

RESOLUTION NO. 2017-R____
RESOLUTION NO. 2017-SA____
RESOLUTION NO. 2017-PA____
RESOLUTION NO. 2017-HA____

A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CULVER CITY, AND THE RESPECTIVE BOARDS OF THE SUCCESSOR AGENCY TO THE CULVER CITY REDEVELOPMENT AGENCY, THE CULVER CITY PARKING AUTHORITY, AND THE CULVER CITY HOUSING AUTHORITY, ADOPTING A DEBT MANAGEMENT POLICY AND DISCLOSURE POLICIES AND PROCEDURES.

WHEREAS, pursuant to Senate Bill 1029 ("SB 1029"), which was signed by the California Governor on September 12, 2016, California public agencies that issue debt must adopt debt management policies that meet certain criteria; and

WHEREAS, in response to SB 1029 and in order to adhere to sound financial management practices, the City of Culver City (the “City”), the Successor Agency to the Culver City Redevelopment Agency (the “Successor Agency”), the Culver City Parking Authority (the “Parking Authority”), and the Culver City Housing Authority (the “Housing Authority”) each wish to adopt and maintain a debt management policy (“Debt Policy”); and

WHEREAS, the Securities and Exchange Commission (the “SEC”) recommends that issuers of municipal bonds adopt policies and procedures to govern compliance and implement training with respect to their initial disclosure and continuing disclosure undertakings; and

WHEREAS, in response to the SEC’s recommendations and in order to better monitor compliance with its disclosure undertakings, the City, the Successor Agency, the Parking Authority, and the Housing Authority find it desirable to adopt and maintain disclosure policies and procedures (the “Disclosure Procedures”).

NOW, THEREFORE, the City Council of the City of Culver City, and the respective Boards of the Successor Agency to the Culver City Redevelopment Agency, the

1 Culver City Parking Authority and the Culver City Housing Authority, DO HEREBY
2 RESOLVE as follows:

3 **Section 1. Adoption of Debt Policy and Disclosure Procedures.** The City
4 Council, and the respective Boards the Successor Agency, the Parking Authority, and the
5 Housing Authority, hereby approve and adopt the Debt Policy and the Disclosure
6 Procedures attached to this Resolution as Exhibits A and B, respectively, and incorporated
7 herein by reference.

8 **Section 2. Authorization of City Manager.** The City Council, and the
9 respective Boards of the Successor Agency to the Culver City Redevelopment Agency, the
10 Parking Authority and the Housing Authority, hereby authorize the City Manager and
11 Executive Director, as applicable, to submit the requisitions described in Section E of the
12 Debt Policy, and directs the City Manager to retain the records described in such Section
13 E.

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15 APPROVED and ADOPTED this _____ day of _____, 2017.

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JEFFREY COOPER, MAYOR
City of Culver City, California and Chair of the
19 Successor Agency to the Culver City
20 Redevelopment Agency, the Culver City
21 Parking Authority and the Culver City Housing
Authority

22 ATTEST:

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24 _____
JEREMY GREEN, City Clerk

25 APPROVED AS TO FORM:

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27 _____
CAROL A. SCHWAB, City Attorney and
28 General Counsel to the Successor Agency to
the Culver City Redevelopment Agency, the
Culver City Parking Authority and the Culver
City Housing Authority

A17-00751

EXHIBIT "A"

DEBT MANAGEMENT POLICY

**CITY OF CULVER CITY
SUCCESSOR AGENCY TO THE CULVER CITY REDEVELOPMENT AGENCY
CULVER CITY PARKING AUTHORITY
CULVER CITY HOUSING AUTHORITY**

This Debt Management Policy (the "Debt Policy") of the City of Culver City (the "City"), the Successor Agency to the Culver City Redevelopment Agency (the "Successor Agency"), the Culver City Parking Authority (the "Parking Authority"), and the Culver City Housing Authority (the "Housing Authority") (each of which hereinafter referred to as "Issuer") was approved by the City Council of the City, and the respective Boards of the Successor Agency, the Parking Authority and the Housing Authority on November 6, 2017. The Debt Policy may be amended by the City Council and Boards as they deem appropriate from time to time in the prudent management of the debt of the Issuer. Any approval of debt by the City Council or any Board that is not consistent with this Debt Policy shall constitute a waiver of this Debt Policy.

1. Findings

This Debt Policy is intended to comply with Government Code Section 8855(i), effective on January 1, 2017, and shall govern all debt undertaken by the Issuer.

The Issuer hereby recognizes that a fiscally prudent debt policy is required in order to:

- Maintain the Issuer's sound financial position.
- Ensure the Issuer has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the Issuer's credit-worthiness.
- Ensure that all debt is structured in order to protect both current and future taxpayers, ratepayers and constituents of the Issuer.
- Ensure that the Issuer's debt is consistent with the Issuer's planning goals and objectives and capital improvement program or budget, as applicable.

2. Policies

A. Purposes for Which Debt May Be Issued

1 (i) Long-Term Debt. Long-term debt may be issued to finance the
2 construction, acquisition, and rehabilitation of capital improvements and facilities,
equipment and land to be owned and operated by the Issuer.

3 (a) Long-term debt financings are appropriate when the following
4 conditions exist:

- 5 • When the project to be financed is necessary to provide basic
6 services.
- 7 • When the project to be financed will provide benefit to
8 constituents over multiple years.
- 9 • When total debt does not constitute an unreasonable burden to
10 the Issuer and its taxpayers and ratepayers.
- 11 • When the debt is used to refinance outstanding debt in order to
12 produce debt service savings or to realize the benefits of a debt
restructuring.

13 (b) Long-term debt financings will not generally be considered
14 appropriate for current operating expenses and routine maintenance
expenses.

15 (c) The Issuer may use long-term debt financings subject to the
16 following conditions:

- 17 • The project to be financed must be approved by the City
Council or respective Board.
- 18 • The weighted average maturity of the debt (or the portion of the
19 debt allocated to the project) will not exceed the average useful
20 life of the project to be financed by more than 20%.
- 21 • The Issuer estimates that sufficient revenues will be available to
22 service the debt through its maturity.
- 23 • The Issuer determines that the issuance of the debt will comply
with the applicable state and federal law.

24 (ii) Short-term debt. Short-term debt may be issued to provide financing for
25 the Issuer's operational cash flows in order to maintain a steady and even cash flow
26 balance. Short-term debt may also be used to finance short-lived capital projects;
for example, the Issuer may undertake lease-purchase financing for equipment.

27 (iii) Financings on Behalf of Other Entities. The Issuer may also find it
28 beneficial to issue debt on behalf of other governmental agencies or private third

1 parties in order to further the public purposes of Issuer. In such cases, the Issuer
2 shall take reasonable steps to confirm the financial feasibility of the project to be
3 financed and the financial solvency of any borrower and that the issuance of such
4 debt is consistent with the policies set forth herein.

5 **B. Types of Debt**

6 For purposes of this Debt Policy, "debt" shall be interpreted broadly to mean
7 bonds, notes, certificates of participation, financing leases, or other financing
8 obligations, but the use of such term in this Debt Policy shall be solely for
9 convenience and shall not be interpreted to characterize any such obligation as an
indebtedness or debt within the meaning of any statutory or constitutional debt
limitation where the substance and terms of the obligation comport with exceptions
thereto.

10 The following types of debt are allowable under this Debt Policy:

- 11 • general obligation bonds
- 12 • bond or grant anticipation notes
- 13 • lease revenue bonds, certificates of participation and lease-purchase
- 14 transactions
- 15 • other revenue bonds and certificates of participation
- 16 • tax and revenue anticipation notes
- 17 • land-secured financings, such as special tax revenue bonds issued
- 18 under the Mello-Roos Community Facilities Act of 1982, as amended,
- 19 and limited obligation bonds issued under applicable assessment
- 20 statutes
- 21 • tax increment financing to the extent permitted under state law
- 22 • conduit financings, such as financings for affordable rental housing
- 23 and qualified 501c3 organizations

24 The Issuer may from time to time find that other forms of debt would be
25 beneficial to further its public purposes and may approve such debt without an
amendment of this Debt Policy.

26 Debt shall be issued as fixed rate debt unless the Issuer makes a specific
27 determination as to why a variable rate issue would be beneficial to the Issuer in a
28 specific circumstance.

C. Relationship of Debt to Capital Improvement Program and Budget

The Issuer is committed to long-term capital planning. The Issuer intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the Issuer's capital budget and the capital improvement plan.

The Issuer shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues. The Issuer shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

The Issuer shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the Issuer's public purposes.

The Issuer shall seek to avoid the use of debt to fund infrastructure and facilities improvements in circumstances when the sole purpose of such debt financing is to reduce annual budgetary expenditures.

The Issuer shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund.

D. Policy Goals Related to Planning Goals and Objectives

The Issuer is committed to long-term financial planning, maintaining appropriate reserves levels and employing prudent practices in governance, management and budget administration. The Issuer intends to issue debt for the purposes stated in this Policy and to implement policy decisions incorporated in the Issuer's annual operations budget.

It is a policy goal of the Issuer to protect taxpayers, ratepayers and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The Issuer will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

When refinancing debt, it shall be the policy goal of the Issuer to realize, whenever possible, and subject to any overriding non-financial policy considerations, (i) minimum net present value debt service savings equal to or greater than 3.0% of the refunded principal amount, and (ii) present value debt service savings equal to or greater than 100% of any escrow fund negative arbitrage.

1 **E. Internal Control Procedures**

2 When issuing debt, in addition to complying with the terms of this Debt Policy,
3 the Issuer shall comply with any other applicable policies regarding initial bond
4 disclosure, continuing disclosure, post-issuance compliance, and investment of
5 bond proceeds.

6 The Issuer will periodically review the requirements of and will remain in
7 compliance with the following:

- 8 • any continuing disclosure undertakings under SEC Rule 15c2-12,
9 • any federal tax compliance requirements, including without limitation
10 arbitrage and rebate compliance, related to any prior bond issues, and
11 • the Issuer's investment policies as they relate to the investment of
12 bond proceeds.

13 It is the policy of the Issuer to ensure that proceeds of debt are spent only on
14 lawful and intended uses. Whenever reasonably possible, proceeds of debt will be
15 held by a third-party trustee and the Issuer will submit written requisitions for such
16 proceeds. The Issuer will submit a requisition only after obtaining the signature of
17 the City Manager or Executive Director, as applicable. In those cases where it is not
18 reasonably possible for the proceeds of debt to be held by a third-party trustee, the
19 City Manager or Executive Director, as applicable, shall retain records of all
20 expenditures of proceeds through the final payment date for the debt.
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1 **EXHIBIT "B"**

2 **DISCLOSURE POLICIES AND PROCEDURES**

3 **CITY OF CULVER CITY**
4 **SUCCESSOR AGENCY TO THE CULVER CITY REDEVELOPMENT AGENCY**
5 **CULVER CITY PARKING AUTHORITY**
6 **CULVER CITY HOUSING AUTHORITY**

7 **Article I**
8 **General**

9 These Disclosure Policies and Procedures (the "Disclosure Procedures") of the City
10 of Culver City (the "City"), the Successor Agency to the Culver City Redevelopment Agency
11 (the "Successor Agency"), the Culver City Parking Authority (the "Parking Authority"), and
12 the Culver City Housing Authority (the "Housing Authority" (each of which hereinafter
13 referred to as "Local Agency" and collectively "Local Agencies") are intended to ensure that
14 each Local Agency is in compliance with all applicable federal and state securities laws.

15 **Article II**
16 **Disclosure Coordinator**

17 The finance director, treasurer, or chief financial officer, as applicable, of each Local
18 Agency shall be the disclosure coordinator of such Local Agency (each, a "Disclosure
19 Coordinator").

20 **Article III**
21 **Review and Approval of Official Statements**

22 The Disclosure Coordinator of each Local Agency shall review any Official
23 Statement prepared in connection with any debt issuance by such Local Agency in order to
24 ensure there are no misstatements or omissions of material information in any sections
25 that contain descriptions of information prepared by such Local Agency.

26 In connection with its review of the Official Statement, the Disclosure Coordinator of
27 each Local Agency shall consult with third parties, including outside professionals assisting
28 such Local Agency, and all members of such Local Agency's staff, to the extent that such
Disclosure Coordinator concludes they should be consulted so that the Official Statement
will include all "material" information (as defined for purposes of federal securities law).

As part of the review process, the Disclosure Coordinator of each Local Agency
shall submit for approval all Official Statements to the legislative body or governing board
of such Local Agency (each, a "Legislative Body") for approval. The staff report used by the
Disclosure Coordinators to submit the Official Statements shall be in substantially the form
of Exhibit 1 to the Disclosure Procedures.

1 The approval of an Official Statement by a Legislative Body shall be docketed as a
2 new business matter and shall not be approved as a consent item. Each Legislative Body
3 shall undertake such review as deemed necessary by such Legislative Body, following
4 consultation with the applicable Disclosure Coordinator, to fulfill the responsibilities of such
5 Legislative Body under applicable federal and state securities laws. In this regard, the
6 Disclosure Coordinator of each Local Agency shall consult with disclosure counsel to the
7 applicable Local Agency to the extent such Disclosure Coordinator considers appropriate.

8 **Article IV** 9 **Continuing Disclosure Filings**

10 To the extent that the Local Agencies have entered into continuing disclosure
11 undertakings in connection with their respective debt offerings, the Local Agencies are
12 required each year to file annual reports with the Municipal Securities Rulemaking Board's
13 Electronic Municipal Market Access ("EMMA") system in accordance with such
14 undertakings. Such annual reports are required to include certain updated financial and
15 operating information, and the City's audited financial statements.

16 To the extent that the Local Agencies have entered into continuing disclosure
17 undertakings in connection with their respective debt offerings, the Local Agencies are also
18 required under their continuing disclosure undertakings to file notices of certain events with
19 EMMA.

20 The Disclosure Coordinator for each Local Agency is responsible for establishing a
21 system (which may involve the retention or one or more consultants) by which:

22 (i) such Local Agency will make the annual filings required by its continuing
23 disclosure undertakings on a complete and timely basis, and

24 (ii) such Local Agency will file notices of enumerated events on a timely basis.

25 **Article V** 26 **Public Statements Regarding Financial Information**

27 Whenever the Local Agencies make statements or release information relating to its
28 finances to the public that are reasonably expected to reach investors and the trading
markets, the Local Agencies are obligated to ensure that such statements and information
are complete, true, and accurate in all material respects.

29 **Article VI** 30 **Training**

Each Disclosure Coordinator shall ensure that the staff members of their respective
Local Agencies involved in the initial or continuing disclosure process and the respective
Legislative Bodies are properly trained to understand and perform their responsibilities.

Each Disclosure Coordinator shall arrange for disclosure training sessions to be conducted by the disclosure counsel for the respective Local Agencies. Such training sessions shall include education on these Disclosure Procedures, the respective disclosure obligations of the Local Agencies under applicable federal and state securities laws and the disclosure responsibilities and potential liabilities of staff members of the Local Agencies and members of their Legislative Bodies. Such training sessions may be conducted using a recorded presentation.

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1 Set forth below is a summary of the financing, including cross-references to specific
2 sections of the Preliminary Official Statement.

3 Section 1. Purpose of Financing.

4 Section 2. Documents for Approval; Security for the Obligations.

5 Section 3. Risks Relating to Repayment and Tax-Exempt Status of the Obligations.

6 Section 4. Requested Approvals.