associates.

Table 6
SUCCESSOR AGENCY TO THE
FORMER MADERA REDEVELOPMENT AGENCY
Projection of Tax Revenues
(2% Growth)
(000's Omitted)

Fiscal Year Ending June 30	Real Property ⁽¹⁾	Other Property ⁽²⁾	Total Value	Value Over Base of \$437,205	Total Tax Increment ⁽³⁾	33676 Revenue ⁽⁴⁾	Property Tax Admin. Fees ⁽⁵⁾	Tax Revenues ⁽⁶⁾
2018	\$1,237,532	\$107,489	\$1,345,021	\$907,816	\$9,345	\$154	\$226	\$8,965
2019	1,262,283	107,489	1,369,772	932,566	9,592	163	232	9,198
2020	1,287,528	107,489	1,395,017	957,812	9,845	172	238	9,435
2021	1,313,279	107,489	1,420,768	983,563	10,102	181	244	9,677
2022	1,339,544	107,489	1,447,033	1,009,828	10,365	191	250	9,924
2023	1,366,335	107,489	1,473,824	1,036,619	10,633	201	257	10,175
2024	1,393,662	107,489	1,501,151	1,063,946	10,906	212	263	10,431
2025	1,421,535	107,489	1,529,024	1,091,819	11,185	223	270	10,691
2026	1,449,966	107,489	1,557,455	1,120,250	11,469	235	277	10,957
2027	1,478,965	107,489	1,586,454	1,149,249	11,759	248	284	11,227
2028	1,508,545	107,489	1,616,034	1,178,828	12,055	261	291	11,502
2029	1,538,716	107,489	1,646,204	1,208,999	12,356	276	298	11,783
2030	1,569,490	107,489	1,676,979	1,239,774	12,664	290	306	12,068
2031	1,600,880	107,489	1,708,369	1,271,163	12,978	306	313	12,359
2032	1,632,897	107,489	1,740,386	1,303,181	13,298	323	321	12,655
2033	1,665,555	107,489	1,773,044	1,335,839	13,625	340	329	12,956
2034	1,698,866	107,489	1,806,355	1,369,150	13,958	358	337	13,263
2035	1,732,844	107,489	1,840,333	1,403,127	14,298	378	345	13,575
2036	1,767,501	107,489	1,874,989	1,437,784	14,644	398	354	13,893
2037	1,802,851	107,489	1,910,339	1,473,134	14,998	420	362	14,216
2038	1,838,908	107,489	1,946,396	1,509,191	15,358	442	371	14,545

- (1) Prior year real property value increased by 2% per year. No new development included.
(2) Includes personal property value that has been held constant.
(3) Based on the application of 1% tax rate to incremental taxable value plus unitary estimate.
(4) Allocation per former Section 33676 of the California Redevelopment Law.
(5) Per SB 2557, reflect Project Area share of County's property tax administrative costs.
(6) Assumes subordination of all pass-throughs.

Source: Fraser & Associates.

Table 7
SUCCESSOR AGENCY TO THE
FORMER MADERA REDEVELOPMENT AGENCY
Projected Debt Service Coverage
(0% Growth)
(000's Omitted)

Bond Year Ending Sept. 1	Tax Revenues (0% Growth)	2018 Bonds Debt Service*	Debt Service Coverage*
2018	\$8,965	--	
2019	8,965	\$3,277,662.92	
2020	8,965	3,049,212.50	
2021	8,965	3,057,212.50	
2022	8,965	3,046,412.50	
2023	8,965	3,048,137.50	
2024	8,965	3,046,737.50	
2025	8,965	3,051,731.26	
2026	8,965	3,062,856.26	
2027	8,965	3,061,356.26	
2028	8,965	2,640,356.26	
2029	8,965	3,145,606.26	
2030	8,965	3,146,606.26	
2031	8,965	3,122,106.26	
2032	8,965	3,146,781.26	
2033	8,965	3,147,531.26	
2034	8,965	2,682,031.26	
2035	8,965	2,679,562.50	
2036	8,965	2,676,250.00	
2037	8,965	2,689,750.00	
2038	8,965	367,500.00	

** Preliminary; subject to change.*

Sources: Underwriter and Fraser & Associates.

Table 8
SUCCESSOR AGENCY TO THE
FORMER MADERA REDEVELOPMENT AGENCY
Projected Debt Service Coverage
(2% Growth)
(000's Omitted)

Bond Year	Tax Revenues	2018 Bonds	Debt Service
Ending	(2% Growth)	Debt Service*	Coverage*
Sept. 1			
2018	\$8,965	--	
2019	9,198	\$3,277,662.92	
2020	9,435	3,049,212.50	
2021	9,677	3,057,212.50	
2022	9,924	3,046,412.50	
2023	10,175	3,048,137.50	
2024	10,431	3,046,737.50	
2025	10,691	3,051,731.26	
2026	10,957	3,062,856.26	
2027	11,227	3,061,356.26	
2028	11,502	2,640,356.26	
2029	11,783	3,145,606.26	
2030	12,068	3,146,606.26	
2031	12,359	3,122,106.26	
2032	12,655	3,146,781.26	
2033	12,956	3,147,531.26	
2034	13,263	2,682,031.26	
2035	13,575	2,679,562.50	
2036	13,893	2,676,250.00	
2037	14,216	2,689,750.00	
2038	14,545	367,500.00	

* Preliminary; subject to change.

Sources: Underwriter and Fraser & Associates.

RISK FACTORS

The following information should be considered by prospective investors in evaluating the 2018 Bonds. However, the following does not purport to be an exhaustive listing of risks and other considerations which may be relevant to investing in the 2018 Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.

The various legal opinions to be delivered concurrently with the issuance of the 2018 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by State and federal laws, rulings and decisions affecting remedies, and by bankruptcy, reorganization or other laws of general application affecting the enforcement of creditors' rights, including equitable principles.

Recognized Obligation Payment Schedule

Tax Revenues will not be withdrawn from the Redevelopment Property Tax Trust Fund by the County Auditor-Controller and remitted to the Successor Agency without a duly approved and effective Recognized Obligation Payment Schedule to pay debt service on the 2018 Bonds and to pay other enforceable obligations for each applicable annual period. In the event the Successor Agency failed to file a Recognized Obligation Payment Schedule as required, the availability of Tax Revenues to the Successor Agency could be adversely affected for such period. See "SECURITY FOR THE 2018 BONDS – Recognized Obligation Payment Schedules."

AB 1484 also added provisions to the Dissolution Act implementing certain penalties in the event a successor agency does not timely submit a Recognized Obligation Payment Schedule as required. Specifically, an oversight board approved Recognized Obligation Payment Schedule must be submitted by the successor agency to the county auditor-controller and the DOF, no later than each February 1 for the subsequent annual period. If a successor agency does not submit a Recognized Obligation Payment Schedule by such deadlines, the city or county that established the redevelopment agency will be subject to a civil penalty equal to \$10,000 per day for every day the schedule is not submitted to the DOF. Additionally, a successor agency's administrative cost allowance is reduced by 25% if the successor agency does not submit an oversight board-approved Recognized Obligation Payment Schedule within 10 days of the February 1 deadline, with respect to the Recognized Obligation Payment Schedule for the subsequent annual period.

Challenges to Dissolution Act

Several successor agencies, cities and other entities have filed judicial actions challenging the legality of various provisions of the Dissolution Act. One such challenge is an action filed on August 1, 2012, by Syncora Guarantee Inc. and Syncora Capital Assurance Inc. (collectively, "Syncora") against the State, the State Controller, the State Director of Finance, and the Auditor-Controller of San Bernardino County on his own behalf and as the representative of all other County Auditors in the State (Superior Court of the State of California, County of Sacramento, Case No. 34-2012-80001215). Syncora are monoline financial guaranty insurers domiciled in the State of New York, and as such, provide credit enhancement on bonds issued by state and local governments and do not sell other kinds of insurance such as life, health, or property insurance. Syncora provided bond insurance and other related insurance policies for bonds issued by former California redevelopment agencies.

The complaint alleged that the Dissolution Act, and specifically the “Redistribution Provisions” thereof (i.e., California Health and Safety Code Sections 34172(d), 34174, 34177(d), 34183(a)(4), and 34188) violate the “contract clauses” of the United States and California Constitutions (U.S. Const. art. 1, §10, cl.1; Cal. Const. art. 1, §9) because they unconstitutionally impair the contracts among the former redevelopment agencies, bondholders and Syncora. The complaint also alleged that the Redistribution Provisions violate the “Takings Clauses” of the United States and California Constitutions (U.S. Const. amend. V; Cal Const. art. 1 § 19) because they unconstitutionally take and appropriate bondholders’ and Syncora’s contractual right to critical security mechanisms without just compensation.

After hearing by the Sacramento County Superior Court on May 3, 2013, the Superior Court ruled that Syncora’s constitutional claims based on contractual impairment were premature. The Superior Court also held that Syncora’s takings claims, to the extent based on the same arguments, were also premature. Pursuant to a Judgment stipulated to by the parties, the Superior Court on October 3, 2013, entered its order dismissing the action. The Judgment, however, provides that Syncora preserves its rights to reassert its challenges to the Dissolution Act in the future. The Successor Agency does not guarantee that any reassertion of challenges by Syncora or that the final results of any of the judicial actions brought by others challenging the Dissolution Act will not result in an outcome that may have a material adverse effect on the Successor Agency’s ability to timely pay debt service on the 2018 Bonds.

Reduction in Taxable Value

Tax increment revenue available to pay principal of and interest on the 2018 Bonds are determined by the amount of incremental taxable value in the Project Area and the current rate or rates at which property in the Project Area is taxed. The reduction of taxable values of property in the Project Area caused by economic factors beyond the Successor Agency’s control, such as relocation out of the Project Area by one or more major property owners, sale of property to a non-profit corporation exempt from property taxation, or the complete or partial destruction of such property caused by, among other eventualities, earthquake or other natural disaster, could cause a reduction in the tax increment available to pay debt service on the 2018 Bonds. Such reduction of tax increment available to pay debt service on the 2018 Bonds could have an adverse effect on the Successor Agency’s ability to make timely payments of principal of and interest on the 2018 Bonds; this risk could be increased by the significant concentration of property ownership in the Project Area (see “THE PROJECT AREA – Major Property Owners”).

As described in greater detail under the heading “PROPERTY TAXATION IN CALIFORNIA – Article XIII A of the State Constitution,” Article XIII A provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflation rate, not to exceed a two percent increase for any given year, or may be reduced to reflect a reduction in the consumer price index, comparable local data or any reduction in the event of declining property value caused by damage, destruction or other factors (as described above). Such measure is computed on a calendar year basis. Any resulting reduction in the full cash value base over the term of the 2018 Bonds could reduce tax increment available to pay debt service on the 2018 Bonds.

In addition to the other limitations on, and required application under the Dissolution Act of Tax Revenues on deposit in the Redevelopment Property Tax Trust Fund, the State electorate or Legislature could adopt a constitutional or legislative property tax reduction with

the effect of reducing Tax Revenues allocated to the Redevelopment Property Tax Trust Fund and available to the Successor Agency. Although the federal and State Constitutions include clauses generally prohibiting the Legislature's impairment of contracts, there are also recognized exceptions to these prohibitions. There is no assurance that the State electorate or Legislature will not at some future time approve additional limitations that could reduce the tax increment available to pay debt service on the 2018 Bonds and adversely affect the source of repayment and security of the 2018 Bonds.

Risks to Real Estate Market

The Successor Agency's ability to make payments on the 2018 Bonds will be dependent upon the economic strength of the Project Area. The general economy of the Project Area will be subject to all of the risks generally associated with urban real estate markets. Real estate prices and development may be adversely affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, unexpected increases in development costs and by other similar factors. Further, real estate development within the Project Area could be adversely affected by limitations of infrastructure or future governmental policies, including governmental policies to restrict or control development. In addition, if there is a significant decline in the general economy of the Project Area, the owners of property within the Project Area may be less able or less willing to make timely payments of property taxes or may petition for reduced assessed valuation causing a delay or interruption in the receipt of Tax Revenues by the Successor Agency from the Project Area. See "THE PROJECT AREA - Projected Tax Revenues and Debt Service Coverage" for a description of the debt service coverage on the 2018 Bonds.

Concentration of Property Ownership

Based on fiscal year 2017-18 locally assessed taxable valuations, the following property owners represent the largest concentrations of ownership within the Project Area:

<u>Property Owner</u>	<u>% of Secured AV Value</u>	<u>% of Incr. Secured Value</u>
Sealed Air Corporation	1.54%	2.31%
Berry & Berry Inc.	1.44	2.16
John Bean Technologies Inc.	1.33	2.00
Eurodrip USA Inc.	1.25	1.87
Color Box LLC	1.20	1.80
Advanced Drainage Systems Inc.	1.08	1.62
HPC Hallmark Investors	1.01	1.52
Evapco Inc	0.99	1.48
Q/S Tozer Avenue	0.97	1.46
HD Development of Maryland	0.90	1.35

[____ of the property owners shown above (_____) has ____ pending assessed value appeals with respect to its property in the Project Area.] The bankruptcy, termination of operations or departure from one of the Project Area by one of the largest property owners from the Project Area could adversely impact the availability of Tax Revenues to pay debt service on the 2018 Bonds.

Reduction in Inflationary Rate

As described in greater detail below, Article XIII A of the State Constitution provides that the full cash value of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. Such measure is computed on a calendar year basis. Because Article XIII A limits inflationary assessed value adjustments to the lesser of the actual inflationary rate or 2%, there have been years in which the assessed values were adjusted by actual inflationary rates, which were less than 2%.

Since Article XIII A was approved, the annual adjustment for inflation has fallen below the 2% limitation several times; in fiscal year 2010-11, the inflationary value adjustment was negative for the first time at -0.237%. Although the fiscal year 2018-19 inflationary value adjustment is 2.00%, the Successor Agency is unable to predict if any adjustments to the full cash value of real property within the Project Area, whether an increase or a reduction, will be realized in the future.

Development Risks

The general economy of a redevelopment project area will be subject to all the risks generally associated with real estate development. Projected development within a redevelopment project area may be subject to unexpected delays, disruptions and changes. Real estate development operations may be adversely affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, unexpected increases in development costs and by other similar factors. Further, real estate development operations within a redevelopment project area could be adversely affected by future governmental policies, including governmental policies to restrict or control development. If projected development in a redevelopment project area is delayed or halted, the economy of the redevelopment project area could be affected. If such events lead to a decline in assessed values they could cause a reduction in incremental property tax revenues.

Levy and Collection of Taxes

The Successor Agency has no independent power to levy or collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the tax increment available to pay debt service on the 2018 Bonds.

Delinquencies in the payment of property taxes by the owners of land in the Project Area (if not fully covered in amounts sent to the Successor Agency through the County's Teeter Plan or otherwise), and the impact of bankruptcy proceedings on the ability of taxing agencies to collect property taxes, could have an adverse effect on the Successor Agency's ability to make timely payments on the 2018 Bonds.

Bankruptcy and Foreclosure

The payment of the property taxes from which Tax Revenues are derived and the ability of the County to foreclose the lien of a delinquent unpaid tax may be limited by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. The various legal opinions to be delivered concurrently with the delivery of the 2018 Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the

enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the liens to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings.

Projected Tax Revenues

In estimating that projected Tax Revenues will be sufficient to pay debt service on the 2018 Bonds, the Successor Agency has made certain assumptions with regard to present and future assessed valuation in the Project Area, future tax rates and percentage of taxes collected. The Successor Agency believes these assumptions to be reasonable, but there is no assurance these assumptions will be realized and to the extent that the assessed valuation and the tax rates are less than expected, the net tax increment available to pay debt service on the 2018 Bonds will be less than those projected and such reduced net tax increment may be insufficient to provide for the payment of principal of and interest on the 2018 Bonds. See "THE PROJECT AREA – Projected Tax Revenues and Debt Service Coverage."

Hazardous Substances

An additional environmental condition that may result in the reduction in the assessed value of property would be the discovery of a hazardous substance that would limit the beneficial use of taxable property within the Project Area. In general, the owners and operators of property may be required by law to remedy conditions of the property relating to releases or threatened releases of hazardous substances. The owner or operator may be required to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the property within the Project Area be affected by a hazardous substance, could be to reduce the marketability and value of the property by the costs of remedying the condition.

Natural Disasters

The value of the property in the Project Area in the future can be adversely affected by a variety of additional factors, particularly those which may affect infrastructure and other public improvements and private improvements on property and the continued habitability and enjoyment of such private improvements. Such additional factors include, without limitation, geologic conditions such as earthquakes, topographic conditions such as earth movements, landslides and floods and climatic conditions such as droughts. In the event that one or more of such conditions occur, such occurrence could cause damages of varying seriousness to the land and improvements and the value of property in the Project Area could be diminished in the aftermath of such events. A substantial reduction of the value of such properties and could affect the ability or willingness of the property owners to pay the property taxes.

Seismic. No faults exist in the City, and the Project Area is located in an area relatively distant from the seismic activity associated with the San Andreas Fault Zone and the active faults along the eastern Sierra Nevada Mountain Range. However, seismic events on several faults could result in impacts in the City and the Project Area, resulting in substantial damage to property located in the Project Area, and could lead to successful appeals for reduction of assessed values of such property.

Changes in the Law

There can be no assurance that the California electorate will not at some future time adopt initiatives or that the Legislature will not enact legislation that will amend the Dissolution Act, the Redevelopment Law or other laws or the Constitution of the State resulting in a reduction of tax increment available to pay debt service on the 2018 Bonds.

Loss of Tax-Exemption

As discussed under the caption "TAX MATTERS," interest on the 2018 Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the 2018 Bonds were issued, as a result of future acts or omissions of the Successor Agency in violation of its covenants in the Indenture.

In addition, current and future legislative proposals, if enacted into law, may cause interest on the 2018 Bonds to be subject, directly or indirectly, to federal income taxation by, for example, changing the current exclusion or deduction rules to limit the aggregate amount of interest on state and local government bonds that may be treated as tax exempt by individuals.

Should such an event of taxability occur, the 2018 Bonds are not subject to special redemption and will remain outstanding until maturity or until redeemed under other provisions set forth in the Indenture.

Secondary Market

There can be no guarantee that there will be a secondary market for the 2018 Bonds, or, if a secondary market exists, that the 2018 Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon the then prevailing circumstances.

TAX MATTERS

Federal Tax Status. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the 2018A Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax, although, in the case of tax years beginning prior to January 1, 2018, for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest earned by a corporation prior to the end of its tax year in 2018 is taken into account in determining certain income and earnings.

The opinions set forth in the preceding paragraph are subject to the condition that the Successor Agency comply with all requirements of the Internal Revenue Code of 1986, as amended (the “**Tax Code**”) that must be satisfied subsequent to the issuance of the 2018A Bonds. The Successor Agency has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of issuance of the 2018A Bonds.

Interest on the 2018B Bonds is not intended to be exempt from federal income taxation.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public (excluding bond houses and brokers) at which a 2018A Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes “original issue discount” for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which a 2018A Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes “original issue premium” for purposes of federal income taxes and State of California personal income taxes. De minimis original issue discount and original issue premium is disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the 2018A Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such 2018A Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such 2018A Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the 2018A Bonds who purchase the 2018A Bonds after the initial offering of a substantial amount of such maturity. Owners of such 2018A Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2018A Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such 2018A Bonds under federal alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the 2018A Bond (said term being the shorter of the 2018A Bond’s maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the 2018A Bond for purposes of determining taxable gain or loss upon

disposition. The amount of original issue premium on a 2018A Bond is amortized each year over the term to maturity of the 2018A Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized 2018A Bond premium is not deductible for federal income tax purposes. Owners of premium 2018A Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such 2018A Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the 2018 Bonds is exempt from California personal income taxes.

Other Tax Considerations. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the 2018 Bonds, or as to the consequences of owning or receiving interest on the 2018 Bonds, as of any future date. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the 2018 Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the 2018 Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the Bonds, the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("**S&P**"), has assigned its municipal bond rating of "___" to the 2018 Bonds. This rating reflects only the view of S&P, and an explanation of the significance of the rating, and any outlook assigned to or associated with the rating, should be obtained from the S&P. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The Successor Agency has provided certain additional information and materials to S&P (some of which does not appear in this Official Statement).

There is no assurance that this rating will continue for any given period of time or that this rating will not be revised downward or withdrawn entirely by S&P, if in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of any rating on the 2018 Bonds may have an adverse effect on the market price or marketability of the 2018 Bonds.

CONTINUING DISCLOSURE

The Successor Agency will covenant for the benefit of owners of the 2018 Bonds to provide certain financial information and operating data relating to the Successor Agency by not later than March 31 after the end of each fiscal year of the Successor Agency (currently June 30th), commencing not later than March 31, 2019 with the report for the 2017-2018 fiscal year (the "**Annual Report**"), and to provide notices of the occurrence of certain listed events. The specific nature of the information to be contained in the Annual Report or the notices of listed

events is summarized in "APPENDIX D - FORM OF CONTINUING DISCLOSURE CERTIFICATE," attached to this Official Statement. These covenants have been made in order to assist the Underwriter (as defined below) in complying with Securities Exchange Commission Rule 15c2 12(b)(5) (the "**Rule**").

The City and its related governmental entities, including the Successor Agency, have previously entered into numerous disclosure undertakings under the Rule in connection with the issuance of long-term obligations. During the past five years, the City and/or its related governmental entities have failed to comply with their continuing disclosure undertakings under the Rule as follows: _____ [**UNDER REVIEW BY UNDERWRITER**]

CONCLUDING INFORMATION

Underwriting

The 2018 Bonds are being purchased by Brandis Tallman LLC (the "**Underwriter**"). The Underwriter has agreed to purchase the 2018A Bonds at a price of \$_____ (being the principal amount of the 2018A Bonds less a net original issue discount of \$_____ and less an Underwriter's discount of \$_____). The Underwriter has agreed to purchase the 2018B Bonds at a price of \$_____ (being the principal amount of the 2018B Bonds less a net original issue discount of \$_____ and less an Underwriter's discount of \$_____). The Underwriter will purchase all of the 2018 Bonds if any are purchased.

The Underwriter may offer and sell 2018 Bonds to certain dealers and others at a price lower than the offering price stated on the inside cover page of this Official Statement. The offering price may be changed from time to time by the Underwriter.

Legal Opinion

The final approving opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, will be delivered at the time of delivery of the 2018 Bonds.

A copy of the proposed form of Bond Counsel's final approving opinion with respect to the 2018 Bonds is attached hereto as APPENDIX F.

In addition, certain legal matters will be passed on by Jones Hall, A Professional Law Corporation, as Disclosure Counsel and Stradling Yocca Carlson & Rauth, P.C., as Underwriter's Counsel.

Compensation paid to Bond Counsel, Disclosure Counsel and Underwriter's Counsel is contingent upon the sale and delivery of the 2018 Bonds.

No Litigation

There is no action, suit or proceeding known to the Successor Agency to be pending and notice of which has been served upon and received by the Successor Agency, or threatened, restraining or enjoining the execution or delivery of the 2018 Bonds or the Indenture or in any way contesting or affecting the validity of the foregoing or any proceedings of the Successor Agency taken with respect to any of the foregoing.

Miscellaneous

All of the preceding summaries of the Indenture, the Redevelopment Law, the Dissolution Act, other applicable legislation, the Redevelopment Plans for the Project Area, agreements and other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the Successor Agency for further information in connection therewith.

This Official Statement does not constitute a contract with the purchasers of the 2018 Bonds. Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement by its Executive Director has been duly authorized by the Successor Agency.

SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY

By: _____
Executive Director

APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

APPENDIX B
FISCAL CONSULTANT'S REPORT

APPENDIX C

SUPPLEMENTAL INFORMATION – CITY AND COUNTY OF MADERA

*The following information concerning the City of Madera (the “**City**”) and the County of Madera (the “**County**”) is included only for the purpose of supplying general information regarding the community in which the Project Area is located. The 2018 Bonds are not a debt of the City, the County, the State of California (the “**State**”) or any of its political subdivisions, and neither the City, the County, the State nor any of its political subdivisions is liable therefor.*

General

The City is located in the County, approximately 240 miles northwest of the City of Los Angeles, 166 miles southeast of the City of San Francisco and 22 miles north of the City of Fresno on State Highway 99. Incorporated in 1907, the City contains approximately 10.3 square miles in total area and has a current population estimated by the State Department of Finance of 66,082.

Interstate Highway 5, which is 53 miles west of the City via State Route 152, State Route 145 and State Highway 99, which runs through the City, provide convenient access to the City. The City is also served by the Santa Fe, Amtrak and the Southern Pacific Railroads, and by Greyhound Bus Lines Continental Trailways. The City is close to both a regional airport, Fresno Airport and a local airport.

Population

The following table shows population estimates for the City, the County and the State for the last five years.

CITY OF MADERA, COUNTY OF MADERA AND STATE OF CALIFORNIA

Population Estimates

Calendar Years 2013 through 2017 as of January 1

Year (January 1)	City of Madera	Madera County	State of California
2013	63,054	151,377	38,238,492
2014	63,391	153,258	38,572,211
2015	64,534	154,857	38,915,880
2016	65,292	154,933	39,189,035
2017	66,082	156,492	39,523,613

Source: State Department of Finance.

Employment and Industry

The unemployment rate in the County was 8.2 percent in March 2018, down from a revised 8.3 percent in February 2018, and below the year-ago estimate of 9.9 percent. This compares with an unadjusted unemployment rate of 4.2 percent for California and 4.1 percent for the nation during the same period.

The table below lists employment by industry group for the County for the years 2013 to 2017.

MADERA COUNTY Annual Averages Civilian Labor Force, Employment and Unemployment, Employment by Industry (March 2017 Benchmark)

	2013	2014	2015	2016	2017
Civilian Labor Force ⁽¹⁾	62,300	62,000	60,000	61,300	61,500
Employment	54,400	55,000	53,700	55,600	56,500
Unemployment	7,800	6,900	6,300	5,700	5,000
Unemployment Rate	12.6%	11.2%	10.5%	9.2%	8.1%
<u>Wage and Salary Employment: ⁽²⁾</u>					
Agriculture	12,100	11,800	11,300	12,100	11,800
Mining, Logging, and Construction	1,200	1,300	1,500	1,800	1,800
Manufacturing	3,600	3,800	3,600	3,500	3,500
Wholesale Trade	800	800	800	800	800
Retail Trade	3,500	3,600	3,700	3,800	3,800
Transportation, Warehousing, Utilities	900	900	900	900	1,000
Information	400	400	400	300	300
Financial Activities	800	800	800	900	900
Professional and Business Services	2,800	2,500	2,200	2,300	2,300
Educational and Health Services	7,600	7,600	7,700	7,800	8,300
Leisure and Hospitality	2,900	3,000	3,100	3,300	3,400
Other Services	900	1,000	1,000	1,000	900
Federal Government	300	300	300	300	300
State Government	2,200	2,300	2,300	2,400	2,500
Local Government	7,200	7,200	6,500	7,700	8,000
Total, All Industries ⁽³⁾	47,200	47,500	46,200	48,800	49,600

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) Totals may not add due to rounding.

Source: State of California Employment Development Department.

Largest Employers

The following table shows the largest employers in the County.

MADERA COUNTY Major Employers (Listed alphabetically) March 2018

Employer Name	Location	Industry
Ardagh Group	Madera	Glass Containers (Mfrs)
B A C	Madera	Assembly & Fabricating Service (Mfrs)
Baltimore Aircoil Co	Madera	Refrigerating Equip-Commercial (Whls)
Brake Parts Inc	Chowchilla	Brakes-Manufacturers
Central AG Labor Svc	Madera	Labor Contractors
Certain Teed Corp	Chowchilla	Building Materials-Manufacturers
Chukchansi Gold Resort	Coarsegold	Casinos
Chukchansi Gold Rsrt & Casino	Coarsegold	Resorts
Georgia-Pacific Madera	Madera	Paper-Manufacturers
Home Depot	Madera	Home Centers
Lamanuzzi & Pantaleo Cold Stge	Madera	Fruits & Vegetables-Growers & Shippers
Lion Brothers Farm-Newstone	Madera	Farming Service
Madera City Hall	Madera	Government Offices-City, Village & Twp
Madera Community Hospital	Madera	Hospitals
Madera High School	Madera	Schools
Madera Packing Shed	Madera	Sheds-Tool & Utility
Madera South High School	Madera	Schools
Mission Bell Winery	Madera	Wineries (Mfrs)
Pines Resort	Bass Lake	Boats-Rental & Charter
San Joaquin Wine Co Inc	Madera	Wineries (Mfrs)
Sierra Tel	Oakhurst	Telephone Companies
Span Construction Inc	Madera	Contractors-Equip/Supls-Dlrs/S (Whls)
Valley Children's Hospital	Madera	Hospitals
Valley State Prison For Women	Chowchilla	Government Offices-State
Walmart	Madera	Department Stores

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2018 1st Edition.

Effective Buying Income

“Effective Buying Income” is defined as personal income less personal tax and nontax payments, a number often referred to as “disposable” or “after-tax” income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor’s income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as “disposable personal income.”

The following table summarizes the total effective buying income for the County of Madera, the State and the United States for the period 2013 through 2017.

CITY OF MADERA; MADERA COUNTY Effective Buying Income As of January 1, 2013 through 2017

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2013	City of Madera	\$675,128	\$35,311
	Madera County	2,061,845	38,449
	California	858,676,636	48,340
	United States	6,982,757,379	43,715
2014	City of Madera	\$695,795	\$35,859
	Madera County	2,098,153	38,196
	California	901,189,699	50,072
	United States	7,357,153,421	45,448
2015	City of Madera	\$726,273	\$35,633
	Madera County	2,185,353	38,332
	California	981,231,666	53,589
	United States	7,757,960,399	46,738
2016	City of Madera	\$758,581	\$38,081
	Madera County	2,267,257	40,776
	California	1,036,142,723	55,681
	United States	8,132,748,136	48,043
2017	City of Madera	\$849,251	\$41,452
	Madera County	2,595,879	45,103
	California	1,113,648,181	59,646
	United States	8,640,770,229	50,735

Source: The Nielsen Company (US), Inc.

Commercial Activity

A summary of historic taxable sales within the City and the County during the past five years for which data is available is shown in the following tables.

Total taxable sales during calendar year 2016 in the City were reported to be \$652,692,000 a 0.44% increase over the total taxable sales of \$649,825,000 reported during calendar year 2015. Annual figures are not yet available for calendar year 2017.

CITY OF MADERA Taxable Transactions Number of Permits and Valuation of Taxable Transactions (Dollars in Thousands)

	<u>Retail Stores</u>		<u>Total All Outlets</u>	
	<u>Number of Permits</u>	<u>Taxable Transactions</u>	<u>Number of Permits</u>	<u>Taxable Transactions</u>
2012	804	\$398,057	1,104	\$566,396
2013	759	432,274	1,022	615,166
2014	781	460,660	1,044	652,105
2015 ⁽¹⁾	885	472,460	1,206	649,825
2016	917	492,637	1,263	652,692

(1) Permit figures for calendar year 2015 are not comparable to that of prior years due to outlet counts in these reports including the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers.

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Total taxable sales during calendar year 2016 in the County were reported to be \$1,541,525,000 a 1.36% increase over the total taxable sales of \$1,520,880,000 reported during calendar year 2015. Annual figures are not yet available for calendar year 2017.

MADERA COUNTY Taxable Retail Sales Number of Permits and Valuation of Taxable Transactions (Dollars in Thousands)

	<u>Retail Stores</u>		<u>Total All Outlets</u>	
	<u>Number of Permits</u>	<u>Taxable Transactions</u>	<u>Number of Permits</u>	<u>Taxable Transactions</u>
2012	1,951	\$905,678	2,836	\$1,355,737
2013	1,897	955,309	2,717	1,440,207
2014	1,937	993,025	2,747	1,500,213
2015 ⁽¹⁾	1,005	997,861	3,090	1,520,880
2016	2,084	1,033,854	3,116	1,541,525

(1) Permit figures for calendar year 2015 are not comparable to that of prior years due to outlet counts in these reports including the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers.

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Construction

Provided below are the building permits and valuations for the City and the County, for calendar years 2012 through 2016. Annual figures for 2017 are not yet available.

CITY OF MADERA Total Building Permit Valuations (Valuations in Thousands)

	2012	2013	2014	2015	2016
<u>Permit Valuation</u>					
New Single-family	\$10,020.1	\$16,572.1	\$18,945.4	\$19,173.2	\$26,645.9
New Multi-family	1,779.4	0.0	0.0	0.0	0.0
Res. Alterations/Additions	<u>932.6</u>	<u>671.6</u>	<u>694.7</u>	<u>852.6</u>	<u>1,310.5</u>
Total Residential	12,732.1	17,243.7	19,640.1	20,025.8	27,956.4
New Commercial	4,444.3	4,850.5	2,781.8	1,736.1	376.1
New Industrial	160.0	5,855.3	1,200.0	0.0	1,050.0
New Other	80.0	1,603.8	4,103.5	2,624.7	1,652.1
Com. Alterations/Additions	<u>3,617.0</u>	<u>2,038.8</u>	<u>3,592.1</u>	<u>2,513.0</u>	<u>5,885.5</u>
Total Nonresidential	8,301.3	14,348.4	11,677.4	6,873.8	8,963.7
<u>New Dwelling Units</u>					
Single Family	56	140	158	145	190
Multiple Family	<u>40</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	96	140	158	145	190

(1) Totals may not add due to rounding.

Source: Construction Industry Research Board, Building Permit Summary.

MADERA COUNTY Total Building Permit Valuations (Valuations in Thousands)

	2012	2013	2014	2015	2016
<u>Permit Valuation</u>					
New Single-family	\$20,015.3	\$32,759.7	\$35,023.6	\$37,821.1	\$52,614.1
New Multi-family	2,141.0	368.4	431.8	0.0	0.0
Res. Alterations/Additions	<u>12,301.9</u>	<u>2,236.7</u>	<u>2,050.2</u>	<u>4,308.9</u>	<u>4,145.6</u>
Total Residential	\$34,458.20	\$35,364.80	\$37,505.60	\$42,130.00	\$56,759.70
New Commercial	9,996.5	15,098.5	16,553.3	45,095.2	12,635.6
New Industrial	910.0	8,379.7	1,200.0	0.0	4,323.5
New Other	80.0	2,926.6	8,358.3	8,804.5	8,262.8
Com. Alterations/Additions	<u>5,848.9</u>	<u>3,793.9</u>	<u>7,768.8</u>	<u>10,251.7</u>	<u>10,034.2</u>
Total Nonresidential	16,835.4	30,198.7	33,880.4	64,151.4	35,256.1
<u>New Dwelling Units</u>					
Single Family	104	210	210	203	304
Multiple Family	<u>44</u>	<u>4</u>	<u>4</u>	<u>0</u>	<u>0</u>
TOTAL	148	214	214	203	304

(1) Totals may not add due to rounding.

Source: Construction Industry Research Board, Building Permit Summary.

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$ _____ SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY TAX ALLOCATION REFUNDING BONDS, SERIES 2018A	\$ _____ SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY TAX ALLOCATION REFUNDING BONDS, SERIES 2018B (FEDERALLY TAXABLE)
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This CONTINUING DISCLOSURE CERTIFICATE (this “**Disclosure Certificate**”) is executed and delivered by the SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY (the “**Successor Agency**”) in connection with the execution and delivery of the bonds captioned above (the “**Bonds**”). The Bonds are being issued pursuant to an Indenture of Trust, dated as of _____ 1, 2018 (the “**Indenture**”), by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee.

The Successor Agency covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Successor Agency for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the Successor Agency pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Annual Report Date*” means the date that is nine months after the end of the Successor Agency’s fiscal year (currently March 31 based on the Successor Agency’s fiscal year end of June 30).

“*Dissemination Agent*” means the _____, or any successor Dissemination Agent designated in writing by the Successor Agency and which has filed with the Successor Agency a written acceptance of such designation.

“*Listed Events*” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“*Official Statement*” means the final official statement executed by the Successor Agency in connection with the issuance of the Bonds.

“Participating Underwriter” means Brandis Tallman LLC, the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The Successor Agency shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2019, with the report for the 2017-2018 fiscal year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the Successor Agency shall provide the Annual Report to the Dissemination Agent (if other than the Successor Agency). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the Successor Agency) has not received a copy of the Annual Report, the Dissemination Agent shall contact the Successor Agency to determine if the Successor Agency is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Successor Agency may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the Successor Agency’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The Successor Agency shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the Successor Agency hereunder.

(b) If the Successor Agency does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the Successor Agency shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the Successor Agency, file a report with the Successor Agency certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The Successor Agency’s Annual Report shall contain or incorporate by reference the following:

(a) The Successor Agency’s audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Successor Agency’s audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements

contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the Successor Agency for the preceding fiscal year, substantially similar to that provided in the corresponding tables in the Official Statement:

- (i) Principal amount of Bonds and Parity Debt (if any) outstanding as of June 30 of the most recently-completed fiscal year.
- (ii) The information in the following tables of the Official Statement for the most recently completed fiscal year: Tables [1, 2, 3, 4 and 7].

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the Successor Agency shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Successor Agency or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The Successor Agency shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The Successor Agency shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.

- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the Successor Agency or other obligated person.
- (13) The consummation of a merger, consolidation, or acquisition involving the Successor Agency or an obligated person, or the sale of all or substantially all of the assets of the Successor Agency or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Whenever the Successor Agency obtains knowledge of the occurrence of a Listed Event, the Successor Agency shall, or shall cause the Dissemination Agent (if not the Successor Agency) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Indenture.

(c) The Successor Agency acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), and (a)(14) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The Successor Agency shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the Successor Agency obtains knowledge of the occurrence of any of these Listed Events, the Successor Agency will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the Successor Agency will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Successor Agency in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Successor Agency, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization,

arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Successor Agency.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The Successor Agency's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Successor Agency shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The Successor Agency may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. [[The initial Dissemination Agent shall be the Successor Agency.]] Any Dissemination Agent may resign by providing 30 days' written notice to the Successor Agency.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Successor Agency may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

- (a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;
- (b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first Annual Report filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to this Disclosure Certificate modifying the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to

investors to enable them to evaluate the ability of the Successor Agency to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Successor Agency from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Successor Agency chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Successor Agency shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the Successor Agency fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Successor Agency to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Successor Agency to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. (a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Successor Agency agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the Successor Agency hereunder, and shall not be deemed to be acting in any fiduciary capacity for the Successor Agency, the Bond holders or any other party. The obligations of the Successor Agency under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the Successor Agency for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Successor Agency, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: _____, 2018

SUCCESSOR AGENCY TO THE FORMER
MADERA REDEVELOPMENT AGENCY

By: _____

Name: _____

Title: _____

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Successor Agency to the Former Madera Redevelopment Agency

Name of Issue: Successor Agency to the Former Madera Redevelopment Agency
Tax Allocation Refunding Bonds, Series 2018A and Series 2018B
(Federally Taxable)

Date of Issuance: _____, 2018

NOTICE IS HEREBY GIVEN that the Successor Agency has not provided an Annual Report with respect to the above-named Bonds as required by the Indenture of Trust, dated as of _____, 2018, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee. The Successor Agency anticipates that the Annual Report will be filed by _____.

Dated: _____

SUCCESSOR AGENCY TO THE FORMER
MADERA REDEVELOPMENT AGENCY:

By: _____

Its: _____

APPENDIX E

CITY OF MADERA COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2017*

* *The Successor Agency's audited financial statements are included in the City's comprehensive annual financial report.*

APPENDIX F
FORM OF BOND COUNSEL OPINION

APPENDIX G

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix concerning The Depository Trust Company (“DTC”), and DTC’s book-entry system has been obtained from DTC and the Successor Agency takes no responsibility for the completeness or accuracy thereof. The Successor Agency cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the 2018 Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the 2018 Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the 2018 Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company (“DTC”) will act as securities depository for the 2018 Bonds. The 2018 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the 2018 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing Successor Agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information set forth on such website is not incorporated herein by reference.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2018 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on

the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2018 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the 2018 Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2018 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2018 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2018 Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the 2018 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2018 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Successor Agency as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium (if any), and interest payments on the 2018 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Successor Agency or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the

Successor Agency, subject to any statutory or regulatory requirements as may be in effect from time to time. Principal, premium (if any), and interest payments with respect to the 2018 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Successor Agency or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2018 Bonds at any time by giving reasonable notice to the Successor Agency or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates representing the 2018 Bonds are required to be printed and delivered.

The Successor Agency may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, representing the 2018 Bonds will be printed and delivered to DTC in accordance with the provisions of the Indenture.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Successor Agency believes to be reliable, but the Successor Agency takes no responsibility for the accuracy thereof.

APPENDIX H
SPECIMEN MUNICIPAL BOND INSURANCE POLICY

**SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY
TAX ALLOCATION REFUNDING BONDS**

\$ _____
Series 2018A

\$ _____
Series 2018B (Federally Taxable)

PURCHASE AGREEMENT

_____, 2018

Successor Agency to the Former Madera Redevelopment Agency
428 East Yosemite Avenue
Madera, California 93638

Ladies and Gentlemen:

The undersigned, Brandis Tallman LLC (the “Underwriter”), acting in its capacity as a principal and not as an agent or fiduciary, offers to enter into this purchase agreement (the “Purchase Agreement”) with the Successor Agency to the Former Madera Redevelopment Agency (the “Agency”), which will be binding upon the Agency and the Underwriter upon the acceptance hereof by the Agency. This offer is made subject to its acceptance by the Agency by execution of this Purchase Agreement and its delivery to the Underwriter on or before 11:59 p.m., Pacific Daylight Time, on the date hereof. All terms used herein and not otherwise defined shall have the respective meanings given to such terms in the Indenture (as hereinafter defined).

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Agency hereby agrees to sell to the Underwriter, and the Underwriter hereby agrees to purchase from the Agency, (i) all (but not less than all) of the \$_____ aggregate principal amount of the Successor Agency to the Former Madera Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018A (the “Tax-Exempt Bonds”), at a purchase price equal to \$_____ (being the aggregate principal amount thereof plus original issue premium of \$_____ and less an Underwriter’s discount of \$_____), and (ii) all (but not less than all) of the \$_____ aggregate principal amount of the Successor Agency to the Former Madera Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018B (the “Taxable Bonds,” and with the Tax-Exempt Bonds, the “Bonds”), at a purchase price equal to \$_____ (being the aggregate principal amount thereof less an Underwriter’s discount of \$_____). [As an accommodation to the Agency, the Underwriter shall pay from the purchase price of the Tax-Exempt Bonds, by wire transfer, the amount of \$_____ and from the purchase price of the Taxable Bonds, by wire transfer, the amount of \$_____ to the Reserve Insurer (as such term is defined herein) to pay the premium for the Reserve Policy (as such terms are defined herein).]

The Agency acknowledges and agrees that: (i) the purchase and sale of the Bonds (as such term is defined below) pursuant to this Bond Purchase Agreement is an arm’s-length commercial transaction between the Agency and the Underwriter; (ii) in connection therewith and with the discussions,

undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and have been acting solely as principal and is not and has not been acting as “municipal advisors” (as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) to the Agency; (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Agency with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or are currently providing other services to the Agency on other matters); (iv) the Underwriter has financial interests that may differ from and be adverse to those of the Agency; and (v) the Agency has consulted its own legal, financial and other advisors to the extent that it has deemed appropriate for this transaction.

2. Description of the Bonds. The Bonds shall be issued and sold to the Underwriter pursuant to that certain Indenture of Trust, dated as of _____, 2018, by and between the Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), by and between the Agency and the Trustee, the Constitution and the laws of the State of California, including Article 11 (commencing with Section 53580 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the “Bond Law”) and Parts 1.8 and 1.85 of Division 24 of the Health and Safety Code of the State of California (as amended from time to time, the “Dissolution Act”), a resolution of the Agency adopted on March 14, 2018 (the “Resolution of Issuance”) and a resolution of the Oversight Board for the Successor Agency to the Former Madera Redevelopment Agency (the “Oversight Board”) adopted on March 19, 2018 (the “Oversight Board Resolution”). The Bonds shall be as described in the Indenture and the Official Statement, as defined herein, relating to the Bonds. Proceeds of the Bonds will be applied: (i) to refund the Madera Redevelopment Agency (the “Prior Agency”) 1998 Tax Allocation Redevelopment Project Bonds (the “Refunded 1998 Bonds”), 2003 Tax Allocation Refunding and Redevelopment Project Bonds (the “Refunded 2003 Bonds”), Subordinate Tax Allocation Bonds, Series 2008A (the “Refunded 2008A Bonds”) and Housing Set-Aside Subordinate Tax Allocation Bonds, Series 2008B (the “Refunded 2008B Bonds” and together with the Refunded 1998 Bonds, Refunded 2003 Bonds, and Refunded 2008A Bonds, the “Refunded Bonds”), and (ii) to pay the costs of issuance related to the Bonds.

[A debt service reserve insurance policy (the “Reserve Policy”) for the Bonds shall be purchased from _____ (the “Reserve Insurer”).

The Agency will undertake pursuant to the provisions of a Continuing Disclosure Certificate, dated as of _____, 2018 (the “Continuing Disclosure Certificate”) and executed by the Agency, as dissemination agent, to provide certain annual information and notices of the occurrence of certain enumerated events. A description of the undertaking is set forth in the Preliminary Official Statement (as defined below) and will also be set forth in the Official Statement

3. Public Offering and Establishment of Issue Price.

The Underwriter agrees to make a bona fide public offering of all the Bonds initially at the public offering prices (or yields) set forth on Appendix A attached hereto and incorporated herein by reference. Subject to Section 3.C. below, subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as they deem necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth on Appendix A. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices.

(a) The Underwriter, agrees to assist the Agency in establishing the issue price of the Tax-Exempt Bonds and shall execute and deliver to the Agency at Closing (as defined below) an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Agency and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the respective allotted Tax-Exempt Bonds.

(b) Except as otherwise set forth in Appendix A attached hereto, the Agency will treat the first price at which 10% of each maturity of the Tax-Exempt Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the Agency the price or prices at which the Underwriter has sold to the public each maturity of Tax-Exempt Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Tax-Exempt Bonds, the Underwriter agrees to promptly report to the Agency the prices at which the Underwriter sells the unsold Tax-Exempt Bonds of that maturity to the public. That reporting obligation with respect to maturities to which the 10% test applies shall continue, whether or not the Closing Date (as defined below) has occurred, until the 10% test has been satisfied as to the Tax-Exempt Bonds of that maturity or until all Tax-Exempt Bonds of that maturity have been sold to the public.

(c) The Underwriter shall confirm that the Underwriter has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Appendix A attached hereto, except as otherwise set forth therein. Appendix A also sets forth, identified under the column “Hold the Offering Price Rule Used,” as of the date of this Purchase Agreement, the maturities, if any, of the Tax-Exempt Bonds for which the 10% test has not been satisfied and for which the Agency and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Agency to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Tax-Exempt Bonds, the Underwriter will neither offer nor sell unsold Tax-Exempt Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) the date on which the Underwriter has sold at least 10% of that maturity of the Tax-Exempt Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the Agency when the Underwriter has sold 10% of that maturity of the Tax-Exempt Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(d) The Underwriter acknowledges that sales of any Tax-Exempt Bonds to any person that is a related party to an Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Agency (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Tax-Exempt Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Tax-Exempt Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Tax-Exempt Bonds to the public),

(iii) a purchaser of any of the Tax-Exempt Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Purchase Agreement by all parties.

4. Delivery of Official Statement. The Agency has delivered or caused to be delivered to the Underwriter prior to the execution of this Purchase Agreement or the first offering of the Bonds, whichever first occurs, copies of the Preliminary Official Statement dated _____, 2018 relating to the Bonds (the “Preliminary Official Statement”). Such Preliminary Official Statement is the official statement deemed final by the Agency for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”) and approved for distribution by resolution of the Agency.

The Agency hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the earlier of: (i) the business day preceding the Closing Date (as defined herein); or (ii) the seventh (7th) business day following the date of this Purchase Agreement: (A) the form of the Official Statement relating to the Bonds in “designated electronic format” (as defined in Municipal Securities Rule Making Board (“MSRB”) Rule G-32; and (B) copies of the Official Statement relating to the Bonds, dated the date hereof, in the form of the Preliminary Official Statement, with such changes thereto, as may be approved by the Underwriter (including the appendices thereto and any amendments or supplements approved by the Agency and the Underwriter, the “Official Statement”), in such quantity as the Underwriter shall reasonably request. The Agency hereby approves of the distribution and use by the Underwriter of the Official Statement in connection with the offer and sale of the Bonds. The Preliminary Official Statement and/or the Official Statement may be delivered in printed and/or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed by the Agency and the Underwriter. If the Official Statement is prepared for distribution in electronic form, the Agency hereby confirms that it does not object to distributions of the Official Statement in electronic form.

5. The Closing. At 9:00 a.m., Pacific Daylight Time, on _____, 2018, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the Agency and the Underwriter (the “Closing Date”), the Agency will deliver: (i) the Bonds in book-entry form through the facilities of The Depository Trust Company, New York, New York, duly executed;

and (ii) the closing documents hereinafter mentioned at the offices of Jones Hall, A Professional Law Corporation (“Bond Counsel”), in San Francisco, California, or another place to be mutually agreed upon by the Agency and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by federal wire transfer to the order of the Trustee on behalf of the Agency. This payment and delivery, together with the delivery of the aforementioned documents, is herein called the “Closing.”

6. Agency Representations, Warranties and Covenants. The Agency represents, warrants and covenants to the Underwriter that:

(a) Due Organization, Existence and Authority. The Agency is a public entity validly existing under the laws of the State of California (the “State”) with full right, power and authority to adopt the Resolution of Issuance and the Agency resolution approving the form of the Preliminary Official Statement, adopted on May 9, 2018 (the “POS Resolution,” and with the Resolution of Issuance, the “Agency Resolutions”), to issue the Bonds and to execute, deliver and perform its obligations under the Bonds, this Purchase Agreement, the Indenture, the Irrevocable Refunding Instructions dated the Closing Date and given by the Agency to The Bank of New York Mellon Trust Company, N.A., as prior trustee with respect to the Refunded Bonds (the “Escrow Instructions”), and the Continuing Disclosure Certificate (collectively, the “Agency Documents”) and to carry out and consummate the transactions contemplated by the Agency Documents and the Official Statement. The Bank of New York Mellon Trust Company, N.A. are referred to herein as the “Prior Trustee.”

(b) Due Authorization and Approval. By all necessary official action, the Agency has duly adopted the Agency Resolutions at meetings properly noticed at which a quorum was present and acting throughout and has duly authorized and approved the execution and delivery of, and the performance by the Agency of the obligations contained in, the Official Statement and the Agency Documents, and as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered, the Agency Documents will constitute the legally valid and binding obligations of the Agency enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors’ rights generally, or by the exercise of judicial discretion and the limitations on legal remedies against governmental agencies in the State of California. The Agency has complied, and will at the Closing be in compliance in all respects, with the terms of the Agency Documents.

(c) Official Statement, Accurate and Complete. The Preliminary Official Statement was as of its date, and the Official Statement is, and at all times subsequent to the date of the Official Statement up to and including the Closing will be, true and correct in all material respects, and the Preliminary Official Statement and the Official Statement do not contain and up to and including the Closing will not contain a misstatement of any material fact and do not, and up to and including the Closing will not omit any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading (except that this representation does not include information relating to The Depository Trust Company or the book-entry only system, [the Reserve Insurer or the Reserve Policy]).

(d) Underwriter’s Consent to Amendments and Supplements to Official Statement. The Agency will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of

the Underwriter, which consent will not be unreasonably withheld. The Agency will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(e) No Breach or Default. As of the time of acceptance hereof and as of the time of the Closing, except as otherwise disclosed in the Official Statement, the Agency is not and will not be in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Agency is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument; and, as of such times, except as disclosed in the Official Statement, the authorization, execution and delivery of the Agency Documents, and compliance with the provisions of each of such agreements or instruments do not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance agreement or other to which the Agency (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the Agency Documents.

(f) No Litigation. As of the time of acceptance hereof and the Closing, except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or threatened: (i) in any way questioning the corporate existence of the Agency or the titles of the officers of the Agency to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds or the other Agency Documents or the consummation of the transactions contemplated thereby or hereby, or contesting the exclusion of the interest on the Tax-Exempt Bonds from federal taxation, contesting the exclusion of the interest on the Bonds from State of California taxation, or contesting the powers of the Agency or its authority to issue the Bonds; (iii) which may result in any material adverse change relating to the Agency; and (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Furthermore, there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this paragraph.

(g) Preliminary Official Statement. For purposes of the Rule, the Agency has heretofore deemed final the Preliminary Official Statement prior to its use and distribution by the Underwriter, except for the information specifically permitted to be omitted by paragraph (b)(l) of the Rule.

(h) End of Underwriting Period. Until the date which is twenty-five (25) days after the “end of the underwriting period” (as hereinafter defined), if any event shall occur of which the Agency is aware, as a result of which it may be necessary to supplement the Official Statement in order to make the statements in the Official Statement, in light of the circumstances existing at such time, not misleading, the Agency shall forthwith notify the Underwriter of any such event of which it has knowledge and shall cooperate fully in furnishing any information available to it for any supplement to the Official Statement necessary, in the Underwriter’s opinion, so that the statements therein as so supplemented will not be misleading in light of the circumstances existing at such time, and the Agency shall promptly furnish to the Underwriter a reasonable number of copies of such supplement. As used herein, the term “end of the underwriting period” means the later of such time as: (i) the Agency delivers the Bonds to the Underwriter; or (ii) the Underwriter do not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter give notice to the contrary, the “end of the underwriting period” shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be written notice delivered to the Agency at or prior to the Closing Date and shall specify a date (other than the Closing Date) to be deemed the “end of the underwriting period.”

(i) Tax Exemption. The Agency will refrain from taking any action with regard to which the Agency may exercise control that results in (i) the inclusion in gross income for federal or State of California income tax purposes of the interest on the Tax-Exempt Bonds and (ii) the inclusion in gross income for State of California income tax purposes of the interest on the Taxable Bonds.

(j) Prior Continuing Disclosure Undertaking. Except as disclosed in the Official Statement, the Agency and the City of Madera have not defaulted under any prior continuing disclosure undertaking.

(k) Oversight Board Approval. The Oversight Board has duly adopted the Oversight Board Resolution approving the issuance of the Bonds and no further Oversight Board approval or consent is required for the issuing of the Bonds or the consummation of the transactions described in the Preliminary Official Statement.

(l) Department of Finance Approval. No further approval or consent of the Department of Finance of the State (the “Department of Finance”) is required for the issuance of the Bonds or the consummation of the transactions described in the Preliminary Official Statement. Except as disclosed in the Preliminary Official Statement, the Agency is not aware of the Department of Finance directing or having any basis to direct the County Auditor-Controller to deduct unpaid unencumbered funds from future allocations of property tax to the Agency pursuant to Section 34183 of the Dissolution Act.

7. Closing Conditions. The Underwriter has entered into this Purchase Agreement in reliance upon the representations, warranties and covenants herein and the performance by the Agency of its obligations hereunder, both as of the date hereof and as of the date of the Closing. The Underwriter’s obligations under this Purchase Agreement to purchase and pay for the Bonds shall be subject to the following additional conditions:

(a) Bring-Down Representation. The representations, warranties and covenants of the Agency contained herein shall be true, complete and correct at the date hereof and at the time of the Closing, as if made on the date of the Closing.

(b) Executed Agreements and Performance Thereunder. At the time of the Closing: (i) the Agency Documents shall be in full force and effect, and shall not have been amended, modified or supplemented except with the written consent of the Underwriter; and (ii) there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated by the Official Statement and the Agency Documents.

(c) Termination Events. The Underwriter shall have the right to terminate the Underwriter's obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds by notifying the Agency of its election to do so if, after the execution hereof and prior to the Closing, any of the following events occurs:

(i) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State of California, or the amendment of legislation pending as of the date of this Purchase Agreement in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation by the staff of either such Committee, or by the staff of the Joint Committee on taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or state court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or state authority affecting the federal or state tax status of the Agency, or the interest on bonds or notes (including the Bonds); or

(ii) there shall exist any event which in the reasonable opinion of the Underwriter either: (i) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement; or (ii) is not reflected in the Official Statement but should be reflected therein to make the statements and information contained therein not misleading in any material respect; or

(iii) there shall have occurred any new outbreak of hostilities or other national or international calamity or crisis or the escalation of any such outbreak, calamity or crisis, the effect of such outbreak, calamity, crisis or escalation on the financial markets of the United States being such as would make it impracticable, in the reasonable opinion of the Underwriter, to sell the Bonds; or

(iv) there shall be in force a general suspension of trading on the New York Stock Exchange or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange, whether by virtue of a determination by that Exchange or by orders of the Securities and Exchange Commission or any other governmental authority; or

(v) a general banking moratorium shall have been declared by either Federal, California or New York authorities having jurisdiction and be in force, or a material disruption in securities settlement, payment of clearance services affecting the Bonds shall have occurred; or

(vi) there shall be established any new restrictions on transactions in securities materially affecting the free market for securities (including the imposition of any limitations on interest rates) or the extension of credit by, or the charge to the net capital requirements of, underwriters established by the New York Stock Exchange, the Securities and Exchange Commission, any other Federal or state agency or the Congress of the United States, or by Executive Order; or

(vii) an adverse event has occurred affecting the financial condition or operation of the Agency which, in the opinion of the Underwriter, requires or has required a supplement or amendment to the Official Statement; or

(viii) any rating of the securities of the Agency shall have been downgraded, suspended or withdrawn by a national rating service, or there shall have been any official statement by a national rating service as to a possible downgrading (such as being placed on “credit watch” or “negative outlook” or any similar qualification), in either case which, in the Underwriter’s reasonable opinion, materially adversely affects the marketability or market price of the Bonds; or

(ix) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(x) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the authentication, delivery, offering or sale of obligations of the general character of the Bonds, or the authentication, delivery, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(xi) any proceeding shall have been commenced or be threatened in writing by the Securities and Exchange Commission against the Agency;

(xii) the commencement of any action, suit or proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending or, to the best knowledge of the Agency after due investigation, threatened: (i) in any way questioning the corporate existence of the Agency or the titles of the officers of the Agency to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the authentication or delivery of any of the Bonds, or in any way contesting or affecting the validity of the Bonds, the Agency Documents or the consummation of the transactions contemplated thereby or contesting the powers of the Agency to enter into the Agency Documents; (iii) which, except as described in the

Official Statement, may result in any material adverse change to the financial condition of the Agency or to its ability to pay debt service on the Bonds when due; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, which, in the reasonable judgment of the Underwriter, materially adversely affects the market price of the Bonds.

(d) Closing Documents. At or prior to the Closing, the Underwriter shall receive with respect to the Bonds (unless the context otherwise indicates) the following documents; provided that the acceptance of the Bonds by the Underwriter on the Closing Date shall conclusively evidence the satisfaction of the requirements of this subsection (d) or the waiver by the Underwriter of any discrepancies in documents which are not in strict conformity with the requirements of this subsection (d):

(i) *Bond Opinion.* An approving opinion of Bond Counsel dated the date of the Closing and substantially in the form appended to the Official Statement, together with a letter from such counsel, dated the date of the Closing and addressed to the Underwriter, to the effect that the approving opinion may be relied upon by the Underwriter to the same extent as if such opinion were addressed to them;

(ii) *Supplemental Opinion.* A supplemental opinion or opinions of Bond Counsel addressed to the Underwriter, in form and substance acceptable to the Underwriter, and dated the date of the Closing substantially to the following effect:

(A) The Purchase Agreement has been duly authorized, executed and delivered by the Agency and is a valid and binding agreement of the Agency;

(B) The statements contained in the Official Statement pertaining to the Bonds under the captions “INTRODUCTION,” “THE 2018 BONDS,” “SECURITY FOR THE 2018 BONDS,” “TAX MATTERS” and “CONCLUDING INFORMATION”, “CONTINUING DISCLOSURE”, and in APPENDIX A —“SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE” and APPENDIX F —“FORM OF BOND COUNSEL FINAL OPINION,” excluding any material that may be treated as included under such captions and appendices by cross-reference, insofar as such statements expressly summarize certain provisions of the Bonds, the Indenture, the Escrow Instructions, the Continuing Disclosure Certificate and such counsel’s final opinion concerning certain federal tax matters relating to the Bonds, are accurate in all material respects;

(C) The Bonds are not subject to registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification as an indenture under the Trust Indenture Act of 1939, as amended; and

(D) The Refunded Bonds are no longer outstanding and have been legally defeased in accordance with the provisions of their respective issuing documents.

(iii) *Oversight Board Documents.*

(A) A certified copy of the resolution of the Oversight Board approving the issuance of the Bonds by the Agency; and

(B) A certificate of the Clerk to the Oversight Board to the effect that such resolution is in full force and effect and has not been modified, amended, rescinded or repealed since the date of its adoption;

(iv) *Agency Counsel Opinion.* An opinion of the legal counsel to the Agency, dated the date of the Closing and addressed to the Underwriter, in form and substance acceptable to Bond Counsel and the Underwriter, substantially to the following effect (and including such additional matters as may be reasonably required by Bond Counsel or the Underwriter):

(A) The Agency is a public entity validly existing under the laws of the State of California;

(B) The Agency Resolutions approving and authorizing the execution and delivery of the Agency Documents and approving the Official Statement have been duly adopted, and the Agency Resolutions are in full force and effect and have not been modified, amended, rescinded or repealed since their respective dates of adoption;

(C) The Agency Documents have been duly authorized, executed and delivered by the Agency and constitute valid, legal and binding agreements of the Agency enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally, or by the exercise of judicial discretion and the limitations on legal remedies against governmental entities in the State of California;

(D) The information in the Official Statement (excluding therefrom financial statements and other statistical data included in the Official Statement and the information relating to DTC and its book-entry only system, and the information relating to the Reserve Policy and the Reserve Insurer contained therein, as to which we express no view) does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(E) Except as otherwise disclosed in the Official Statement and to the best knowledge of such counsel after due inquiry, there is no litigation, proceeding, action, suit, or investigation at law or in equity before or by any court, governmental agency or body, pending or threatened against the Agency, challenging the creation, organization or existence of the Agency, or the validity of the Agency Documents or seeking to restrain or enjoin the repayment of the Bonds or in any way contesting or affecting the validity of the Agency Documents or contesting the authority of the Agency to enter into or perform its obligations under any of the Agency Documents, or which, in any manner, questions the right of the Agency to use the tax increment for repayment of the Bonds or affects in any manner the right or ability of the Agency to collect or pledge the tax increment from the Project Area (as defined in the Official Statement) or the plan limits of the Project Area as described in the Official Statement;

(F) Except as otherwise disclosed in the Official Statement, there are no outstanding bonds, notes or other obligations of the Agency which are payable out of tax increment from the Project Area; and

(v) *Disclosure Opinion.* An opinion of Jones Hall, A Professional Law Corporation, Disclosure Counsel to the Agency, dated the Closing Date, addressed to the Agency and the Underwriter to the effect that, without passing upon or assuming any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Official Statement or making any representation that such counsel has independently verified the accuracy, completeness or fairness of any such statements, in such counsel's capacity as disclosure counsel to the Agency, in connection with the preparation of the Official Statement, such counsel participated in conferences with representatives of the Oversight Board, the Agency, Bond Counsel, the Fiscal Consultant, the Municipal Advisor, the Underwriter and others, during which the contents of the Official Statement and related matters were discussed. Based on such counsel's participation in the above-mentioned conferences (which did not extend beyond the date of the Official Statement), and in reliance thereon and on the records, documents, certificates, opinions and matters mentioned above, such counsel advises as a matter of fact and not opinion that, during the course of such counsel's role as disclosure counsel with respect to the Bonds, no facts came to the attention of the attorneys in such firm rendering legal services in connection with such role which caused such counsel to believe that the Official Statement as of its date (except for any CUSIP numbers, financial, accounting, statistical, economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information about The Depository Trust Company, the book-entry system, the Reserve Insurer and the Reserve Policy, as to which no advice need be expressed) and the appendices included or referred to therein, which are expressly excluded from the scope of such opinion and as to which such counsel shall express no opinion or view) contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. No responsibility is undertaken or opinion rendered with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by, or incorporated by reference in, the Official Statement;

(vi) *Trustee Counsel Opinion.* The opinion of counsel to the Trustee, dated the date of the Closing, addressed to the Underwriter, in form and substance satisfactory to the Underwriter and to Bond Counsel;

(vii) *Agency Certificate.* A certificate of the Agency, dated the date of the Closing, signed on behalf of the Agency by the Treasurer or other duly authorized officer of the Agency to the following effect:

(A) The representations, warranties and covenants of the Agency contained herein are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing and the Agency has complied with all of the terms and conditions of this Purchase Agreement required to be complied with by the Agency at or prior to the date of the Closing; and

(B) No event affecting the Agency has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(viii) *Trustee's Certificates.* One or more certificates of the Trustee, dated the date of Closing, addressed to the Agency and the Underwriter, in form and substance acceptable to the Underwriter and to Bond Counsel;

(ix) *Fiscal Consultant's Certificate.* A certificate of Fraser and Associates, dated the date of the Closing, addressed to the Agency and the Underwriter, in form and substance acceptable to the Underwriter, certifying as to the accuracy of APPENDIX B—"FISCAL CONSULTANT'S REPORT" and the information in the Official Statement under the caption "THE PROJECT AREA" consenting to the inclusion of such firm's Fiscal Consultant Report in the Preliminary Official Statement and the Official Statement, and stating that to the best of such firm's knowledge, but without having conducted any investigation with respect thereto, nothing has come to such firm's attention between the date of such report and the date hereof which would materially alter any of the conclusions set forth in such report; and

(x) *Documents.*

(A) An original executed copy of each of the Agency Documents, which shall be delivered and in full force and effect;

(B) The Official Statement, approved by the Agency;

(C) A certificate, dated the date of the Preliminary Official Statement, of the Agency, to the effect that, for purposes of compliance with the Rule, the Agency deems the Preliminary Official Statement to be final as of its date;

(D) A tax certificate or certificates with respect to maintaining the federal tax-exempt status of the Tax-Exempt Bonds, duly executed by the Agency;

(E) Copies of the preliminary and final notices to the California Debt and Investment Advisory Agency relating to the Bonds;

(F) A certified copy of the redevelopment plan for each Project Area and all resolutions/ordinances related thereto;

(xi) Evidence that the rating on the Bonds is as described in the Official Statement;

(xii) A report of [_____] in form and substance satisfactory to the Underwriter and Bond Counsel as to the sufficiency of the escrow funds to defease the Refunded Bonds;

(xiii) Reserve Policy. The executed Policy and the executed Reserve Policy issued by the Reserve Insurer.

(xiv) Reserve Insurer Certificate. A certificate of the Reserve Insurer as to the accuracy of the information in Official Statement relating to the Reserve Insurer and the Reserve Policy.

(xv) Reserve Insurer Counsel Opinion. An opinion of counsel to the Reserve Insurer, dated as of the date of Closing, addressed to the Underwriter and the Agency in form

and substance acceptable to the Underwriter, substantially to the effect that: (i) the Reserve Insurer has been duly incorporated and is validly existing and in good standing under the laws of the state of its incorporation; and (ii) the Reserve Policy constitute the legal, valid and binding obligation of the Reserve Insurer enforceable in accordance with its terms, subject to enforcement, bankruptcy, insolvency, reorganization, rehabilitation and other similar laws of general applicability relating to or affecting creditors' and/or claimants' rights against insurance companies and to general equity principles.

(xvi) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the Closing Date, of the representations contained herein and in the Official Statement and the due performance or satisfaction by the Trustee and the Agency at or prior to such time of all agreements then to be performed and all conditions then to be satisfied in connection with the delivery and sale of the Bonds.

If the Agency shall be unable to satisfy the conditions contained in this Purchase Agreement, or if the obligations of the Underwriter shall be terminated for any reason permitted by the Purchase Agreement, the Purchase Agreement shall terminate and neither the Underwriter nor the Agency shall be under any further obligation hereunder.

8. [Reserved].

9. Expenses. (a) Whether or not the transactions contemplated by this Purchase Agreement are consummated, the Underwriter shall be under no obligation to pay, and the Agency shall pay from the proceeds of the Bonds or otherwise, all expenses and costs incident to the performance of the Agency's obligations hereunder and certain expenses relating to the sale of the Bonds, including, but not limited to, (i) the cost of the preparation and printing or other reproduction of the Agency Documents (other than this Purchase Agreement); (ii) the fees and disbursements of Bond Counsel, Disclosure Counsel, the Fiscal Consultant, Del Rio Advisors LLC (the "Municipal Advisor") and any other experts or other consultants retained by the Agency; (iii) the costs and fees of the credit rating agencies; (iv) the cost of preparing and delivering the definitive Bonds; (v) the cost of providing immediately available funds on the Closing Date; (vi) the cost of the printing or other reproduction of the Official Statement and any amendment or supplement thereto, including a reasonable number of certified or conformed copies thereof.

(b) The Underwriter shall pay the fees for the CUSIP Bureau, California Debt and Investment Advisory Commission (CDIAC) fees, and its out-of-pocket expenses including the fees and disbursements of Underwriter's Counsel and expenses, if any, in connection with the review of the Agency's continuing disclosure compliance.

(c) The Agency acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

10. Notice. Any notice or other communication to be given to the Agency under this Purchase Agreement may be given by delivering the same in writing to such entity at the address set forth above. Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Brandis Tallman LLC, 22 Battery Street, Suite 500, San Francisco, California 94111, Attention: Richard Brandis.

11. Entire Agreement. This Purchase Agreement, when accepted by the Agency, shall constitute the entire agreement among the Agency and the Underwriter and is made solely for the benefit of the Agency and the Underwriter (including the successors or assigns of the Underwriter). No other person shall acquire or have any right hereunder by virtue hereof, except as provided herein. All of the Agency's representations, warranties and agreements in this Purchase Agreement shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter, until the earlier of: (i) delivery of and payment for the Bonds hereunder; and (ii) any termination of this Purchase Agreement.

12. Counterparts. This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

13. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

14. State of California Law Governs. The validity, interpretation and performance of this Purchase Agreement shall be governed by the laws of California.

15. No Assignment. The rights and obligations created by this Purchase Agreement shall not be subject to assignment by the Underwriter or the Agency without the prior written consent of the other parties hereto.

BRANDIS TALLMAN LLC, as Underwriter

By: _____
Its: Authorized Officer

ACCEPTANCE

ACCEPTED at _____ p.m. Pacific Daylight Time this ____ day of _____, 2018

SUCCESSOR AGENCY TO THE MADERA REDEVELOPMENT
AGENCY

By: _____
Its: Treasurer

APPENDIX A

MATURITY SCHEDULE

TAX-EXEMPT BONDS

<i>Maturity (September 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Initial Offering Price</i>	<i>10% Test Used</i>	<i>Hold the Offering Price Rule Used</i>
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^(c) Priced to first optional redemption date of September 1, 202__ at par.

Redemption Provisions: The Tax-Exempt Bonds maturing on or before September 1, 202__ are not subject to optional redemption prior to maturity. The Tax-Exempt Bonds maturing on and after September 1, 202__, are subject to redemption, at the option of the Agency on any date on or after September 1, 202__, as a whole or in part, by such maturities as shall be determined by the Agency, and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount of the Tax-Exempt Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

TAXABLE BONDS

<i>Maturity (September 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Initial Offering Price</i>	<i>10% Test Used</i>	<i>Hold the Offering Price Rule Used</i>
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^(c) Priced to first optional redemption date of September 1, 202__ at par.

Redemption Provisions: The Taxable Bonds maturing on or before September 1, 202__ are not subject to optional redemption prior to maturity. The Taxable Bonds maturing on and after September 1, 202__, are subject to redemption, at the option of the Agency on any date on or after September 1, 202__, as a whole or in part, by such maturities as shall be determined by the Agency, and by lot within a maturity, from any available source of funds, at a redemption price equal to the

principal amount of the Taxable Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

APPENDIX B

FORM OF ISSUE PRICE CERTIFICATION

\$ _____

SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY TAX ALLOCATION REFUNDING BONDS, SERIES 2018A

The undersigned, on behalf of [FIRM NAME] (the “[Underwriter/Selling Group Member]”), hereby certifies as set forth below with respect to the sale and issuance of the above- captioned obligations (the “Bonds”).

1. Initial Offering Price of the Bonds.

(a) Any Maturity of the 10% Test Maturities offered to the Public by the [Underwriter/Selling Group Member] on or before the Sale Date was offered at the interest rates listed on Schedule A. Schedule A lists the amount of each 10% Test Maturity allotted to the [Underwriter/Selling Group Member] and sold to the Public on the Sale Date.

(b) Neither the [Underwriter/Selling Group Member] nor any broker-dealer who is participating in the initial sale of the Bonds as a party to a retail distribution agreement with the [Underwriter/Selling Group Member] has offered or sold any unsold bonds within a Maturity of the Hold-the-Offering-Price Maturities listed on Schedule A allotted to it at a price that is higher than the respective initial offering prices listed on Schedule A for that Maturity of the Hold-the-Offering Price Maturities during the Holding Period.

2. Defined Terms.

(a) *10% Test Maturities* means those unsold bonds within Maturities of the Bonds listed in Schedule A hereto as the “10% Test Maturities”.

(b) [*Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities”.]

(c) [*Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of business on _____, which is the fifth business day after the Sale Date, or (ii) the date on which the underwriter have sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(d) *Issuer* means Successor Agency to the Former Madera Redevelopment Agency.

€ *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or a Related Party to an underwriter.

(g) A purchaser of any of the Bonds is a *Related Party* to any underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(h) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is_____.

(i) *underwriter* (when used with a lower case “u”) means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the [Underwriter/Selling Group Member]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. [The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the [Tax Certificate] and with respect to compliance with the federal income tax rules affecting the Tax-Exempt Bonds, and by Jones Hall, A Professional Law Corporation in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds.

[Underwriter/Selling Group Member], as
[Underwriter] [Selling Group Member]

By: _____
Title: _____

Dated: _____, 2018

SCHEDULE A

**SALE PRICES OF THE 10% TEST MATURITIES
[AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES]**

**\$ _____
SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY
TAX ALLOCATION REFUNDING BONDS, SERIES 2018A**

10% Test Maturities Allotted:

<u>Maturity Date</u>	<u>Principal Amount Allotted</u>	<u>Interest Rate</u>	<u>Initial Offering Price</u>	<u>Amount sold by to Public as of Sale Date at Initial Offering Price</u>
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Hold-the-Offering-Price Maturities Allotted:

<u>Maturity Date</u>	<u>Principal Amount Allotted</u>	<u>Interest Rate</u>	<u>Initial Offering Price</u>
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[SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION
(Attached)



Successor Agency to the Madera Redevelopment Agency Refunding Tax Allocation Bonds Series 2018A and Series 2018B (Federally Taxable)

Refunding Plan and Saving Analysis

Successor Agency Board Meeting
May 9, 2018

Table of Contents

- A. Obligations To Be Refunded
- B. Refunding Plan
- C. Level Savings
 - I. Estimated Refunding (April 30)
 - II. Estimate Net Cash Flow Savings (April 30)
- D. Tentative Financing Schedule
- E. Financing Team

Obligations To Be Refunded

Issue	Original Par Amount	Outstanding Par Amount	Final Maturity	Call Date	Remaining Interest Rates
1998 Tax Allocation Redevelopment Project Bonds ⁽¹⁾	\$7,440,000	\$5,415,000	9/1/2028	In Whole On Any Date @ 100%	4.55-4.75%
2003 Tax Allocation Refunding and Redevelopment Project Bonds ⁽²⁾	\$19,495,000	\$13,350,000	9/1/2033	In Whole On Any Date @ 100%	4.375-5.00%
Subordinate Tax Allocation Bonds, Series 2008A ⁽³⁾	\$25,455,000	\$22,260,000	9/1/2038	Any Date On Or After 9/1/18	4.50-5.375%
Housing Set-Aside Subordinate Tax Allocation Bonds, Series 2008B ⁽⁴⁾	\$4,000,000	\$3,320,000	9/1/2038	Any Date On Or After 9/1/18	4.50-5.375%
Totals	\$56,390,000	\$44,345,000			

Notes

- (1) Financed Redevelopment Activities, Funded a Reserve Fund, Paid Costs of Issuance
- (2) Financed Redevelopment Activities, Refunded 1993 Tax Allocation Refunding and Redevelopment Project Bonds, Funded a Reserve Fund Surety, Paid Costs of Issuance
- (3) Financed Redevelopment Activities, Funded a Reserve Fund, Paid Costs of Issuance
- (4) Financed Certain Low and Moderate Housing Activities, Funded a Reserve Fund, Paid Costs of Issuance

Refunding Plan

- Refund all the outstanding obligations for significant economic savings
- Refund a portion of the Series 2008 and Series 2008B as federally taxable
- Security for the bonds will be a gross pledge of RPTTF revenues
- Seek an investment grade rating, bond insurance and a surety for the reserve fund
- Assuming that both the Successor Agency and the Oversight Board have taken all necessary steps, the remaining items include:
 - S&P Rating Process / Secure Bond Insurance and Surety
 - DoF Approval
 - Print and Post the Preliminary Official Statement
 - Sell the Bonds
 - Execute All Documents
 - Close the Transaction

Estimated Refunding Summary

Prior Issue	Outstanding Par Amount	New Issue Par Amount	Total Savings ⁽¹⁾	NPV Savings ⁽²⁾	Avg. Annual Savings ⁽²⁾	NPV % Prior Bonds
1998	\$5,415,000	\$4,415,000	\$637,541	\$544,848	\$70,691	10.06%
2003	\$13,350,000	\$11,910,000	\$1,490,886	\$1,134,145	\$100,804	8.50%
2008A	\$22,260,000	\$19,070,000	\$5,267,492	\$3,608,397	\$274,947	16.21%
2008B	\$3,320,000	\$2,860,000	\$705,404	\$504,932	\$36,882	15.21%
Totals	\$44,345,000	\$38,255,000	\$8,101,323	\$5,792,322	See Note 3	13.06%

Notes

- (1) Assumes interest rates as of April 30, 2018, underlying investment grade rating, securing bond insurance and securing a surety policy for the reserve fund
- (2) Net of all costs of issuance, prior issue reserve fund corpus (if applicable) and assumed prior issue reserve fund earnings at 1.50% (if applicable)
- (3) Average annual savings vary because transactions have differing final maturities

Estimated Net Cash Flow Savings^(*)

FY	1998 TABs	2003 TABs	2008A TABs	2008B TABs	Combined
2019	-5,205.78	-21,167.03	43,491.61	4,648.57	21,767.37
2020	69,719.97	98,981.24	268,543.90	33,772.74	471,017.85
2021	71,119.97	100,931.24	272,331.40	37,403.98	481,786.59
2022	68,663.72	99,931.24	270,606.40	36,022.73	475,224.09
2023	71,051.22	102,918.74	273,040.77	34,644.61	481,655.34
2024	73,163.72	100,343.74	275,375.14	38,254.00	487,136.60
2025	72,751.22	99,537.49	272,740.77	36,785.25	481,814.73
2026	69,701.22	100,593.74	280,281.40	35,222.75	485,799.11
2027	70,276.22	102,531.24	270,793.90	39,116.51	482,717.87
2028	69,776.22	100,524.99	269,156.40	38,522.76	477,980.37
2029	6,523.35	98,556.24	272,306.40	37,910.25	415,296.24
2030		101,081.24	270,237.65	37,272.75	408,591.64
2031		98,081.24	272,950.15	36,616.51	407,647.90
2032		103,165.62	273,081.40	39,366.51	415,613.53
2033		102,375.00	272,053.28	36,850.88	411,279.16
2034		102,500.00	272,053.28	35,638.38	410,191.66
2035			274,587.65	37,957.14	312,544.79
2036			284,265.78	38,729.01	322,994.79
2037			286,475.17	39,229.01	325,704.18
2038			289,675.17	31,205.40	320,880.57
2039			3,444.30	234.46	3,678.76
	637,541.05	1,490,885.97	5,267,491.92	705,404.20	8,101,323.14

(*) Net of all costs of issuance, prior issue reserve fund corpus (if applicable) and assumed prior issue reserve fund earnings at 1.50% (if applicable)

Tentative Financing Schedule

Date	Item
Wednesday, March 14, 2018	Successor Agency Reviews Documentation (Moves Item to Oversight Board)
Monday March 19, 2018	Oversight Board Reviews Documentation (Moves Item to DoF)
April 2018	Fiscal Consultant's Report Preliminary Official Statement
Wednesday, May 9, 2018	Successor Agency Meeting (Approve POS)
May 2018	DoF Approval Deadline Rating Released Bond Insurance Commitment
June 2018	Print and Post POS Price Bonds Execute Final Documents
July 2018	Pre-Closing Closing and Transfer of Funds

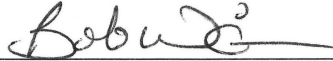
Financing Team

- Agency Staff
 - Bob Wilson, Executive Director
 - Tim Przybyla, Treasurer
 - J. Brent Richardson, Agency Counsel
- Bond/Disclosure Counsel
 - Jones Hall
- Underwriter
 - Brandis Tallman LLC
- Municipal Advisor
 - Del Rio Advisors, LLC
- Trustee / Escrow Agent
 - BNY Mellon Trust Co., N.A.

REPORT TO THE CITY COUNCIL AND THE SUCCESSOR HOUSING AGENCY OF THE FORMER MADERA REDEVELOPMENT AGENCY

BOARD MEETING OF: May 9, 2018
AGENDA ITEM NUMBER: 6A

APPROVED BY:



Executive Director

Subject: Joint Public Hearing Regarding Consideration of Resolutions Approving 33433 Report and Approval of Sale of Real Properties Located at 757, 783, and 784 Merced Street and Consideration of a Resolution Approving Disposition and Development Agreement with Meelo Corporation

Summary: This is a noticed public hearing between the City Council and the Successor Housing Agency regarding the sale of property located at 757, 783, and 784 Merced Street. The buyer is Meelo Corporation and the sales price is \$75,000.00 (\$25,000.00 per lot)

HISTORY/BACKGROUND

By previous action, the former Redevelopment Agency acquired property and developed the twenty-two (22) lot Riverside Subdivision.

Following the dissolution of redevelopment, the property was transferred to the Successor Housing Agency by operation of law, which transfer was also memorialized by "exit memorandum" on February 8, 2012 and by "resolution" on April 11, 2012.

SITUATION

Due to irregular lot sizes at Riverwalk and Riverside Villas subdivisions, the Agency contracted with Ubaldo Garcia Hernandez to design five (5) different plans that could be constructed on the lots. A number of amenities have been added which weren't previously required in Agency-sponsored housing. This will result in a significant increase in our standards.

Five (5) builders expressed interest and completed all requirements to participate in the construction of the homes. A lottery was held for the thirteen (13) remaining lots in the Riverside Subdivision.

The consideration to be paid for the subject property is not less than the fair market reuse value at its highest and best use in accordance with the Former Madera Redevelopment Agency Redevelopment Plan.

RECOMMENDATION

Staff recommends the following actions:

1. The City Council adopt the resolution approving the sale of properties at 757, 783, and 784 Merced Street to Meelo Corporation and making related findings. The sales price is \$75,000.00 (\$25,000.00 per lot).
2. The Successor Housing Agency adopt the resolution approving sale of property located at 757, 783, and 784 Merced Street.
3. The Successor Housing Agency adopt the resolution approving the Disposition and Development Agreement with Meelo Corporation for property located at 757, 783, and 784 Merced Street.

BW:cm

Attachments:

-DDA Summary

-Resolutions (City & Successor Housing Agency)

**REVISED SUMMARY REPORT PURSUANT TO SECTION 33433 OF THE
CALIFORNIA COMMUNITY REDEVELOPMENT LAW ON A
PURCHASE AND SALE OF REAL PROPERTY AGREEMENT BY AND BETWEEN THE
SUCCESSOR HOUSING AGENCY TO THE FORMER MADERA REDEVELOPMENT
AGENCY AND MEELO CORPORATION**

This revised summary report has been prepared for the Successor Housing Agency to the Former Madera Redevelopment Agency ("Agency") pursuant to Section 33433 of the California Health and Safety Code. This report sets forth certain details of the proposed revised Purchase and Sale of Real Property Agreement ("Agreement") between the Agency and Meelo Corporation ("Developer"). The Agreement requires the Developer to build one (1) single family dwelling on each of the three (3) lots, identified as 757, 783, and 784 Merced Street, which are currently vacant lots in Madera California.

- I. A copy of the proposed Agreement between the Agency and Buyer is available upon request to the Agency, 428 E. Yosemite Avenue, Madera, California, 93638, telephone (559) 661-5113.
- II. The cost to the Agency to develop the property, including land acquisition costs and rehabilitation costs, is summarized as follows:
 - A. The cost of the Agreement to the Agency is:

DESCRIPTION	COST PER 3 LOTS
Acquisition	\$24,623.86
Environmental Assessment	\$725.45
Engineering Design Storm Drain	\$6,327.58
Storm Drain Improvements	\$45,125.27
Architectural Services	\$8,863.64
Compaction Test	\$221.59
Construction Bid Related Cost	\$74.02
Sub division map cost	\$314.59
Relocate PG&E	\$19,053.62
Public Notice	\$200.00
DFW Streambed App. Fee	\$125.59
City of Madera-Com. Facilities	\$1,077.85
SUBTOTAL	\$106,733.06
LESS LAND SALE PROCEEDS	(\$75,000.00)
NET COST TO AGENCY FOR THREE (3) LOTS	\$31,733.06

- B. In addition to the cost information above, the sales price is reflective of conditions for development placed on the project in accordance with the Former Madera Redevelopment Agency Redevelopment Plan that include the limitation that the Developer must construct one (1) single family dwelling unit on each lot.
 - C. The highest and best use permitted under the City of Madera General Plan is for residential use of the property. The estimated value of the interest conveyed, determined the highest uses permitted for the area is \$25,000.00 per lot for a total of \$75,000.00.
 - D. The purchase price pursuant to the proposed agreement is \$75,000.00.

E. The consideration to be paid for the subject property is not less than the fair market reuse value at its highest and best use in accordance with the Former Madera Redevelopment Agency Redevelopment Plan. The cost of the property to the Agency is more than the purchase price. However, staff is of the opinion that the cost to the Agency and the purchase price are justified based on several factors, including:

1. The Agency has placed restrictions as to how the property can be developed.
2. The proposed agreement will eliminate a blighted condition in the Project Area.
3. The proposed agreement will increase and improve the supply of affordable housing for very low, low and moderate income persons or families.
4. The proposed agreement will upgrade the Project Area and the northeast quadrant of the City.
5. The proposed agreement will generate additional tax revenues and attract new investment beneficial to the citizens of Madera.
6. The purchase price is consistent with other sales in the area.

III. Salient Points of the Agreement

A. The proposed development will occupy three (3) parcels of land identified as 757, 783, and 784 Merced Street in Madera California. The Developer will construct one (1) single-family home on each of the three (3) parcels.

B. Developer Responsibilities

1. The Developer will purchase the three (3) sites from the Agency for \$75,000.00.
2. The Developer will design and construct three (3) single-family residential dwellings. The home and sales price are described as follows:
 - a. Front Yard Landscaping with Automatic irrigation system per approved landscape and irrigation plans.
 - b. Fenced Rear Yard per City of Madera Standards and Approved Plot Plan.
 - c. Granite Counter Tops with 4" back splash in kitchen, bathroom and laundry room.
 - d. 52-inch Ceiling Fans with light fixture kits in all bedrooms and living room.
 - e. Automatic Garage Door Opener with remote control.
 - f. Stainless Steel Appliances, including; Gas Range, Microwave/Hood and Dish Washer.
 - g. Garbage Disposal at kitchen sink.
 - h. Ceramic Tile Floors in Living Room, Kitchen, Restrooms, Laundry Room, Hallways and Entry.
 - i. Stain Resistant Carpet or Wood Veneer Floors in Bedrooms.
 - j. Exterior Rated Fiberglass or Wood Front Door.
 - k. Exterior Rated Fiberglass or Wood French Door at Patio.
 - l. Lifetime Composition Roofing or/ Concrete Tile Roofing per approved plans.
 - m. Stainless Steel Kitchen & Laundry Room Sinks with pull-out faucet.
 - n. Low VOC Semi-Gloss Interior Paint in Kitchen, Laundry Room, Bathrooms & Garage.
 - o. Low VOC Semi-Gloss Interior Paint on all interior doors, baseboards and trim.
 - p. Low VOC Egg-Shell Interior Paint in Bedrooms, Hallways, Living Room, Dining Room, Entry and Closets.
 - q. Finished Garage with 5/8" Type 'X' Gypsum board, Taped, Textured, Sealed & Painted with Semi-Gloss Interior Paint.
 - r. Building Exterior Materials & Embellishments per approved plans.

C. Agency Responsibilities

1. The Agency will convey three (3) parcels to the Developer for \$75,000.00

IV. Blight Elimination

The proposed residential development as contained in the Agreement is essential to the stimulation of new investment in both the Project Area and the northeast quadrant of the City of Madera. The property represents a major blighting influence on the area. The construction of three (3) single family homes will increase economic activity in the area, thus strengthening the area for future development, while eliminating a blighted condition.

/bw 4/12/18

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA, CALIFORNIA APPROVING SALE OF PROPERTIES KNOWN AS 757, 783 AND 784 MERCED STREET ACQUIRED BY TAX INCREMENT BY THE FORMER MADERA REDEVELOPMENT AGENCY AND MAKING FINDINGS RELATED THERETO

WHEREAS, the City of Madera, as Successor Housing Agency to the Former Madera Redevelopment Agency (the "Agency") is involved in the elimination of blight; and

WHEREAS, the Agency has acquired certain properties specifically described on Exhibit "A" attached hereto and generally described as 757, 783 and 784 Merced Street (the "Subject Property") and removed the blighting conditions located on such property and prepared it for sale; and

WHEREAS, the sale price for the Subject Properties are not less than the fair market reuse value of the parcel; and

WHEREAS, a public hearing concerning sale was duly noticed and came on for hearing on May 9, 2018; and

WHEREAS, the properties are sold with a condition that they be used to construct one (1) single family dwelling unit on each lot, which can only be sold to very low, low or moderate income persons or families and the grantee of such property will be required to execute an agreement guaranteeing such use.

NOW THEREFORE THE CITY COUNCIL OF THE CITY OF MADERA does hereby resolve, find and order as follows:

1. The above recitals are true and correct
2. The sale of the Subject Properties will provide for the

construction of one (1) single family dwelling unit on each lot, which can only be sold to very low, low or moderate income persons or families, and is consistent with the implementation plan adopted pursuant to Section 33490 of Community Redevelopment Law, California Government Code Sections 33000 et seq.

3. The consideration to be paid for the Subject Property is not less than the fair market reuse value at its highest and best use in accordance with the Former Madera Redevelopment Agency Redevelopment Plan.

4. The sale of the Subject Property is hereby approved.

5. This resolution is effective immediately upon adoption.

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RESOLUTION NO. SHA

RESOLUTION OF THE CITY OF MADERA AS SUCCESSOR HOUSING AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY MADERA, CALIFORNIA APPROVING THE SALE OF PROPERTIES LOCATED AT 757, 783 AND 784 MERCED STREET FOR THE CONSTRUCTION OF ONE (1) SINGLE FAMILY DWELLING UNIT ON EACH LOT LOCATED IN THE CITY OF MADERA

WHEREAS, Meelo Corporation, has applied to purchase properties from the Successor Housing Agency for the construction of one (1) single family dwelling unit on each lot located at 757 , 783 and 784 Merced Street (the "Project"); and

WHEREAS, A mitigated negative declaration was certified by the Madera Planning Commission for the subdivision of the site in April of 2010. The proposed project is consistent with the development anticipated in the mitigated negative declaration; and

WHEREAS, a Disposition and Development Agreement (the "Agreement") has been prepared and is on file in the office of the Executive Director of the Successor Housing Agency to the Former Madera Redevelopment Agency and referred to for more particulars; and

WHEREAS, the purpose of the sale of the property is to effectuate the Redevelopment Plan of the City of Madera (the "Plan"); and

WHEREAS, the sale of the property is in the best interest of the Developer and Successor Housing Agency in that it will assist in the elimination of blight in the Northeast area of Madera.

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF MADERA as Successor Housing Agency to the Former Madera Redevelopment Agency, hereby finds, determines, resolves and orders as follows:

1. Each of the above recitals is true and correct.

2. Based upon the testimony and information presented at the hearing and the mitigated negative declaration certified by the Madera Planning Commission in April of 2010, the approval of the sale of the properties are in the best interest of the City of Madera, and the Successor Housing Agency finds the proposed project is consistent with the development anticipated in the mitigated negative declaration.

3. The consideration to be paid for the Subject Property is not less than the fair market reuse value at its highest and best use in accordance with the Redevelopment Plan.

4. The Successor Housing Agency to the Former Madera Redevelopment Agency approves the sale of 757, 783 and 784 Merced Street to Meelo Corporation, for the Project conditioned upon the Developer entering into the Disposition and Development Agreement for the Site in substantial form of the Agreement on file in the office of the Executive Director of the Successor Housing Agency and approved as to form by the General Counsel of the Successor Housing Agency.

5. This resolution is effective immediately upon adoption.

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RESOLUTION NO. SHA

RESOLUTION OF THE CITY OF MADERA AS SUCCESSOR HOUSING AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY MADERA, CALIFORNIA APPROVING DISPOSITION AND DEVELOPMENT AGREEMENT FOR THE CONSTRUCTION OF THREE SINGLE FAMILY RESIDENCES LOCATED AT 757, 783, AND 784 MERCED STREET AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT ON BEHALF OF THE SUCCESSOR HOUSING AGENCY OF THE FORMER MADERA REDEVELOPMENT AGENCY

WHEREAS, Meelo Corporation, has applied to purchase property from the Successor Housing Agency for the construction of one (1) single family dwelling unit on each lot located at 757, 783, and 784 Merced Street (the "Project"); and

WHEREAS, a Disposition and Development Agreement (the "Agreement") for this project is necessary to carry the project forward and the form of such Agreement has been prepared and is on file in the office of the Executive Director of the Successor Housing Agency of the Former Madera Redevelopment Agency and referred to for more particulars; and

WHEREAS, the purpose of the Agreement is to effectuate the Redevelopment Plan (the "Plan"); and

WHEREAS, the Agreement is in the best interest of the Developer and Successor Housing Agency in that it will allow the construction of one (1) single family dwelling unit on each lot, which can only be sold to very low, low or moderate income persons or families in the Northeast area of Madera.

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF MADERA as Successor Housing Agency of the Former Madera Redevelopment Agency of the City of Madera hereby finds, determines, resolves and orders as follows:

1. Each of the above recitals is true and correct.
2. The consideration to be paid for the Subject Property is not less than the fair market reuse value at its highest and best use in accordance with the Former Madera Redevelopment

Agency Redevelopment Plan.

3. The Successor Housing Agency of the Former Madera Redevelopment Agency approves the Disposition and Development Agreement for the Project and such Agreement is on file in the Office of the Executive Director of the Successor Housing Agency and approved as to form by the General Counsel of the Agency.

4. The Mayor is authorized to execute the Agreement on behalf of the Successor Housing Agency of the Former Madera Redevelopment Agency.

5. This resolution is effective immediately upon adoption.

* * * * *

REPORT TO THE CITY COUNCIL AND THE SUCCESSOR HOUSING AGENCY OF THE FORMER MADERA REDEVELOPMENT AGENCY

BOARD MEETING OF: May 9, 2018
AGENDA ITEM NUMBER: 6B

APPROVED BY:



Executive Director

Subject: Joint Public Hearing Regarding Consideration of Resolutions Approving 33433 Report and Approval of Sale of Real Properties Located at 1106 and 1117 East Riverside Drive and Consideration of a Resolution Approving Disposition and Development Agreement with A-1 Construction and Remodel, Inc.

Summary: This is a noticed public hearing between the City Council and the Successor Housing Agency regarding the sale of property located at 1106 and 1117 East Riverside Drive. The buyer is A-1 Construction and Remodel, Inc. and the sales price is \$50,000.00 (\$25,000.00 per lot)

HISTORY/BACKGROUND

By previous action, the former Redevelopment Agency acquired property and developed the twenty-two (22) lot Riverside Subdivision.

Following the dissolution of redevelopment, the property was transferred to the Successor Housing Agency by operation of law, which transfer was also memorialized by "exit memorandum" on February 8, 2012 and by "resolution" on April 11, 2012.

SITUATION

Due to irregular lot sizes at Riverwalk and Riverside Villas subdivisions, the Agency contracted with Ubaldo Garcia Hernandez to design five (5) different plans that could be constructed on the lots. A number of amenities have been added which weren't previously required in Agency-sponsored housing. This will result in a significant increase in our standards.

Five (5) builders expressed interest and completed all requirements to participate in the construction of the homes. A lottery was held for the thirteen (13) remaining lots in the Riverside Subdivision.

The consideration to be paid for the subject property is not less than the fair market reuse value at its highest and best use in accordance with the Former Madera Redevelopment Agency Redevelopment Plan.

RECOMMENDATION

Staff recommends the following actions:

1. The City Council adopt the resolution approving the sale of properties at 1106 and 1117 East Riverside Drive to A-1 Construction and Remodel, Inc. and making related findings. The sales price is \$50,000.00 (\$25,000.00 per lot).
2. The Successor Housing Agency adopt the resolution approving sale of property located at 1106 and 1117 East Riverside Drive.
3. The Successor Housing Agency adopt the resolution approving the Disposition and Development Agreement with A-1 Construction and Remodel, Inc. for property located at 1106 and 1117 East Riverside Drive.

BW:cm

**REVISED SUMMARY REPORT PURSUANT TO SECTION 33433 OF THE
CALIFORNIA COMMUNITY REDEVELOPMENT LAW ON A
PURCHASE AND SALE OF REAL PROPERTY AGREEMENT BY AND BETWEEN THE
SUCCESSOR HOUSING AGENCY TO THE FORMER MADERA REDEVELOPMENT
AGENCY AND A-1 CONSTRUCTION AND REMODEL, INC.**

This revised summary report has been prepared for the Successor Housing Agency to the Former Madera Redevelopment Agency ("Agency") pursuant to Section 33433 of the California Health and Safety Code. This report sets forth certain details of the proposed revised Purchase and Sale of Real Property Agreement ("Agreement") between the Agency and A-1 Construction and Remodel, Inc. ("Developer"). The Agreement requires the Developer to build one (1) single family dwelling on each of the two (2) lots, identified as 1106 and 1117 East Riverside Drive, which are currently vacant lots in Madera California.

- I. A copy of the proposed Agreement between the Agency and Buyer is available upon request to the Agency, 428 E. Yosemite Avenue, Madera, California, 93638, telephone (559) 661-5113.
- II. The cost to the Agency to develop the property, including land acquisition costs and rehabilitation costs, is summarized as follows:
 - A. The cost of the Agreement to the Agency is:

DESCRIPTION	COST PER 2 LOTS
Acquisition	\$16,415.91
Environmental Assessment	\$483.64
Engineering Design Storm Drain	\$4,218.39
Storm Drain Improvements	\$30,083.52
Architectural Services	\$5,909.09
Compaction Test	\$147.73
Construction Bid Related Cost	\$49.35
Sub division map cost	\$209.73
Relocate PG&E	\$12,702.42
Public Notice	\$200.00
DFW Streambed App. Fee	\$83.73
City of Madera-Com. Facilities	\$718.57
SUBTOTAL	\$71,012.35
LESS LAND SALE PROCEEDS	(\$50,000.00)
NET COST TO AGENCY FOR THREE (3) LOTS	\$21,012.35

- B. In addition to the cost information above, the sales price is reflective of conditions for development placed on the project in accordance with the Former Madera Redevelopment Agency Redevelopment Plan that include the limitation that the Developer must construct one (1) single family dwelling unit on each lot
 - C. The highest and best use permitted under the City of Madera General Plan is for residential use of the property. The estimated value of the interest conveyed, determined the highest uses permitted for the area is \$25,000.00 per lot for a total of \$50,000.00.
 - D. The purchase price pursuant to the proposed agreement is \$50,000.00.

E. The consideration to be paid for the subject property is not less than the fair market reuse value at its highest and best use in accordance with the Former Madera Redevelopment Agency Redevelopment Plan. The cost of the property to the Agency is more than the purchase price. However, staff is of the opinion that the cost to the Agency and the purchase price are justified based on several factors, including:

1. The Agency has placed restrictions as to how the property can be developed.
2. The proposed agreement will eliminate a blighted condition in the Project Area.
3. The proposed agreement will increase and improve the supply of affordable housing for very low, low and moderate income persons or families.
4. The proposed agreement will upgrade the Project Area and the northeast quadrant of the City.
5. The proposed agreement will generate additional tax revenues and attract new investment beneficial to the citizens of Madera.
6. The purchase price is consistent with other sales in the area.

III. Salient Points of the Agreement

A. The proposed development will occupy two (2) parcels of land identified as 1106 and 1117 East Riverside Drive in Madera California. The Developer will construct one (1) single-family home on each of the two (2) parcels.

B. Developer Responsibilities

1. The Developer will purchase the two (2) sites from the Agency for \$50,000.00.
2. The Developer will design and construct two (2) single-family residential dwellings. The home and sales price are described as follows:
 - a. Front Yard Landscaping with Automatic irrigation system per approved landscape and irrigation plans.
 - b. Fenced Rear Yard per City of Madera Standards and Approved Plot Plan.
 - c. Granite Counter Tops with 4" back splash in kitchen, bathroom and laundry room.
 - d. 52-inch Ceiling Fans with light fixture kits in all bedrooms and living room.
 - e. Automatic Garage Door Opener with remote control.
 - f. Stainless Steel Appliances, including; Gas Range, Microwave/Hood and Dish Washer.
 - g. Garbage Disposal at kitchen sink.
 - h. Ceramic Tile Floors in Living Room, Kitchen, Restrooms, Laundry Room, Hallways and Entry.
 - i. Stain Resistant Carpet or Wood Veneer Floors in Bedrooms.
 - j. Exterior Rated Fiberglass or Wood Front Door.
 - k. Exterior Rated Fiberglass or Wood French Door at Patio.
 - l. Lifetime Composition Roofing or/ Concrete Tile Roofing per approved plans.
 - m. Stainless Steel Kitchen & Laundry Room Sinks with pull-out faucet.
 - n. Low VOC Semi-Gloss Interior Paint in Kitchen, Laundry Room, Bathrooms & Garage.
 - o. Low VOC Semi-Gloss Interior Paint on all interior doors, baseboards and trim.
 - p. Low VOC Egg-Shell Interior Paint in Bedrooms, Hallways, Living Room, Dining Room, Entry and Closets.
 - q. Finished Garage with 5/8" Type 'X' Gypsum board, Taped, Textured, Sealed & Painted with Semi-Gloss Interior Paint.
 - r. Building Exterior Materials & Embellishments per approved plans.

C. Agency Responsibilities

1. The Agency will convey two (2) parcels to the Developer for \$50,000.00

IV. Blight Elimination

The proposed residential development as contained in the Agreement is essential to the stimulation of new investment in both the Project Area and the northeast quadrant of the City of Madera. The property represents a major blighting influence on the area. The construction of two (2) single family homes will increase economic activity in the area, thus strengthening the area for future development, while eliminating a blighted condition.

/bw 4/12/18

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA, CALIFORNIA APPROVING SALE OF PROPERTIES KNOWN AS 1106 AND 1117 EAST RIVERSIDE DRIVE ACQUIRED BY TAX INCREMENT BY THE FORMER MADERA REDEVELOPMENT AGENCY AND MAKING FINDINGS RELATED THERETO

WHEREAS, the City of Madera, as Successor Housing Agency to the Former Madera Redevelopment Agency (the "Agency") is involved in the elimination of blight; and

WHEREAS, the Agency has acquired certain properties specifically described on Exhibit "A" attached hereto and generally described as 1106 and 1117 East Riverside Drive (the "Subject Property") and removed the blighting conditions located on such property and prepared it for sale; and

WHEREAS, the sale price for the Subject Properties are not less than the fair market reuse value of the parcel; and

WHEREAS, a public hearing concerning sale was duly noticed and came on for hearing on May 9, 2018; and

WHEREAS, the properties are sold with a condition that they be used to construct one (1) single family dwelling unit on each lot, which can only be sold to very low, low or moderate income persons or families and the grantee of such property will be required to execute an agreement guaranteeing such use.

NOW THEREFORE THE CITY COUNCIL OF THE CITY OF MADERA does hereby resolve, find and order as follows:

1. The above recitals are true and correct
2. The sale of the Subject Properties will provide for the

construction of one (1) single family dwelling unit on each lot, which can only be sold to very low, low or moderate income persons or families, and is consistent with the implementation plan adopted pursuant to Section 33490 of Community Redevelopment Law, California Government Code Sections 33000 et seq.

3. The consideration to be paid for the Subject Property is not less than the fair market reuse value at its highest and best use in accordance with the Former Madera Redevelopment Agency Redevelopment Plan.

4. The sale of the Subject Property is hereby approved.

5. This resolution is effective immediately upon adoption.

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RESOLUTION NO. SHA

RESOLUTION OF THE CITY OF MADERA AS SUCCESSOR HOUSING AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY MADERA, CALIFORNIA APPROVING THE SALE OF PROPERTIES LOCATED AT 1106 AND 1117 EAST RIVERSIDE DRIVE FOR THE CONSTRUCTION OF ONE (1) SINGLE FAMILY DWELLING UNIT ON EACH LOT LOCATED IN THE CITY OF MADERA

WHEREAS, A-1 Construction and Remodel, Inc., has applied to purchase properties from the Successor Housing Agency for the construction of one (1) single family dwelling unit on each lot located at 1106 and 1117 East Riverside Drive (the "Project"); and

WHEREAS, A mitigated negative declaration was certified by the Madera Planning Commission for the subdivision of the site in April of 2010. The proposed project is consistent with the development anticipated in the mitigated negative declaration; and

WHEREAS, a Disposition and Development Agreement (the "Agreement") has been prepared and is on file in the office of the Executive Director of the Successor Housing Agency to the Former Madera Redevelopment Agency and referred to for more particulars; and

WHEREAS, the purpose of the sale of the property is to effectuate the Redevelopment Plan of the City of Madera (the "Plan"); and

WHEREAS, the sale of the property is in the best interest of the Developer and Successor Housing Agency in that it will assist in the elimination of blight in the Northeast area of Madera.

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF MADERA as Successor Housing Agency to the Former Madera Redevelopment Agency, hereby finds, determines, resolves and orders as follows:

1. Each of the above recitals is true and correct.

2. Based upon the testimony and information presented at the hearing and the mitigated negative declaration certified by the Madera Planning Commission in April of 2010, the approval of the sale of the properties are in the best interest of the City of Madera, and the Successor Housing Agency finds the proposed project is consistent with the development anticipated in the mitigated negative declaration.

3. The consideration to be paid for the Subject Property is not less than the fair market reuse value at its highest and best use in accordance with the Redevelopment Plan.

4. The Successor Housing Agency to the Former Madera Redevelopment Agency approves the sale of 1106 and 1117 East Riverside Drive to A-1 Construction and Remodel, Inc., for the Project conditioned upon the Developer entering into the Disposition and Development Agreement for the Site in substantial form of the Agreement on file in the office of the Executive Director of the Successor Housing Agency and approved as to form by the General Counsel of the Successor Housing Agency.

5. This resolution is effective immediately upon adoption.

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RESOLUTION NO. SHA

RESOLUTION OF THE CITY OF MADERA AS SUCCESSOR HOUSING AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY MADERA, CALIFORNIA APPROVING DISPOSITION AND DEVELOPMENT AGREEMENT FOR THE CONSTRUCTION OF TWO SINGLE FAMILY RESIDENCES LOCATED AT 1106 AND 1117 EAST RIVERSIDE DRIVE AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT ON BEHALF OF THE SUCCESSOR HOUSING AGENCY OF THE FORMER MADERA REDEVELOPMENT AGENCY

WHEREAS, A-1 Construction and Remodel, Inc., has applied to purchase property from the Successor Housing Agency for the construction of one (1) single family dwelling unit on each lot located at 1106 and 1117 East Riverside Drive (the "Project"); and

WHEREAS, a Disposition and Development Agreement (the "Agreement") for this project is necessary to carry the project forward and the form of such Agreement has been prepared and is on file in the office of the Executive Director of the Successor Housing Agency of the Former Madera Redevelopment Agency and referred to for more particulars; and

WHEREAS, the purpose of the Agreement is to effectuate the Redevelopment Plan (the "Plan"); and

WHEREAS, the Agreement is in the best interest of the Developer and Successor Housing Agency in that it will allow the construction of one (1) single family dwelling unit on each lot, which can only be sold to very low, low or moderate income persons or families in the Northeast area of Madera.

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF MADERA as Successor Housing Agency of the Former Madera Redevelopment Agency of the City of Madera hereby finds, determines, resolves and orders as follows:

1. Each of the above recitals is true and correct.
2. The consideration to be paid for the Subject Property is not less than the fair market reuse value at its highest and best use in accordance with the Former Madera Redevelopment

Agency Redevelopment Plan.

3. The Successor Housing Agency of the Former Madera Redevelopment Agency approves the Disposition and Development Agreement for the Project and such Agreement is on file in the Office of the Executive Director of the Successor Housing Agency and approved as to form by the General Counsel of the Agency.

4. The Mayor is authorized to execute the Agreement on behalf of the Successor Housing Agency of the Former Madera Redevelopment Agency.

5. This resolution is effective immediately upon adoption.

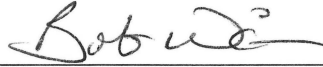
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REPORT TO THE CITY COUNCIL AND THE SUCCESSOR HOUSING AGENCY OF THE FORMER MADERA REDEVELOPMENT AGENCY

BOARD MEETING OF: May 9, 2018

AGENDA ITEM NUMBER: 6C

APPROVED BY:



Executive Director

Subject: Joint Public Hearing Regarding Consideration of Resolutions Approving 33433 Report and Approval of Sale of Real Properties Located at 1030, 1034 and 1100 East Riverside Drive and Consideration of a Resolution Approving Disposition and Development Agreement with Bhandal Construction Inc.

Summary: This is a noticed public hearing between the City Council and the Successor Housing Agency regarding the sale of property located at 1030, 1034 and 1100 East Riverside Drive. The buyer is Bhandal Construction Inc. and the sales price is \$75,000.00 (\$25,000.00 per lot)

HISTORY/BACKGROUND

By previous action, the former Redevelopment Agency acquired property and developed the twenty-two (22) lot Riverside Subdivision.

Following the dissolution of redevelopment, the property was transferred to the Successor Housing Agency by operation of law, which transfer was also memorialized by "exit memorandum" on February 8, 2012 and by "resolution" on April 11, 2012.

SITUATION

Due to irregular lot sizes at Riverwalk and Riverside Villas subdivisions, the Agency contracted with Ubaldo Garcia Hernandez to design five (5) different plans that could be constructed on the lots. A number of amenities have been added which weren't previously required in Agency-sponsored housing. This will result in a significant increase in our standards.

Five (5) builders expressed interest and completed all requirements to participate in the construction of the homes. A lottery was held for the thirteen (13) remaining lots in the Riverside Subdivision.

The consideration to be paid for the subject property is not less than the fair market reuse value at its highest and best use in accordance with the Former Madera Redevelopment Agency Redevelopment Plan.

RECOMMENDATION

Staff recommends the following actions:

1. The City Council adopt the resolution approving the sale of properties at 1030, 1034 and 1100 East Riverside Drive to Bhandal Construction Inc. and making related findings. The sales price is \$75,000.00 (\$25,000.00 per lot).
2. The Successor Housing Agency adopt the resolution approving sale of property located at 1030, 1034 and 1100 East Riverside Drive.
3. The Successor Housing Agency adopt the resolution approving the Disposition and Development Agreement with Bhandal Construction Inc. for property located at 1030, 1034 and 1100 East Riverside Drive.

BW:cm

Attachments:

-DDA Summary

-Resolutions (City & Successor Housing Agency)

**REVISED SUMMARY REPORT PURSUANT TO SECTION 33433 OF THE
CALIFORNIA COMMUNITY REDEVELOPMENT LAW ON A
PURCHASE AND SALE OF REAL PROPERTY AGREEMENT BY AND BETWEEN THE
SUCCESSOR HOUSING AGENCY TO THE FORMER MADERA REDEVELOPMENT
AGENCY AND BHANDAL CONSTRUCTION INC.**

This revised summary report has been prepared for the Successor Housing Agency to the Former Madera Redevelopment Agency ("Agency") pursuant to Section 33433 of the California Health and Safety Code. This report sets forth certain details of the proposed revised Purchase and Sale of Real Property Agreement ("Agreement") between the Agency and Bhandal Construction Inc. ("Developer"). The Agreement requires the Developer to build one (1) single family dwelling on each of the three (3) lots, identified as 1030, 1034 and 1100 East Riverside Drive, which are currently vacant lots in Madera California.

- I. A copy of the proposed Agreement between the Agency and Buyer is available upon request to the Agency, 428 E. Yosemite Avenue, Madera, California, 93638, telephone (559) 661-5113.
- II. The cost to the Agency to develop the property, including land acquisition costs and rehabilitation costs, is summarized as follows:
 - A. The cost of the Agreement to the Agency is:

DESCRIPTION	COST PER 3 LOTS
Acquisition	\$24,623.86
Environmental Assessment	\$725.45
Engineering Design Storm Drain	\$6,327.58
Storm Drain Improvements	\$45,125.27
Architectural Services	\$8,863.64
Compaction Test	\$221.59
Construction Bid Related Cost	\$74.02
Sub division map cost	\$314.59
Relocate PG&E	\$19,053.62
Public Notice	\$200.00
DFW Streambed App. Fee	\$125.59
City of Madera-Com. Facilities	\$1,077.85
SUBTOTAL	\$106,733.06
LESS LAND SALE PROCEEDS	(\$75,000.00)
NET COST TO AGENCY FOR THREE (3) LOTS	\$31,733.06

- B. In addition to the cost information above, the sales price is reflective of conditions for development placed on the project in accordance with the Former Madera Redevelopment Agency Redevelopment Plan that include the limitation that the Developer must construct one (1) single family dwelling unit on each lot.
 - C. The highest and best use permitted under the City of Madera General Plan is for residential use of the property. The estimated value of the interest conveyed, determined the highest uses permitted for the area is \$25,000.00 per lot for a total of \$75,000.00.
 - D. The purchase price pursuant to the proposed agreement is \$75,000.00.

E. The consideration to be paid for the subject property is not less than the fair market reuse value at its highest and best use in accordance with the Former Madera Redevelopment Agency Redevelopment Plan. The cost of the property to the Agency is more than the purchase price. However, staff is of the opinion that the cost to the Agency and the purchase price are justified based on several factors, including:

1. The Agency has placed restrictions as to how the property can be developed.
2. The proposed agreement will eliminate a blighted condition in the Project Area.
3. The proposed agreement will increase and improve the supply of affordable housing for very low, low and moderate income persons or families.
4. The proposed agreement will upgrade the Project Area and the northeast quadrant of the City.
5. The proposed agreement will generate additional tax revenues and attract new investment beneficial to the citizens of Madera.
6. The purchase price is consistent with other sales in the area.

III. Salient Points of the Agreement

A. The proposed development will occupy three (3) parcels of land identified as 1030, 1034 and 1100 E. Riverside Drive in Madera California. The Developer will construct one (1) single-family home on each of the three (3) parcels.

B. Developer Responsibilities

1. The Developer will purchase the three (3) sites from the Agency for \$75,000.00.
2. The Developer will design and construct three (3) single-family residential dwellings. The home and sales price are described as follows:
 - a. Front Yard Landscaping with Automatic irrigation system per approved landscape and irrigation plans.
 - b. Fenced Rear Yard per City of Madera Standards and Approved Plot Plan.
 - c. Granite Counter Tops with 4" back splash in kitchen, bathroom and laundry room.
 - d. 52-inch Ceiling Fans with light fixture kits in all bedrooms and living room.
 - e. Automatic Garage Door Opener with remote control.
 - f. Stainless Steel Appliances, including; Gas Range, Microwave/Hood and Dish Washer.
 - g. Garbage Disposal at kitchen sink.
 - h. Ceramic Tile Floors in Living Room, Kitchen, Restrooms, Laundry Room, Hallways and Entry.
 - i. Stain Resistant Carpet or Wood Veneer Floors in Bedrooms.
 - j. Exterior Rated Fiberglass or Wood Front Door.
 - k. Exterior Rated Fiberglass or Wood French Door at Patio.
 - l. Lifetime Composition Roofing or/ Concrete Tile Roofing per approved plans.
 - m. Stainless Steel Kitchen & Laundry Room Sinks with pull-out faucet.
 - n. Low VOC Semi-Gloss Interior Paint in Kitchen, Laundry Room, Bathrooms & Garage.
 - o. Low VOC Semi-Gloss Interior Paint on all interior doors, baseboards and trim.
 - p. Low VOC Egg-Shell Interior Paint in Bedrooms, Hallways, Living Room, Dining Room, Entry and Closets.
 - q. Finished Garage with 5/8" Type 'X' Gypsum board, Taped, Textured, Sealed & Painted with Semi-Gloss Interior Paint.
 - r. Building Exterior Materials & Embellishments per approved plans.

C. Agency Responsibilities

1. The Agency will convey three (3) parcels to the Developer for \$75,000.00

IV. Blight Elimination

The proposed residential development as contained in the Agreement is essential to the stimulation of new investment in both the Project Area and the northeast quadrant of the City of Madera. The property represents a major blighting influence on the area. The construction of three (3) single family homes will increase economic activity in the area, thus strengthening the area for future development, while eliminating a blighted condition.

/bw 4/12/18

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA, CALIFORNIA APPROVING SALE OF PROPERTIES KNOWN AS 1030, 1034 AND 1100 EAST RIVERSIDE DRIVE ACQUIRED BY TAX INCREMENT BY THE FORMER MADERA REDEVELOPMENT AGENCY AND MAKING FINDINGS RELATED THERETO

WHEREAS, the City of Madera, as Successor Housing Agency to the Former Madera Redevelopment Agency (the "Agency") is involved in the elimination of blight; and

WHEREAS, the Agency has acquired certain properties specifically described on Exhibit "A" attached hereto and generally described as 1030, 1034 and 1100 EAST Riverside Drive (the "Subject Property") and removed the blighting conditions located on such property and prepared it for sale; and

WHEREAS, the sale price for the Subject Properties are not less than the fair market reuse value of the parcel; and

WHEREAS, a public hearing concerning sale was duly noticed and came on for hearing on May 9, 2018; and

WHEREAS, the properties are sold with a condition that they be used to construct one (1) single family dwelling unit on each lot, which can only be sold to very low, low or moderate income persons or families and the grantee of such property will be required to execute an agreement guaranteeing such use.

NOW THEREFORE THE CITY COUNCIL OF THE CITY OF MADERA does hereby resolve, find and order as follows:

1. The above recitals are true and correct
2. The sale of the Subject Properties will provide for the

construction of one (1) single family dwelling unit on each lot, which can only be sold to very low, low or moderate income persons or families, and is consistent with the implementation plan adopted pursuant to Section 33490 of Community Redevelopment Law, California Government Code Sections 33000 et seq.

3. The consideration to be paid for the Subject Property is not less than the fair market reuse value at its highest and best use in accordance with the Former Madera Redevelopment Agency Redevelopment Plan.

4. The sale of the Subject Property is hereby approved.

5. This resolution is effective immediately upon adoption.

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RESOLUTION NO. SHA

RESOLUTION OF THE CITY OF MADERA AS SUCCESSOR HOUSING AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY MADERA, CALIFORNIA APPROVING THE SALE OF PROPERTIES LOCATED AT 1030, 1034 AND 1100 EAST RIVERSIDE DRIVE FOR THE CONSTRUCTION OF ONE (1) SINGLE FAMILY DWELLING UNIT ON EACH LOT LOCATED IN THE CITY OF MADERA

WHEREAS, Bhandal Construction Inc., has applied to purchase properties from the Successor Housing Agency for the construction of one (1) single family dwelling unit on each lot located at 1030, 1034 and 1100 East Riverside Drive (the "Project"); and

WHEREAS, A mitigated negative declaration was certified by the Madera Planning Commission for the subdivision of the site in April of 2010. The proposed project is consistent with the development anticipated in the mitigated negative declaration; and

WHEREAS, a Disposition and Development Agreement (the "Agreement") has been prepared and is on file in the office of the Executive Director of the Successor Housing Agency to the Former Madera Redevelopment Agency and referred to for more particulars; and

WHEREAS, the purpose of the sale of the property is to effectuate the Redevelopment Plan of the City of Madera (the "Plan"); and

WHEREAS, the sale of the property is in the best interest of the Developer and Successor Housing Agency in that it will assist in the elimination of blight in the Northeast area of Madera.

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF MADERA as Successor Housing Agency to the Former Madera Redevelopment Agency, hereby finds, determines, resolves and orders as follows:

1. Each of the above recitals is true and correct.

2. Based upon the testimony and information presented at the hearing and the mitigated negative declaration certified by the Madera Planning Commission in April of 2010, the approval of the sale of the properties are in the best interest of the City of Madera, and the Successor Housing Agency finds the proposed project is consistent with the development anticipated in the mitigated negative declaration.

3. The consideration to be paid for the Subject Property is not less than the fair market reuse value at its highest and best use in accordance with the Redevelopment Plan.

4. The Successor Housing Agency to the Former Madera Redevelopment Agency approves the sale of 1030, 1034 and 1100 East Riverside Drive to Bhandal Construction Inc., for the Project conditioned upon the Developer entering into the Disposition and Development Agreement for the Site in substantial form of the Agreement on file in the office of the Executive Director of the Successor Housing Agency and approved as to form by the General Counsel of the Successor Housing Agency.

5. This resolution is effective immediately upon adoption.

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RESOLUTION NO. SHA

RESOLUTION OF THE CITY OF MADERA AS SUCCESSOR HOUSING AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY MADERA, CALIFORNIA APPROVING DISPOSITION AND DEVELOPMENT AGREEMENT FOR THE CONSTRUCTION OF THREE SINGLE FAMILY RESIDENCES LOCATED AT 1030, 1034 AND 1100 EAST RIVERSIDE DRIVE AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT ON BEHALF OF THE SUCCESSOR HOUSING AGENCY OF THE FORMER MADERA REDEVELOPMENT AGENCY

WHEREAS, Bhandal Construction Inc., has applied to purchase property from the Successor Housing Agency for the construction of one (1) single family dwelling unit on each lot located at 1030, 1034 and 1100 East Riverside Drive (the "Project"); and

WHEREAS, a Disposition and Development Agreement (the "Agreement") for this project is necessary to carry the project forward and the form of such Agreement has been prepared and is on file in the office of the Executive Director of the Successor Housing Agency of the Former Madera Redevelopment Agency and referred to for more particulars; and

WHEREAS, the purpose of the Agreement is to effectuate the Redevelopment Plan (the "Plan"); and

WHEREAS, the Agreement is in the best interest of the Developer and Successor Housing Agency in that it will allow the construction of one (1) single family dwelling unit on each lot, which can only be sold to very low, low or moderate income persons or families in the Northeast area of Madera.

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF MADERA as Successor Housing Agency of the Former Madera Redevelopment Agency of the City of Madera hereby finds, determines, resolves and orders as follows:

1. Each of the above recitals is true and correct.
2. The consideration to be paid for the Subject Property is not less than the fair market reuse value at its highest and best use in accordance with the Former Madera Redevelopment

Agency Redevelopment Plan.

3. The Successor Housing Agency of the Former Madera Redevelopment Agency approves the Disposition and Development Agreement for the Project and such Agreement is on file in the Office of the Executive Director of the Successor Housing Agency and approved as to form by the General Counsel of the Agency.

4. The Mayor is authorized to execute the Agreement on behalf of the Successor Housing Agency of the Former Madera Redevelopment Agency.

5. This resolution is effective immediately upon adoption.


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REPORT TO THE CITY COUNCIL AND THE SUCCESSOR HOUSING AGENCY OF THE FORMER MADERA REDEVELOPMENT AGENCY

BOARD MEETING OF: May 9, 2018

AGENDA ITEM NUMBER: 6D

APPROVED BY:



Executive Director

Subject: Joint Public Hearing Regarding Consideration of Resolutions Approving 33433 Report and Approval of Sale of Real Properties Located at 758 Merced Street, 1019 and 1023 East Riverside Drive and Consideration of a Resolution Approving Disposition and Development Agreement with Embiem Properties Inc.

Summary: This is a noticed public hearing between the City Council and the Successor Housing Agency regarding the sale of property located at 758 Merced Street, 1019 and 1023 East Riverside Drive. The buyer is Embiem Properties Inc. and the sales price is \$65,000.00 (\$25,000.00 each for 2 lots and \$15,000 for the 3rd Lot)

HISTORY/BACKGROUND

By previous action, the former Redevelopment Agency acquired property and developed the twenty-two (22) lot Riverside Subdivision.

Following the dissolution of redevelopment, the property was transferred to the Successor Housing Agency by operation of law, which transfer was also memorialized by "exit memorandum" on February 8, 2012 and by "resolution" on April 11, 2012.

SITUATION

Due to irregular lot sizes at Riverwalk and Riverside Villas subdivisions, the Agency contracted with Ubaldo Garcia Hernandez to design five (5) different plans that could be constructed on the lots. A number of amenities have been added which weren't previously required in Agency-sponsored housing. This will result in a significant increase in our standards.

Five (5) builders expressed interest and completed all requirements to participate in the construction of the homes. A lottery was held for the thirteen (13) remaining lots in the Riverside Subdivision.

The sales price for 1019 East Riverside Drive and 758 Merced Street is \$25,000 per lot, and \$15,000 for the 3rd lot 1023 East Riverside Drive. The consideration to be paid for the subject property is not less than the fair market reuse value at its highest and best use in accordance with the Former Madera Redevelopment Agency Redevelopment Plan. One of the three (3) lots 1023 East Riverside Drive does not have sewer and water connections to the main in the street. This lots sales price is \$15,000 reduced by \$10,000 to allow the developer to make the connections as needed.

RECOMMENDATION

Staff recommends the following actions:

1. The City Council adopt the resolution approving the sale of properties at 758 Merced Street, 1019 and 1023 East Riverside Drive to Embiem Properties Inc. and making related findings. The sales price is \$65,000.00 (\$25,000.00 for 2 lots and \$15,000 for the 3rd lot).
2. The Successor Housing Agency adopt the resolution approving sale of property located at 758 Merced Street, 1019 and 1023 East Riverside Drive.
3. The Successor Housing Agency adopt the resolution approving the Disposition and Development Agreement with Embiem Properties Inc. for property located at 758 Merced Street, 1019 and 1023 East Riverside Drive.

BW:cm

Attachments:

-DDA Summary

-Resolutions (City & Successor Housing Agency)

**REVISED SUMMARY REPORT PURSUANT TO SECTION 33433 OF THE
CALIFORNIA COMMUNITY REDEVELOPMENT LAW ON A
PURCHASE AND SALE OF REAL PROPERTY AGREEMENT BY AND BETWEEN THE
SUCCESSOR HOUSING AGENCY TO THE FORMER MADERA REDEVELOPMENT
AGENCY AND EMBIEM PROPERTIES INC.**

This revised summary report has been prepared for the Successor Housing Agency to the Former Madera Redevelopment Agency ("Agency") pursuant to Section 33433 of the California Health and Safety Code. This report sets forth certain details of the proposed revised Purchase and Sale of Real Property Agreement ("Agreement") between the Agency and Embiem Properties Inc. ("Developer"). The Agreement requires the Developer to build one (1) single family dwelling on each of the three (3) lots, identified as 758 Merced Street, 1019 and 1023 East Riverside Drive, which are currently vacant lots in Madera California.

- I. A copy of the proposed Agreement between the Agency and Buyer is available upon request to the Agency, 428 E. Yosemite Avenue, Madera, California, 93638, telephone (559) 661-5113.
- II. The cost to the Agency to develop the property, including land acquisition costs and rehabilitation costs, is summarized as follows:
 - A. The cost of the Agreement to the Agency is:

DESCRIPTION	COST PER 3 LOTS
Acquisition	\$24,623.86
Environmental Assessment	\$725.45
Engineering Design Storm Drain	\$6,327.58
Storm Drain Improvements	\$45,125.27
Architectural Services	\$8,863.64
Compaction Test	\$221.59
Construction Bid Related Cost	\$74.02
Sub division map cost	\$314.59
Relocate PG&E	\$19,053.62
Public Notice	\$200.00
DFW Streambed App. Fee	\$125.59
City of Madera-Com. Facilities	\$1,077.85
SUBTOTAL	\$106,733.06
LESS LAND SALE PROCEEDS	(\$65,000.00)
NET COST TO AGENCY FOR THREE (3) LOTS	\$41,733.06

- B. In addition to the cost information above, the sales price is reflective of conditions for development placed on the project in accordance with the Former Madera Redevelopment Agency Redevelopment Plan that include the limitation that the Developer must construct one (1) single family dwelling unit on each lot.
 - C. The highest and best use permitted under the City of Madera General Plan is for residential use of the property. The estimated value of the interest conveyed, determined the highest uses permitted for the area is \$25,000.00 per lot for a total of \$75,000.00.
 - D. The purchase price pursuant to the proposed agreement is \$75,000.00.

E. The consideration to be paid for the subject property is not less than the fair market reuse value at its highest and best use in accordance with the Former Madera Redevelopment Agency Redevelopment Plan. The cost of the property to the Agency is more than the purchase price. However, staff is of the opinion that the cost to the Agency and the purchase price are justified based on several factors, including:

1. The Agency has placed restrictions as to how the property can be developed.
2. The proposed agreement will eliminate a blighted condition in the Project Area.
3. The proposed agreement will increase and improve the supply of affordable housing for very low, low and moderate income persons or families.
4. The proposed agreement will upgrade the Project Area and the northeast quadrant of the City.
5. The proposed agreement will generate additional tax revenues and attract new investment beneficial to the citizens of Madera.
6. The purchase price is consistent with other sales in the area.

III. Salient Points of the Agreement

A. The proposed development will occupy three (3) parcels of land identified as 758 Merced, 1019 and 1023 East Riverside Drive in Madera California. The Developer will construct one (1) single-family home on each of the three (3) parcels.

B. Developer Responsibilities

1. The Developer will purchase the three (3) sites from the Agency for \$65,000.00.
2. The Developer will design and construct three (3) single-family residential dwellings. The home and sales price are described as follows:
 - a. Front Yard Landscaping with Automatic irrigation system per approved landscape and irrigation plans.
 - b. Fenced Rear Yard per City of Madera Standards and Approved Plot Plan.
 - c. Granite Counter Tops with 4" back splash in kitchen, bathroom and laundry room.
 - d. 52-inch Ceiling Fans with light fixture kits in all bedrooms and living room.
 - e. Automatic Garage Door Opener with remote control.
 - f. Stainless Steel Appliances, including; Gas Range, Microwave/Hood and Dish Washer.
 - g. Garbage Disposal at kitchen sink.
 - h. Ceramic Tile Floors in Living Room, Kitchen, Restrooms, Laundry Room, Hallways and Entry.
 - i. Stain Resistant Carpet or Wood Veneer Floors in Bedrooms.
 - j. Exterior Rated Fiberglass or Wood Front Door.
 - k. Exterior Rated Fiberglass or Wood French Door at Patio.
 - l. Lifetime Composition Roofing or/ Concrete Tile Roofing per approved plans.
 - m. Stainless Steel Kitchen & Laundry Room Sinks with pull-out faucet.
 - n. Low VOC Semi-Gloss Interior Paint in Kitchen, Laundry Room, Bathrooms & Garage.
 - o. Low VOC Semi-Gloss Interior Paint on all interior doors, baseboards and trim.
 - p. Low VOC Egg-Shell Interior Paint in Bedrooms, Hallways, Living Room, Dining Room, Entry and Closets.
 - q. Finished Garage with 5/8" Type 'X' Gypsum board, Taped, Textured, Sealed & Painted with Semi-Gloss Interior Paint.
 - r. Building Exterior Materials & Embellishments per approved plans.

C. Agency Responsibilities

1. The Agency will convey three (3) parcels to the Developer for \$65,000.00

IV. Blight Elimination

The proposed residential development as contained in the Agreement is essential to the stimulation of new investment in both the Project Area and the northeast quadrant of the City of Madera. The property represents a major blighting influence on the area. The construction of three (3) single family homes will increase economic activity in the area, thus strengthening the area for future development, while eliminating a blighted condition.

/bw 4/12/18

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA, CALIFORNIA APPROVING SALE OF PROPERTIES KNOWN AS 758 MERCED STREET, 1019 AND 1023 EAST RIVERSIDE DRIVE ACQUIRED BY TAX INCREMENT BY THE FORMER MADERA REDEVELOPMENT AGENCY AND MAKING FINDINGS RELATED THERETO

WHEREAS, the City of Madera, as Successor Housing Agency to the Former Madera Redevelopment Agency (the "Agency") is involved in the elimination of blight; and

WHEREAS, the Agency has acquired certain properties specifically described on Exhibit "A" attached hereto and generally described as 758 Merced Street, 1019 and 1023 EAST Riverside Drive (the "Subject Property") and removed the blighting conditions located on such property and prepared it for sale; and

WHEREAS, the sale price for the Subject Properties are not less than the fair market reuse value of the parcel; and

WHEREAS, a public hearing concerning sale was duly noticed and came on for hearing on May 9, 2018; and

WHEREAS, the properties are sold with a condition that they be used to construct one (1) single family dwelling unit on each lot, which can only be sold to very low, low or moderate income persons or families and the grantee of such property will be required to execute an agreement guaranteeing such use.

NOW THEREFORE THE CITY COUNCIL OF THE CITY OF MADERA does hereby resolve, find and order as follows:

1. The above recitals are true and correct

2. The sale of the Subject Properties will provide for the construction of one (1) single family dwelling unit on each lot, which can only be sold to very low, low or moderate income persons or families, and is consistent with the implementation plan adopted pursuant to Section 33490 of Community Redevelopment Law, California Government Code Sections 33000 et seq.

3. The consideration to be paid for the Subject Property is not less than the fair market reuse value at its highest and best use in accordance with the Former Madera Redevelopment Agency Redevelopment Plan.

4. The sale of the Subject Property is hereby approved.

5. This resolution is effective immediately upon adoption.

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RESOLUTION NO. SHA

RESOLUTION OF THE CITY OF MADERA AS SUCCESSOR HOUSING AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY MADERA, CALIFORNIA APPROVING THE SALE OF PROPERTIES LOCATED AT 758 MERCED STREET, 1019 AND 1023 EAST RIVERSIDE DRIVE FOR THE CONSTRUCTION OF ONE (1) SINGLE FAMILY DWELLING UNIT ON EACH LOT LOCATED IN THE CITY OF MADERA

WHEREAS, Embiem Properties Inc., has applied to purchase properties from the Successor Housing Agency for the construction of one (1) single family dwelling unit on each lot located at 758 Merced Street, 1019 and 1023 East Riverside Drive (the "Project"); and

WHEREAS, A mitigated negative declaration was certified by the Madera Planning Commission for the subdivision of the site in April of 2010. The proposed project is consistent with the development anticipated in the mitigated negative declaration; and

WHEREAS, a Disposition and Development Agreement (the "Agreement") has been prepared and is on file in the office of the Executive Director of the Successor Housing Agency to the Former Madera Redevelopment Agency and referred to for more particulars; and

WHEREAS, the purpose of the sale of the property is to effectuate the Redevelopment Plan of the City of Madera (the "Plan"); and

WHEREAS, the sale of the property is in the best interest of the Developer and Successor Housing Agency in that it will assist in the elimination of blight in the Northeast area of Madera.

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF MADERA as Successor Housing Agency to the Former Madera Redevelopment Agency, hereby finds, determines, resolves and orders as follows:

1. Each of the above recitals is true and correct.

2. Based upon the testimony and information presented at the hearing and the mitigated negative declaration certified by the Madera Planning Commission in April of 2010, the approval of the sale of the properties are in the best interest of the City of Madera, and the Successor Housing Agency finds the proposed project is consistent with the development anticipated in the mitigated negative declaration.

3. The consideration to be paid for the Subject Property is not less than the fair market reuse value at its highest and best use in accordance with the Redevelopment Plan.

4. The Successor Housing Agency to the Former Madera Redevelopment Agency approves the sale of 758 Merced Street, 1019 and 1023 East Riverside Drive to Embiem Properties Inc., for the Project conditioned upon the Developer entering into the Disposition and Development Agreement for the Site in substantial form of the Agreement on file in the office of the Executive Director of the Successor Housing Agency and approved as to form by the General Counsel of the Successor Housing Agency.

5. This resolution is effective immediately upon adoption.

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RESOLUTION NO. SHA

RESOLUTION OF THE CITY OF MADERA AS SUCCESSOR HOUSING AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY MADERA, CALIFORNIA APPROVING DISPOSITION AND DEVELOPMENT AGREEMENT FOR THE CONSTRUCTION OF THREE SINGLE FAMILY RESIDENCES LOCATED AT 758 MERCED STREET, 1019 AND 1023 EAST RIVERSIDE DRIVE AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT ON BEHALF OF THE SUCCESSOR HOUSING AGENCY OF THE FORMER MADERA REDEVELOPMENT AGENCY

WHEREAS, Embiem Properties Inc., has applied to purchase property from the Successor Housing Agency for the construction of one (1) single family dwelling unit on each lot located at 758 Merced Street, 1019 and 1023 East Riverside Drive (the "Project"); and

WHEREAS, a Disposition and Development Agreement (the "Agreement") for this project is necessary to carry the project forward and the form of such Agreement has been prepared and is on file in the office of the Executive Director of the Successor Housing Agency of the Former Madera Redevelopment Agency and referred to for more particulars; and

WHEREAS, the purpose of the Agreement is to effectuate the Redevelopment Plan (the "Plan"); and

WHEREAS, the Agreement is in the best interest of the Developer and Successor Housing Agency in that it will allow the construction of one (1) single family dwelling unit on each lot, which can only be sold to very low, low or moderate income persons or families in the Northeast area of Madera.

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF MADERA as Successor Housing Agency of the Former Madera Redevelopment Agency of the City of Madera hereby finds, determines, resolves and orders as follows:

1. Each of the above recitals is true and correct.
2. The consideration to be paid for the Subject Property is not less than the fair market reuse value at its highest and best use in accordance with the Former Madera Redevelopment

Agency Redevelopment Plan.

3. The Successor Housing Agency of the Former Madera Redevelopment Agency approves the Disposition and Development Agreement for the Project and such Agreement is on file in the Office of the Executive Director of the Successor Housing Agency and approved as to form by the General Counsel of the Agency.

4. The Mayor is authorized to execute the Agreement on behalf of the Successor Housing Agency of the Former Madera Redevelopment Agency.

5. This resolution is effective immediately upon adoption.

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REPORT TO THE CITY COUNCIL AND THE SUCCESSOR HOUSING AGENCY OF THE FORMER MADERA REDEVELOPMENT AGENCY

BOARD MEETING OF: May 9, 2018
AGENDA ITEM NUMBER: 6E

APPROVED BY:


Executive Director

Subject: Joint Public Hearing Regarding Consideration of Resolutions Approving 33433 Report and Approval of Sale of Real Properties Located at 1109 and 1113 East Riverside Drive and Consideration of a Resolution Approving Disposition and Development Agreement with GWC Management LLC

Summary: This is a noticed public hearing between the City Council and the Successor Housing Agency regarding the sale of property located at 1109 and 1113 East Riverside Drive. The buyer is GWC Management LLC and the sales price is \$50,000.00 (\$25,000.00 per lot)

HISTORY/BACKGROUND

By previous action, the former Redevelopment Agency acquired property and developed the twenty-two (22) lot Riverside Subdivision.

Following the dissolution of redevelopment, the property was transferred to the Successor Housing Agency by operation of law, which transfer was also memorialized by "exit memorandum" on February 8, 2012 and by "resolution" on April 11, 2012.

SITUATION

Due to irregular lot sizes at Riverwalk and Riverside Villas subdivisions, the Agency contracted with Ubaldo Garcia Hernandez to design five (5) different plans that could be constructed on the lots. A number of amenities have been added which weren't previously required in Agency-sponsored housing. This will result in a significant increase in our standards.

Five (5) builders expressed interest and completed all requirements to participate in the construction of the homes. A lottery was held for the thirteen (13) remaining lots in the Riverside Subdivision.

The consideration to be paid for the subject property is not less than the fair market reuse value at its highest and best use in accordance with the Former Madera Redevelopment Agency Redevelopment Plan.

RECOMMENDATION

Staff recommends the following actions:

1. The City Council adopt the resolution approving the sale of properties at 1109 and 1113 East Riverside Drive to GWC Management LLC and making related findings. The sales price is \$50,000.00 (\$25,000.00 per lot).
2. The Successor Housing Agency adopt the resolution approving sale of property located at 1109 and 1113 East Riverside Drive.
3. The Successor Housing Agency adopt the resolution approving the Disposition and Development Agreement with GWC Management LLC for property located at 1109 and 1113 East Riverside Drive.

BW:cm

Attachments:

-DDA Summary
-Resolutions (City & Successor Housing Agency)

**REVISED SUMMARY REPORT PURSUANT TO SECTION 33433 OF THE
CALIFORNIA COMMUNITY REDEVELOPMENT LAW ON A
PURCHASE AND SALE OF REAL PROPERTY AGREEMENT BY AND BETWEEN THE
SUCCESSOR HOUSING AGENCY TO THE FORMER MADERA REDEVELOPMENT
AGENCY AND GWC MANAGEMENT LLC**

This revised summary report has been prepared for the Successor Housing Agency to the Former Madera Redevelopment Agency ("Agency") pursuant to Section 33433 of the California Health and Safety Code. This report sets forth certain details of the proposed revised Purchase and Sale of Real Property Agreement ("Agreement") between the Agency and GWC Management LLC ("Developer"). The Agreement requires the Developer to build one (1) single family dwelling on each of the two (2) lots, identified as 1109 and 1113 East Riverside Drive, which are currently vacant lots in Madera California.

- I. A copy of the proposed Agreement between the Agency and Buyer is available upon request to the Agency, 428 E. Yosemite Avenue, Madera, California, 93638, telephone (559) 661-5113.
- II. The cost to the Agency to develop the property, including land acquisition costs and rehabilitation costs, is summarized as follows:
 - A. The cost of the Agreement to the Agency is:

DESCRIPTION	COST PER 2 LOTS
Acquisition	\$16,415.91
Environmental Assessment	\$483.64
Engineering Design Storm Drain	\$4,218.39
Storm Drain Improvements	\$30,083.52
Architectural Services	\$5,909.09
Compaction Test	\$147.73
Construction Bid Related Cost	\$49.35
Sub division map cost	\$209.73
Relocate PG&E	\$12,702.42
Public Notice	\$192.00
DFW Streambed App. Fee	\$83.73
City of Madera-Com. Facilities	\$718.57
SUBTOTAL	\$71,004.35
LESS LAND SALE PROCEEDS	(\$50,000.00)
NET COST TO AGENCY FOR THREE (3) LOTS	\$21,004.35

- B. In addition to the cost information above, the sales price is reflective of conditions for development placed on the project in accordance with the Former Madera Redevelopment Agency Redevelopment Plan that include the limitation that the Developer must construct one (1) single family dwelling unit on each lot.
 - C. The highest and best use permitted under the City of Madera General Plan is for residential use of the property. The estimated value of the interest conveyed, determined the highest uses permitted for the area is \$25,000.00 per lot for a total of \$75,000.00.
 - D. The purchase price pursuant to the proposed agreement is \$75,000.00.

E. The consideration to be paid for the subject property is not less than the fair market reuse value at its highest and best use in accordance with the Former Madera Redevelopment Agency Redevelopment Plan. The cost of the property to the Agency is more than the purchase price. However, staff is of the opinion that the cost to the Agency and the purchase price are justified based on several factors, including:

1. The Agency has placed restrictions as to how the property can be developed.
2. The proposed agreement will eliminate a blighted condition in the Project Area.
3. The proposed agreement will increase and improve the supply of affordable housing for very low, low and moderate income persons or families.
4. The proposed agreement will upgrade the Project Area and the northeast quadrant of the City.
5. The proposed agreement will generate additional tax revenues and attract new investment beneficial to the citizens of Madera.
6. The purchase price is consistent with other sales in the area.

III. Salient Points of the Agreement

A. The proposed development will occupy two (2) parcels of land identified as 1109 and 1113 East Riverside Drive in Madera California. The Developer will construct one (1) single-family home on each of the two (2) parcels.

B. Developer Responsibilities

1. The Developer will purchase the two (2) sites from the Agency for \$50,000.00.
2. The Developer will design and construct two (2) single-family residential dwellings. The home and sales price are described as follows:
 - a. Front Yard Landscaping with Automatic irrigation system per approved landscape and irrigation plans.
 - b. Fenced Rear Yard per City of Madera Standards and Approved Plot Plan.
 - c. Granite Counter Tops with 4" back splash in kitchen, bathroom and laundry room.
 - d. 52-inch Ceiling Fans with light fixture kits in all bedrooms and living room.
 - e. Automatic Garage Door Opener with remote control.
 - f. Stainless Steel Appliances, including; Gas Range, Microwave/Hood and Dish Washer.
 - g. Garbage Disposal at kitchen sink.
 - h. Ceramic Tile Floors in Living Room, Kitchen, Restrooms, Laundry Room, Hallways and Entry.
 - i. Stain Resistant Carpet or Wood Veneer Floors in Bedrooms.
 - j. Exterior Rated Fiberglass or Wood Front Door.
 - k. Exterior Rated Fiberglass or Wood French Door at Patio.
 - l. Lifetime Composition Roofing or/ Concrete Tile Roofing per approved plans.
 - m. Stainless Steel Kitchen & Laundry Room Sinks with pull-out faucet.
 - n. Low VOC Semi-Gloss Interior Paint in Kitchen, Laundry Room, Bathrooms & Garage.
 - o. Low VOC Semi-Gloss Interior Paint on all interior doors, baseboards and trim.
 - p. Low VOC Egg-Shell Interior Paint in Bedrooms, Hallways, Living Room, Dining Room, Entry and Closets.
 - q. Finished Garage with 5/8" Type 'X' Gypsum board, Taped, Textured, Sealed & Painted with Semi-Gloss Interior Paint.
 - r. Building Exterior Materials & Embellishments per approved plans.

C. Agency Responsibilities

1. The Agency will convey two (2) parcels to the Developer for \$50,000.00

IV. Blight Elimination

The proposed residential development as contained in the Agreement is essential to the stimulation of new investment in both the Project Area and the northeast quadrant of the City of Madera. The property represents a major blighting influence on the area. The construction of two (2) single family homes will increase economic activity in the area, thus strengthening the area for future development, while eliminating a blighted condition.

/bw 4/12/18

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA, CALIFORNIA APPROVING SALE OF PROPERTIES KNOWN AS 1109 AND 1113 EAST RIVERSIDE DRIVE ACQUIRED BY TAX INCREMENT BY THE FORMER MADERA REDEVELOPMENT AGENCY AND MAKING FINDINGS RELATED THERETO

WHEREAS, the City of Madera, as Successor Housing Agency to the Former Madera Redevelopment Agency (the "Agency") is involved in the elimination of blight; and

WHEREAS, the Agency has acquired certain properties specifically described on Exhibit "A" attached hereto and generally described as 1109 and 1113 East Riverside Drive (the "Subject Property") and removed the blighting conditions located on such property and prepared it for sale; and

WHEREAS, the sale price for the Subject Properties are not less than the fair market reuse value of the parcel; and

WHEREAS, a public hearing concerning sale was duly noticed and came on for hearing on May 9, 2018; and

WHEREAS, the properties are sold with a condition that they be used to construct one (1) single family dwelling unit on each lot, which can only be sold to very low, low or moderate income persons or families and the grantee of such property will be required to execute an agreement guaranteeing such use.

NOW THEREFORE THE CITY COUNCIL OF THE CITY OF MADERA does hereby resolve, find and order as follows:

1. The above recitals are true and correct
2. The sale of the Subject Properties will provide for the

construction of one (1) single family dwelling unit on each lot, which can only be sold to very low, low or moderate income persons or families, and is consistent with the implementation plan adopted pursuant to Section 33490 of Community Redevelopment Law, California Government Code Sections 33000 et seq.

3. The consideration to be paid for the Subject Property is not less than the fair market reuse value at its highest and best use in accordance with the Former Madera Redevelopment Agency Redevelopment Plan.

4. The sale of the Subject Property is hereby approved.

5. This resolution is effective immediately upon adoption.

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RESOLUTION NO. SHA

RESOLUTION OF THE CITY OF MADERA AS SUCCESSOR HOUSING AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY MADERA, CALIFORNIA APPROVING THE SALE OF PROPERTIES LOCATED AT 1109 AND 1113 EAST RIVERSIDE DRIVE FOR THE CONSTRUCTION OF ONE (1) SINGLE FAMILY DWELLING UNIT ON EACH LOT LOCATED IN THE CITY OF MADERA

WHEREAS, GWC Management LLC, has applied to purchase properties from the Successor Housing Agency for the construction of one (1) single family dwelling unit on each lot located at 1109 and 1113 East Riverside Drive (the "Project"); and

WHEREAS, A mitigated negative declaration was certified by the Madera Planning Commission for the subdivision of the site in April of 2010. The proposed project is consistent with the development anticipated in the mitigated negative declaration; and

WHEREAS, a Disposition and Development Agreement (the "Agreement") has been prepared and is on file in the office of the Executive Director of the Successor Housing Agency to the Former Madera Redevelopment Agency and referred to for more particulars; and

WHEREAS, the purpose of the sale of the property is to effectuate the Redevelopment Plan of the City of Madera (the "Plan"); and

WHEREAS, the sale of the property is in the best interest of the Developer and Successor Housing Agency in that it will assist in the elimination of blight in the Northeast area of Madera.

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF MADERA as Successor Housing Agency to the Former Madera Redevelopment Agency, hereby finds, determines, resolves and orders as follows:

1. Each of the above recitals is true and correct.

2. Based upon the testimony and information presented at the hearing and the mitigated negative declaration certified by the Madera Planning Commission in April of 2010, the approval of the sale of the properties are in the best interest of the City of Madera, and the Successor Housing Agency finds the proposed project is consistent with the development anticipated in the mitigated negative declaration.

3. The consideration to be paid for the Subject Property is not less than the fair market reuse value at its highest and best use in accordance with the Redevelopment Plan.

4. The Successor Housing Agency to the Former Madera Redevelopment Agency approves the sale of 1109 and 1113 East Riverside Drive to GWC Management LLC, for the Project conditioned upon the Developer entering into the Disposition and Development Agreement for the Site in substantial form of the Agreement on file in the office of the Executive Director of the Successor Housing Agency and approved as to form by the General Counsel of the Successor Housing Agency.

5. This resolution is effective immediately upon adoption.

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RESOLUTION NO. SHA

RESOLUTION OF THE CITY OF MADERA AS SUCCESSOR HOUSING AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY MADERA, CALIFORNIA APPROVING DISPOSITION AND DEVELOPMENT AGREEMENT FOR THE CONSTRUCTION OF TWO SINGLE FAMILY RESIDENCES LOCATED AT 1109 AND 1113 EAST RIVERSIDE DRIVE AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT ON BEHALF OF THE SUCCESSOR HOUSING AGENCY OF THE FORMER MADERA REDEVELOPMENT AGENCY

WHEREAS, GWC Management LLC has applied to purchase property from the Successor Housing Agency for the construction of one (1) single family dwelling unit on each lot located at 1109 and 1113 East Riverside Drive (the "Project"); and

WHEREAS, a Disposition and Development Agreement (the "Agreement") for this project is necessary to carry the project forward and the form of such Agreement has been prepared and is on file in the office of the Executive Director of the Successor Housing Agency of the Former Madera Redevelopment Agency and referred to for more particulars; and

WHEREAS, the purpose of the Agreement is to effectuate the Redevelopment Plan (the "Plan"); and

WHEREAS, the Agreement is in the best interest of the Developer and Successor Housing Agency in that it will allow the construction of one (1) single family dwelling unit on each lot, which can only be sold to very low, low or moderate income persons or families in the Northeast area of Madera.

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF MADERA as Successor Housing Agency of the Former Madera Redevelopment Agency of the City of Madera hereby finds, determines, resolves and orders as follows:

1. Each of the above recitals is true and correct.
2. The consideration to be paid for the Subject Property is not less than the fair market reuse value at its highest and best use in accordance with the Former Madera Redevelopment

Agency Redevelopment Plan.

3. The Successor Housing Agency of the Former Madera Redevelopment Agency approves the Disposition and Development Agreement for the Project and such Agreement is on file in the Office of the Executive Director of the Successor Housing Agency and approved as to form by the General Counsel of the Agency.

4. The Mayor is authorized to execute the Agreement on behalf of the Successor Housing Agency of the Former Madera Redevelopment Agency.

5. This resolution is effective immediately upon adoption.

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