



City of Carson Report to Redevelopment Agency

September 21, 2010
New Business Consent

SUBJECT: CONSIDER ISSUANCE OF THE PROPOSED 2010 REDEVELOPMENT AGENCY HOUSING BONDS (PROJECT AREA NO. 1, MERGED AND AMENDED PROJECT AREA, AND PROJECT AREA NO. 4)

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I. SUMMARY

During the last few years, the Carson Redevelopment Agency (Agency) has used or committed nearly all of its housing set-aside funds. Staff has recently identified a number of potential housing developments that will require Agency assistance. To make these projects as well as anticipated future projects possible, the Agency proposes bonding a portion of its annual housing set-aside tax increment funds.

Plans are to issue bonds secured by housing set-aside tax revenues within 60 days while bond interest rates are at the current low levels. Agency staff intends to finalize legal and financial documents and request that the Agency Board consider authorizing issuance of the bonds at its regular meeting on October 5, 2010 meeting.

II. RECOMMENDATION

TAKE the following actions:

1. DIRECT staff to finalize bond documents for Agency Board approval.
2. SET October 5, 2010 for consideration to authorize the bond issue by the Carson Public Financing Authority, Redevelopment Agency Board and City Council.

III. ALTERNATIVES

1. CONTINUE the item to a specific date.
2. TAKE another action the Agency Board deems appropriate.

IV. BACKGROUND

The Agency has committed nearly all of its housing set-aside tax increment funds to warranted projects and is proposing bond financing to ensure providing assistance toward further development of quality workforce housing projects.

Two series of bonds are being considered, with a total tax-exempt and taxable aggregate amount between \$40 million and \$45 million. The bonds will have an investment grade rating and high debt service coverage ratio. The Agency has no