

MEMBER CITIES

Alhambra
Apple Valley
Azusa
Baldwin Park
Barstow
Bell
Bellflower
Brea
Calaveras County Water District
Capitola
Carpinteria
Carson
Chino
Claremont
Clovis
Colton
Commerce
Compton
Covina
Downey
Duarte
El Monte
Fairfield
Fontana
Fresno
Gardena
Garden Grove
Glendale
Glendora
Hawaiian Gardens
Hawthorne
Huntington Park
Indio
Inglewood
La Habra
La Puente
Lakewood
Lancaster
Lawndale
Long Beach
Los Angeles
Lynwood
Monrovia
Montclair
Montebello
Monterey Park
Morgan Hill
Norwalk
Oceanside
Palmdale
Palm Springs
Paramount
Pico Rivera
Planada Community Services District
Pomona
Rancho Cucamonga
Rialto
Riverside
Rohnert Park
Salinas
San Bernardino
San Bernardino County
San Diego County
San Fernando
San Juan Capistrano
San Marcos
San Mateo County
Santa Clarita
Santa Rosa
Signal Hill
South Gate
Vernon
Visalia
Vista
West Covina
Whittier
Yucaipa

BOARD MEMBERS

OFFICERS
Sylvia Ballin, President
San Fernando
Edwin Hernandez, Vice President
Lynwood
Jose Solache, Treasurer
Lynwood
DIRECTORS
Ricardo Pacheco, Baldwin Park
Emma Sharif, Compton
Marilyn Sanabria, Huntington Park
Jorge Morales, South Gate
Leticia Lopez, Vernon

Secretary/Executive Director
Debbie Smith
General Legal Counsel
Scott Campbell
Best Best & Krieger, LLP



INDEPENDENT CITIES FINANCE AUTHORITY
Annual Meeting Of The Board Of Directors
Annual Meeting Of The Executive Committee

Wednesday, November 15, 2017
12:00 p.m.

VIP Room - Bateman Hall
Lynwood Civic Center Complex
(across from Senior Citizen Center)
11331 Ernestine Avenue
Lynwood, CA 90262

TELECONFERENCE MEETING LOCATIONS:

Call In Information:

Call In Number: 1-712-775-7031

Participant Number: 236-977-467#

1. Baldwin Park City Hall
Room 301
14403 East Pacific Avenue
Baldwin Park, CA 91706

STAFF REPORTS AND OTHER WRITTEN DOCUMENTS RELATED TO ITEMS ON THIS AGENDA CAN BE OBTAINED FROM THE INDEPENDENT CITIES FINANCE AUTHORITY BY CALLING (877) 906-0941.

FOR YOUR INFORMATION: The Authority Board/Executive Committee will hear from the public on any item on the agenda or an item of interest to the Board/Executive Committee that is not on the Agenda. These items may be referred for administrative action or scheduled on a future agenda. Comments are to be limited to three minutes for each speaker, unless extended by the Authority Board. Each speaker will have an opportunity to speak on any Agenda item. You have the opportunity to address the Authority Board at the following times.

Post Office Box 6740, Lancaster, CA 93539-6740 ♦ Phone: (877)906-0941 ♦ www.icfaauthority.org

- A. AGENDA ITEM: at the time the Authority Board considers the Agenda item or during Public Comment, and
- B. NON-AGENDA ITEMS: during Public Comment - comments will be received for a maximum 30-minute period; any additional requests will be heard following the completion of the Agenda.
- C. PUBLIC HEARINGS: at the time of the Public Hearing

I. CALL TO ORDER. *(Page 4)*

II. ROLL CALL. *(Page 4)*

City of Baldwin Park
City of Compton
City of Huntington Park
City of Lynwood

City of San Fernando
City of South Gate
City of Vernon

III. AMENDMENTS OR ADJUSTMENTS TO THE AGENDA. *(Page 4)*

IV. PUBLIC COMMENT. At this time the public shall have an opportunity to comment on any non-agenda item relevant to the jurisdiction of the Authority. Reasonable time limits are imposed on each topic and each speaker. In accordance with the provisions of the Ralph M. Brown Act (GC § 54950 et seq.), no action or discussion may take place by the Board on any item not on the posted agenda. The Board may respond to statements made or questions asked, and may direct staff to report back on the topic at a future meeting. *(Pages 4-5)*

V. NEW BUSINESS.

A. Approval Of Minutes Of The March 23, 2017 Board Of Directors Meeting. *(Pages 5 & 16-21)*
RECOMMEND APPROVAL

B. Approval/Adoption of Resolution No. 2017-2 (A Resolution Of The Board Of Directors/Executive Committee Of The Independent Cities Finance Authority Approving A Debt Management Policy And Taking Other Actions Related Thereto. *(Pages 5-7 & 22-30)*
RECOMMEND APPROVAL/ADOPTION

C. Approval Of The Refinancing Of Two Manufactured Home Communities By ICFA For Millennium Housing Of California And Its Affiliates, Coach Of San Diego, Inc. And Millennium Housing Corporation Located In The City Of Fresno, County Of Fresno. *(Pages 7-9)*
RECOMMEND APPROVAL

D. Approval/Adoption Of Resolution No. 2017-3 (A Resolution Of The Board of Directors/Executive Committee Of The Independent Cities Finance Authority Authorizing The Issuance In One Or More Series Of Its Not To Exceed \$24,500,000 Aggregate Principal Amount Of Independent Cities Finance Authority Mobile Home Park Revenue Refunding Bonds (Westlake and Millbrook Mobilehome Parks) Series 2017A, And Mobile Home Park Subordinate Revenue Refunding Bonds (Westlake and Millbrook Mobile Home Parks) Series 2017B, And Approving Certain Documents And Authorizing Certain Actions In Connection Therewith) *(Pages 10-11 & 31-37)*
RECOMMEND APPROVAL/ADOPTION

E. Approval/Adoption Of A Budget For The 2017-18 FY. (Pages 11-12 & 38-39)
RECOMMEND APPROVAL/ADOPTION

F. Approval Of Financial Accounting For The Period February 1, 2017 to September 30, 2017. (Pages 12-14) *RECOMMEND APPROVAL*

G. Status Report On An ICFA Pool Securitization Program. (Page 14)
RECOMMEND RECEIVE & FILE

VI. COMMENTS FROM BOARD MEMBERS. (Pages 14-15)

VII. MATTERS FROM STAFF. (Page 15)

VIII. ADJOURNMENT. (Page 15)

The public shall have an opportunity to comment on any item as each item is considered by the Board/Executive Committee and prior to action being taken. Agenda reports are available at the Independent Cities Finance Authority office upon request by calling (877) 906-0941.

NOTICE: New items will not be considered after 2:00 p.m. unless the Board of Directors/Executive Committee votes to extend the time limit. Any items on the agenda that are not completed will be forwarded to the next regular Board of Directors/Executive Committee meeting.

IN COMPLIANCE WITH THE AMERICAN DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT THE INDEPENDENT CITIES FINANCE AUTHORITY AT (877) 906-0941. NOTIFICATION 48 HOURS PRIOR TO THE MEETING WILL ENABLE THE INDEPENDENT CITIES FINANCE AUTHORITY TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY TO THIS MEETING.

NOTE TO CITY CLERKS:

Please post this Meeting Notice just as you would a City Council agenda.

INDEPENDENT CITIES FINANCE AUTHORITY

ANNUAL MEETING OF THE BOARD OF DIRECTORS
ANNUAL MEETING OF THE EXECUTIVE COMMITTEE

November 15, 2017 - 12:00 p.m.

AGENDA SUMMARY

I. CALL TO ORDER.

II. ROLL CALL.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

A roll call of the following member cities will be conducted:

City of Baldwin Park	City of San Fernando
City of Compton	City of South Gate
City of Huntington Park	City of Vernon
City of Lynwood	

C. RECOMMENDATION:

None.

III. AMENDMENTS OR ADJUSTMENTS TO THE AGENDA.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

None.

C. RECOMMENDATION:

None.

IV. PUBLIC COMMENT.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

At this time the public shall have an opportunity to comment on any non-agenda item relevant to the jurisdiction of the Agency. Reasonable time limits are imposed on each topic and each speaker. In accordance with the provisions of the Ralph M. Brown Act (GC §54950 et seq.), no action or discussion may take place by the Board on any item not on the posted agenda. The Board may respond to statements made or questions asked, and may direct staff to report back on the topic at a future meeting.

C. RECOMMENDATION:

None.

V. NEW BUSINESS.

A. APPROVAL OF MINUTES OF THE MARCH 23, 2017 BOARD OF DIRECTORS MEETING.

A. MATERIAL ENCLOSED: **(PAGES 16-21)**

Minutes of the March 23, 2017 Board of Directors Meeting.

B. COMMENTS:

None.

C. RECOMMENDATION:

Approve the minutes of the March 23, 2017 Board of Directors meeting.

B. APPROVAL/ADOPTION OF RESOLUTION 2017-2 (A RESOLUTION OF THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY APPROVING A DEBT MANAGEMENT POLICY AND TAKING OTHER ACTIONS RELATED THERETO) .

A. MATERIAL ENCLOSED: (PAGES 22-30)

1. Debt Management Policy (Pages 22-27)
2. Resolution 2017-2 (Pages 28-30)

B. COMMENTS:

On September 12, 2017, the Governor signed into law Senate Bill 1029 (SB 1029). Senate Bill 1029 amended Government Code 8855 requiring local governments to prepare and submit accountability reports to the California Debt and Investment Advisory Commission (CDIAC). SB 1029 also mandated local governments to adopt debt policies 30 days prior to any debt issuance after January 21, 2017. Additionally, any proposed debt issuance must include a certification by local governments stating that it has adopted debt policies related to the use of debt, and that the contemplated debt issuance is consistent with the adopted debt policies.

The Authority has not previously adopted a Debt Management Policy, and is scheduled to issue bonds in the near term. Therefore, the Authority must adopt a Debt Management Policy as soon as feasible.

The attached Debt Management Policy meets the requirements of Government Code 8855 as amended. This Debt Policy shall govern all debt undertaken by the Authority. The Authority recognizes that a fiscally prudent debt policy is required in order to:

- Maintain the Authority's sound financial position.
- Ensure the Authority has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the Authority's credit-worthiness.
- Ensure that all debt is structured in order to protect both current and future taxpayers, ratepayers and constituents of the Authority and its member agencies.

The requirements set forth in Senate Bill 1029 include descriptions of:

1. The purpose for which debt proceeds may be used;
2. The types of debt that may be issued;
3. The relationship of the proposed debt issuance to the Authority's budget and capital improvement program (if one exists);

4. Policy objectives; and;
5. Internal control procedure that the Authority has implemented to ensure that the proceeds of the proposed debt issuance will be directed to the intended use.

C. RECOMMENDATION:

Approve/adopt Resolution 2017-2 and authorize President Ballin and staff to execute same.

C. APPROVAL OF THE REFINANCING OF TWO MANUFACTURED HOME COMMUNITIES BY ICFA FOR MILLENNIUM HOUSING OF CALIFORNIA AND ITS AFFILIATES, COACH OF SAN DIEGO, INC. AND MILLENNIUM HOUSING CORPORATION LOCATED IN THE CITY OF FRESNO, COUNTY OF FRESNO.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

Proposal:

To finance the refunding of a two manufactured home communities in the City of Fresno, County of Fresno (Westlake Mobilehome Park, which is located at 2706 West Ashlan Avenue; and Millbrook Mobile Home Village, which is located at 3404 North Millbrook Avenue) on behalf of Millennium Housing.

Westlake Park comprises approximately 50 gross acres and consists of 330 spaces with double and triple wide mobile homes. Park site amenities include two clubhouses, a pool, spa, sauna, putting green, exercise room, ample greenbelt areas, walking paths, RV parking, and a car wash.

Millbrook Mobile Home Village consists of a parcel of approximately 7.3 gross acres, containing 82 mobile home spaces, 11 recreational vehicle spaces, 2 site-built units in detached buildings, a pool, a laundry room, management office, storage and parking spaces.

Millennium Housing originally purchased Westlake Park in May of 2003 and refinanced it in April of 2007, both through ICFA. Millbrook Park was purchased by Millennium in January of 2013. Millennium is now seeking to refinance both parks in order to obtain a lower interest rate and provide additional funds for improvements in the park.

By way of brief background, Millennium Housing of California and its affiliates have facilitated the purchase and/or refunding of twenty-one manufactured home communities through ICFA. The parks are located in the cities of Capitola, Carpinteria, Clovis, Fresno, Hermosa Beach, Morgan Hill, Moss Beach, Palm Springs, Rohnert Park, Salinas, San Juan Capistrano, San Marcos, Santa Rosa, and Yucaipa.

In addition, Augusta Communities has purchased five separate manufactured home communities through ICFA in the cities of Montclair, Yucaipa, and Vista.

The purchase by nonprofits of nearly 5,500 manufactured home community spaces will have been financed by ICFA to date.

Financing Team:

The financing team for this transaction is as follows:

<u>Participant</u>	<u>Firm</u>
Issuer	Independent Cities Finance Authority
Issuer's Counsel	Best Best & Krieger LLP
Bond Counsel	Gilmore & Bell, P.C.
Underwriter	Newcomb Williams Financial Group
Underwriter's Counsel	By Underwriter
Oversight Agent	Wolf & Company, Inc.
Financial Advisor	Wolf & Company, Inc.
Trustee	MUFG Union Bank, N.A.
Trustee's Counsel	Union Bank of California Legal Division
Borrower	Millennium Housing
Borrower's General Counsel	Charles Kane & Dye, LLP
Borrower's 501(c)(3) Counsel	Goldfarb & Lipman

Costs of Issuance:

The costs of issuance will be covered partially by the funds from the issue that are permitted to be used for this purpose by the federal guidelines. The financing of this project is estimated generally as follows. Please note that these numbers are preliminary and are subject to change:

<u>SOURCES OF FUNDS:</u>	Millbrook Refunding	Westlake Refunding	Series B	Issue Summary
Par Amount of Bonds	\$2,810,000.00	\$13,595,000.00	\$4,700,000.00	\$21,095,000.00
Transfers from Prior Issue Debt Service Funds	34,840.00	213,723.00	-	248,563.00
Transfer from Prior Issue DSR Funds	87,500.00	907,387.50	-	994,887.50
R/R Funds	350,000.00	300,000.00	-	650,000.00
Surplus Fund	5,456.00	2,061,537.00	-	2,066,993.00
Total Sources	\$3,287,796.00	\$17,067,647.50	\$4,700,000.00	\$25,055,443.50
<u>USES OF FUNDS:</u>				
Total Underwriter's Discount (1.166%)	42,150.00	203,775.00	-	245,925.00
Costs of Issuance	50,046.97	241,953.03	-	292,000.00
Issuer Fee commitment fee	5,620.00	27,170.00	-	32,790.00
Deposit to Debt Service Reserve Fund (DSRF)	150,851.32	729,293.68	-	880,145.00
Deposit to Project Construction Fund	-	-	4,700,000.00	4,700,000.00
Deposit to Current Refunding Fund	1,537,809.88	14,361,521.88	-	15,899,331.76
Repair and Replacement	1,500,000.00	1,500,000.00	-	3,000,000.00
Rounding Amount	1,317.83	3,933.91	-	5,251.74
Total Uses	\$3,287,796.00	\$17,067,647.50	\$4,700,000.00	\$25,055,443.50

Issuer's Fees:

- 20 basis points times the aggregate principal amount of the bonds at issuance
- 10 basis points times the aggregate principal in the amount of the bonds outstanding annually.

Bond Documents:

The ICFA resolution approving the bond documents are enumerated under Agenda Item D.

C. RECOMMENDATION:

Approve all aspects of the proposed project for Westlake Mobilehome Park and Millbrook Mobilehome Village.

D. APPROVAL/ADOPTION OF RESOLUTION NO. 2017-3 (A RESOLUTION OF THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY AUTHORIZING THE ISSUANCE IN ONE OR MORE SERIES OF ITS NOT TO EXCEED \$24,500,000 AGGREGATE PRINCIPAL AMOUNT OF INDEPENDENT CITIES FINANCE AUTHORITY MOBILE HOME PARK REVENUE REFUNDING BONDS (WESTLAKE AND MILLBROOK MOBILEHOME PARKS) SERIES 2017A AND MOBILEHOME PARK SUBORDINATE REVENUE REFUNDING BONDS (WESTLAKE AND MILLBROOK MOBILEHOME PARKS) SERIES 2017B, AND APPROVING CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH)

A. MATERIAL ENCLOSED: (PAGES 31-37) AND UNNUMBERED BOND DOCUMENTS DELIVERED UNDER SEPARATE COVER)

1. Resolution 2017-3 (Pages 31-37)
2. Indenture of Trust
3. Loan Agreement
4. Regulatory Agreement - Westlake
5. Regulatory Agreement - Millbrook
6. Administration And Oversight Agreement
7. Bond Placement Agreement
8. Preliminary Official Statement

B. COMMENTS:

DOCUMENTS:

The resolution is included in the packet; the draft bond documents were distributed via email for review.

For more details, please refer first to the Preliminary Official Statement and then to the individual documents contained therein.

ICFA Payment And Responsibilities

ICFA will receive a fee at closing equal to 20 basis points times the principal amount of the bonds issued. ICFA will thereafter receive an annual fee equal to 10 basis points on the outstanding principal of the bonds as long as the bonds are outstanding. The obligation of Millennium Housing of California to pay these fees is set forth in the Regulatory Agreement.

The bonds are not a financial obligation of the Authority. They are payable solely from revenues from Westlake and Millbrook Mobilehome Parks pledged by Millennium Housing of California to repayment of the bonds. This pledge is further secured by the Deed of Trust in favor of the Bond Trustee.

Generally, after issuance of the bonds, ICFA's responsibilities will be limited to reviewing reports provided by the Oversight Agent and the Trustee.

City of Fresno Obligations

The City of Fresno, which is currently an associate member of ICFA, conducted a TEFRA hearing on November 9, 2017 approving the bond financing.

Summary

The bond documents referred to above may be modified by the President, staff and General Legal Counsel to the extent necessary to carry out the purposes expressed by the Board of Directors/Executive Committee in Resolution 2017-3 following the distribution of this packet and action by the Board of Directors/Executive Committee.

Any and all questions regarding the myriad of bond documents will be answered by the various consultants at the meeting.

C. RECOMMENDATION:

1. Approve/adopt Resolution 2017-3 approving the bond issuance and the various agreements and documents relating thereto;
2. Authorize President Ballin and staff to execute all necessary documents.

E. APPROVAL/ADOPTION OF A BUDGET FOR THE 2017-18 FY.

A. MATERIAL ENCLOSED: (PAGES 38-39)

Budget for the 2017-18 FY.

B. COMMENTS:

Staff has prepared a budget that covers one fiscal year period (2017-18). The proposed budget represents the best estimates of staff regarding future financings.

C. RECOMMENDATION:

Approve/adopt the 2017-18 FY budget.

F. APPROVAL OF FINANCIAL ACCOUNTING FOR THE PERIOD FEBRUARY 1, 2017 TO SEPTEMBER 30, 2017.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

Receipts for the period February 1, 2017 to September 30, 2017 were as follows:

Millbrook monthly fees (8 months)	\$ 888.00
Santa Rosa monthly fees (1 month)	1,162.00
Castle monthly fees (8 months)	4,225.81
Yucaipa monthly fees (8 months)	4,268.76
Vista de Santa Barbara monthly fees (8 months)	5,620.00
Valley View (bi-annual)	6,012.92
Hacienda Valley monthly fees (8 months)	6,766.64
Mooney Grove (quarterly fees)	7,260.00
Palm Springs monthly fees (8 months)	7,443.75
Palomar East monthly fees (8 months)	9,376.64
Rancho Vallecitos monthly fees (8 months)	11,916.64
Palomar West monthly fees (8 months)	13,563.36
Westlake monthly fees (8 months)	13,608.74
Zions Bank (charter school quarterly fees)	14,074.38
Rohnert Park monthly fees (8 months)	14,763.64
Augusta Communities (quarterly fees)	14,939.99
Pillar Ridge monthly fees (8 months)	19,433.32
Lamplighter monthly fees (8 months)	19,580.00
San Juan monthly fees (8 months)	24,185.31
TOTAL RECEIPTS	<u>\$199,089.90</u>

AGENDA SUMMARY
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Expenditures for the period February 1, 2017 to September 30, 2017 were as follows:

Tripepi Smith & Associates (sponsorship)	\$ 1,322.45
Smith, Alvarez & Castillo (staff services)	18,750.00
Robert Eichel & Associates (audit services)	5,210.00
PSP Investments (office rent)	825.00
US Bank (DPA Fees)	500.00
Ken Spiker And Associates (office expenses)	104.98
PSP Investments (office rent)	825.00
Ken Spiker And Associates (office expenses)	104.98
Smith, Alvarez & Castillo (staff services)	18,750.00
Gil Hurtado (Board meeting stipend)	150.00
Sylvia Ballin (Board meeting stipend)	150.00
Edwin Hernandez (Board meeting stipend)	150.00
Ricardo Pacheco (Board meeting stipend)	150.00
Marilyn Sanabria (Board meeting stipend)	150.00
Emma Sharif (Board meeting stipend)	150.00
In-N-Out (Lunch for Board meeting)	91.15
Contract Cities Assoc. (seminar registration)	600.00
Office Depot (signature stampe)	28.26
PSP Investments (office rent)	825.00
Ken Spiker And Associates (office expenses)	104.98
Smith, Alvarez & Castillo (staff services)	18,750.00
Secretary of State (filing fee)	20.00
Contract Cities Assoc. (seminar registration-Ballin)	700.00
PSP Investments (office rent)	825.00
Ken Spiker And Associates (office expenses)	104.98
League of CA Cities (meeting)	45.00
Tripepi Smith & Associates (public relations)	2,203.93
Renaissance Hotels (hotel for CCCA seminar)	936.11
Best Best & Krieger (legal fees)	10,632.52
Smith, Alvarez & Castillo (staff services)	18,750.00
Robert Eichel & Associates (audit services)	9,706.00
City of Compton (charitable contrib.)	7,500.00
PSP Investments (office rent)	825.00
Ken Spiker And Associates (office expenses)	131.89
US Bank (DPA Fees)	300.00
Krisla, Inc. (accounting services)	4,760.00
Best Best & Krieger (legal fees)	5,280.00
Robert Eichel & Associates (audit services)	4,250.00
Smith, Alvarez & Castillo (staff services)	18,750.00
Tripepi Smith & Associates (public relations)	780.00
Best Best & Krieger (legal fees)	2,740.00
California City Mgmt. Foundation (sponsorship)	3,000.00
St. John the Baptist Church (charitable contrib.)	3,000.00
Tripepi Smith & Associates (public relations)	1,391.50
Smith, Alvarez & Castillo (staff services)	18,750.00
US Bank (DPA Fees)	200.00

Best Best & Krieger (legal fees)	5,376.00
Smith, Alvarez & Castillo (staff services)	18,750.00
Alliant Insurance Services (E&O insurance)	5,154.39
USPS (post office box fee)	452.00
TOTAL EXPENDITURES	<u>\$213,006.12</u>

ICFA account balances as of September 30, 2017 are as follows:

Bank of America	\$ 36,138.58
LAIF	\$346,636.55

It should also be noted that ICFA has one outstanding loan to Augusta Communities in the amount of \$90,000.

C. RECOMMENDATION:

Approve the financial accounting for the period February 1, 2017 to September 30, 2017.

G. STATUS REPORT ON AN ICFA POOL SECURITIZATION PROGRAM.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

At the March 23, 2017 ICFA Board meeting, staff was given approval to proceed with the planning and implementation of an ICFA Pool Securitization Program using Measure M and/or Measure R funds.

A verbal report will be provided at the meeting.

C. RECOMMENDATION:

Proceed with the implementation of an ICFA Pool Securitization Program.

VI. COMMENTS FROM BOARD MEMBERS.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

None.

C. RECOMMENDATION:

None.

VII. MATTERS FROM STAFF.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

None.

C. RECOMMENDATION:

None.

VIII. ADJOURNMENT.

**INDEPENDENT CITIES FINANCE AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
March 23, 2017**

MINUTES

I. CALL TO ORDER.

The regular meeting of the Board of Directors of the Independent Cities Finance Authority (ICFA) was called to order in the City of South Gate on March 23, 2017 at 12:05 p.m. by President Gil Hurtado.

II. ROLL CALL.

Members Of The Executive Committee/Board of Directors Present (Voting)

Gil Hurtado, President	South Gate
Sylvia Ballin, Vice President	San Fernando
Edwin Hernandez	Lynwood
Ricardo Pacheco	Baldwin Park
Marilyn Sanabria	Huntington Park
Emma Sharif	Compton

Alternate Members Of The Board of Directors Present

None

The City of Vernon was not represented by a voting member.

Guests Present

Manny DeDios	Wolf & Company
Don Hunt	Norton Rose Fulbright
Juli Morable	Wolf & Company
Eric Scriven	NHA Advisors
Jose Vera	Stifel
Wes Wolf	Wolf & Company, Inc.

Staff Present

Scott Campbell	Best Best & Krieger LLP
Debbie Smith	Smith, Alvarez & Castillo/ICFA

III. AMENDMENTS OR ADJUSTMENTS TO THE AGENDA.

There were no amendments or adjustments to the agenda.

IV. PUBLIC COMMENTS.

There were no members of the public who wished to speak.

V. NEW BUSINESS.

A. APPROVAL OF THE MINUTES OF THE OCTOBER 5, 2016 BOARD OF DIRECTORS MEETING.

It was moved by Sylvia Ballin, seconded by Edwin Hernandez, and unanimously carried by the following roll call vote to approve the minutes of the October 5, 2016 Board of Directors meeting:

AYES: Sylvia Ballin (San Fernando), Edwin Hernandez (Lynwood), Gil Hurtado (South Gate), Ricardo Pacheco (Baldwin Park), Marilyn Sanabria (Huntington Park), Emma Sharif (Compton)

NOES: None

ABSTAIN: None

ABSENT: City of Vernon

B. DISCUSSION/APPROVAL OF AN ICFA POOL SECURITIZATION PROGRAM.

It was reported generally as follows:

In November 2016, voters in Los Angeles County approved Measure M consisting of an additional 0.5 percent sales tax for transportation related projects and the indefinite extension of the existing 0.5 percent sales tax (Measure R) also dedicated to transportation projects that were set to expire in 2039. A percentage of the revenues collected from Measure M, as with Measure R, will be returned to the 88 cities in Los Angeles County for local transportation projects.

The proposed ICFA Pool Securitization Program would assist member cities in obtaining funding for the street projects by providing bond financing of future Measure M local payments. This approach would not require a pledge of any

General fund dollars. With the new revenue stream of Measure M funds, ICFA members would have an opportunity to realize substantial savings in street repair costs by funding major street improvements much sooner than anticipated.

Those present were referred to the agenda packet for an estimate of what ICFA Board member cities can receive from pledging their Measure M and Measure R dollars, as well as the financing team for said transactions.

After a lengthy discussion, it was moved by Sylvia Ballin, seconded by Edwin Hernandez, and unanimously carried by the following roll call vote to authorize staff to proceed with the planning and implementation of an ICFA Pool Securitization Program using Measure M and/or Measure R funds.

AYES: Sylvia Ballin (San Fernando), Edwin Hernandez (Lynwood), Gil Hurtado (South Gate), Ricardo Pacheco (Baldwin Park), Marilyn Sanabria (Huntington Park), Emma Sharif (Compton)

NOES: None

ABSTAIN: None

ABSENT: City of Vernon

C. APPROVAL OF FINANCIAL ACCOUNTING FOR THE PERIOD SEPTEMBER 1, 2016 TO JANUARY 31, 2017.

It was moved by Edwin Hernandez, seconded by Sylvia Ballin, and unanimously carried by the following roll call vote to approve the financial accounting for the period September 1, 2016 to January 31, 2017:

AYES: Sylvia Ballin (San Fernando), Edwin Hernandez (Lynwood), Gil Hurtado (South Gate), Ricardo Pacheco (Baldwin Park), Marilyn Sanabria (Huntington Park), Emma Sharif (Compton)

NOES: None

ABSTAIN: None

ABSENT: City of Vernon

D. APPROVAL/ADOPTION OF RESOLUTION NO. 2017-1 (A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDEPENDENT CITIES FINANCE AUTHORITY NAMING AND APPOINTING CERTAIN OFFICERS).

Staff reported generally as follows:

INDEPENDENT CITIES FINANCE AUTHORITY
Board of Directors Meeting, March 23, 2017
Page 4

Due to a vacancy in the office of President, an election for President and Vice President of the Authority was conducted. In addition, a Treasurer was also selected. The Treasurer may be a Director or Alternate Director.

It was moved by Gil Hurtado, seconded by Edwin Hernandez, and unanimously carried by the following roll call vote that Sylvia Ballin be elected as President for a two year term:

AYES: Sylvia Ballin (San Fernando), Edwin Hernandez (Lynwood), Gil Hurtado (South Gate), Ricardo Pacheco (Baldwin Park), Marilyn Sanabria (Huntington Park), Emma Sharif (Compton)
NOES: None
ABSTAIN: None
ABSENT: City of Vernon

It was moved by Sylvia Ballin, seconded by Marilyn Sanabria, and unanimously carried by the following roll call vote that Edwin Hernandez be elected as Vice President for a two year term:

AYES: Sylvia Ballin (San Fernando), Edwin Hernandez (Lynwood), Gil Hurtado (South Gate), Ricardo Pacheco (Baldwin Park), Marilyn Sanabria (Huntington Park), Emma Sharif (Compton)
NOES: None
ABSTAIN: None
ABSENT: City of Vernon

It was moved by Edwin Hernandez, seconded by Marilyn Sanabria, and unanimously carried by the following roll call vote that Jose Solache be reappointed as Treasurer for a two year term:

AYES: Sylvia Ballin (San Fernando), Edwin Hernandez (Lynwood), Gil Hurtado (South Gate), Ricardo Pacheco (Baldwin Park), Marilyn Sanabria (Huntington Park), Emma Sharif (Compton)
NOES: None
ABSTAIN: None
ABSENT: City of Vernon

It was moved by Edwin Hernandez, seconded by Marilyn Sanabria, and unanimously carried by the following roll call vote that Resolution No. 2017-1 be approved/adopted and that President Ballin and staff be authorized to execute said Resolution:

AYES: Sylvia Ballin (San Fernando), Edwin Hernandez (Lynwood), Gil Hurtado (South Gate), Ricardo Pacheco (Baldwin Park), Marilyn Sanabria (Huntington Park), Emma Sharif (Compton)
 NOES: None
 ABSTAIN: None
 ABSENT: City of Vernon

E. APPOINTMENT/ELECTION OF EXECUTIVE COMMITTEE MEMBERS FOR A TWO YEAR TERM.

Staff reported generally as follows:

Due to the vacancy of the office of President on the Executive Committee, Article IV of the Bylaws require that vacancies should be filled by an election. It was noted that Alternate Board Members may vote in place of Directors who serve on the Executive Committee. The Executive Committee is empowered by the Joint Powers Agreement (Article 10) and the Bylaws (Article IV) to conduct virtually all activities of the Board of Directors. The individual appointed or his/her alternate must be available to attend all Executive Committee Members. The President and Vice President are automatic members of the Executive Committee.

President Ballin recommended that the following individuals serve on the Executive Committee for a two year term:

<u>Position</u>	<u>Member</u>	<u>Alternate Member</u>	<u>City</u>
President	Sylvia Ballin	Nick Kimball	San Fernando
Vice President	Edwin Hernandez	Jose Solache	Lynwood
Member	Ricardo Pacheco	---	Baldwin Park
Member	Emma Sharif	---	Compton
Member	Marilyn Sanabria	Jhonny Pineda	Huntington Park

It was moved by Marilyn Sanabria, seconded by Edwin Hernandez, and unanimously carried by the following roll call vote that the above named individuals be elected to the Executive Committee for a two year term:

DEBT MANAGEMENT POLICY

This Debt Management Policy (the “Debt Policy”) of the Independent Cities Finance Authority (the “Authority”) was approved by the Board of Directors/Executive Committee on _____, 2017. The Debt Policy may be amended by the Board of Directors/Executive Committee as it deems appropriate from time to time in the prudent management of the debt of the Authority.

The Debt Policy has been developed to provide guidance in the issuance and management of debt by the Authority or its related entities and is intended to comply with Government Code Section 8855(i), effective on January 1, 2017. The main objectives are to establish conditions for the use of debt; to ensure that debt capacity and affordability are adequately considered; to minimize the Authority’s interest and issuance costs; to maintain the highest possible credit rating; to provide complete financial disclosure and reporting; and to maintain financial flexibility for the Authority.

Debt, properly issued and managed, is a critical element in any financial management program. It assists in the Authority’s effort to allocate limited resources to provide the highest quality of service to the public. The Authority understands that poor debt management can have ripple effects that hurt other areas of the Authority. On the other hand, a properly managed debt program promotes economic growth and enhances the vitality of the Authority for its member agencies.

1. Findings

This Debt Policy shall govern all debt undertaken by the Authority and its related entities. The Authority hereby recognizes that a fiscally prudent debt policy is required in order to:

- Maintain the Authority’s sound financial position.
- Ensure the Authority has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the Authority’s credit-worthiness.
- Ensure that all debt is structured in order to protect both current and future taxpayers, ratepayers and constituents of the Authority and its member agencies.
- Ensure that the Authority’s debt is consistent with the Authority’s planning goals and objectives and capital improvement program or budget, as applicable.
- Encourage those that benefit from a facility/improvement to pay the cost of that facility/improvement without the need for the expenditure of limited general fund resources.

2. Policies

A. Purposes For Which Debt May Be Issued

The Authority will consider the use of debt financing primarily for capital improvement projects (CIP) when the project’s useful life will equal or exceed the term of the financing and when resources are identified sufficient to fund the debt service requirements. An exception to this CIP driven focus is the issuance of short-term instruments such as tax and revenue anticipation notes, which are to be used for prudent cash management purposes and conduit financing, as described below. Bonded debt should not be issued for projects with minimal public benefit or support, or to finance normal operating expenses.

If a department has any project which is expected to use debt financing, the department director is responsible for expeditiously providing the Authority Manager and the Director of Finance with reasonable cost estimates, including specific revenue accounts that will provide payment for the debt service. This will allow an analysis of the project's potential impact on the Authority's debt capacity and limitations. The department director shall also provide an estimate of any incremental operating and/or additional maintenance costs associated with the project and identify sources of revenue, if any, to pay for such incremental costs.

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

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

- When the project to be financed is necessary to provide basic services.
- When the project to be financed will provide benefit to constituents over multiple years.
- When total debt does not constitute an unreasonable burden to the Authority and its member agencies (and their taxpayers and ratepayers).
- When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.

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

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

- The project to be financed has been or will be approved by the Board of Directors/Executive Committee.
- The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed, unless specific conditions exist that would mitigate the extension of time to repay the debt and it would not cause the Authority to violate any covenants to maintain the tax-exempt status of such debt, if applicable.
- The Authority estimates that sufficient income or revenues will be available to service the debt through its maturity.
- The Authority determines that the issuance of the debt will comply with the applicable requirements of state and federal law.
- The Authority considers the improvement/facility to be of vital, time-sensitive need of the community and there are no plausible alternative financing sources.

- (d) Periodic reviews of outstanding long-term debt will be undertaken to identify refunding opportunities. Refunding will be considered (within federal tax law constraints, if applicable) if and when there is a net economic benefit of the refunding. Refundings which are non-economic may be undertaken to achieve Authority objectives relating to changes in covenants, call provisions, operational flexibility, tax status of the issuer, or the debt service profile.

In general, refundings which produce a net present value savings of at least four (4) percent of the refunded debt will be considered economically viable. Refundings which produce a net present value savings of less than four (4) percent or negative savings will be considered on a case-by-case basis, and are subject to Board of Directors/Executive Committee approval as to that point.

- (ii) Short-term debt. Short-term borrowing may be issued to generate funding for cash flow needs in the form of Tax and Revenue Anticipation Notes (TRAN).

Short-term borrowing, such as commercial paper, and lines of credit, will be considered as an interim source of funding in anticipation of long-term borrowing. Short-term debt may be issued for any purpose for which long-term debt may be issued, including capitalized interest and other financing-related costs. Prior to issuance of the short-term debt, a reliable revenue source shall be identified to secure repayment of the debt. The final maturity of the debt issued to finance the project shall be consistent with the economic or useful life of the project and, unless the Board of Directors/Executive Committee determines that extraordinary circumstances exist, must not exceed seven (7) years.

Short-term debt may also be used to finance short-lived capital projects; for example, the Authority may undertake lease-purchase financing for equipment.

- (iii) Financings on Behalf of Other Entities. The Authority may also find it beneficial to issue debt on behalf of other governmental agencies or private third parties in order to further the public purposes of Authority. In such cases, the Authority shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with the policies set forth herein. In no event will the Authority incur any liability or assume responsibility for payment of debt service on such debt.

B. Types of Debt

In order to maximize the financial options available to benefit the public, it is the policy of the Authority to allow for the consideration of issuing all generally accepted types of debt, including, but not exclusive to the following:

- General Obligation (GO) Bonds: General Obligation Bonds are suitable for use in the construction or acquisition of improvements to real property that benefit the public at large. Examples of projects include libraries, parks, and public safety facilities. All GO bonds shall be authorized by the requisite number of voters in order to pass.

- Revenue Bonds: Revenue Bonds are limited-liability obligations tied to a specific enterprise or special fund revenue stream where the projects financed clearly benefit or relate to the enterprise or are otherwise permissible uses of the special revenue. An example of projects that would be financed by a Revenue Bond would be water or wastewater improvements, which would be paid back with money raised from rates and charges from water and/or wastewater users. Generally, no voter approval is required to issue this type of obligation but in some cases, the Authority must comply with proposition 218 regarding rate adjustments.
- Lease-Backed Debt/Certificates of Participation (COP/Lease Revenue Bonds): Issuance of Lease-backed debt is a commonly used form of debt that allows a Authority to finance projects where the debt service is secured via a lease agreement and where the payments are budgeted in the annual budget appropriation by the Authority from the general fund. Lease-Backed debt does not constitute indebtedness under the state or the Authority's constitutional debt limit and does not require voter approval.
- Special Assessment/Special District Debt: The Authority will consider requests from developers for the use of debt financing secured by property based assessments or special taxes in order to provide for necessary infrastructure for new development only under strict guidelines adopted by Board of Directors/Executive Committee, which may include minimum value-to-lien ratios and maximum tax burdens. Examples of this type of debt are Assessment Districts (AD) and Community Facilities Districts (CFD) or more commonly known as Mello-Roos Districts. In order to protect bondholders as well as the Authority's credit rating, the Authority will also comply with all State guidelines regarding the issuance of special district or special assessment debt, as well as any policy adopted by the Authority as required under Government Code Section 53312.7.
- Multi-Family Mortgage Revenue Bonds: The Authority is authorized to issue mortgage revenue bonds to finance the development, acquisition and rehabilitation of multi-family rental projects. The interest on the bonds can be exempt from Federal and State taxation. As a result, bonds provide below market financing for qualified rental projects. In addition, the bonds issued can qualify projects for allocations of Federal low-income housing tax credits, which can provide a significant portion of the funding necessary to develop affordable housing.
- HUD Section 108 Loan Guarantee Program: The U.S. Department of Housing and Urban Development (HUD) Section 108 Loan Guarantee Program allows cities to use their annual Community Development Block Grant (CDBG) entitlement grants to obtain federally guaranteed funds large enough to stimulate or pay for major community development and economic development projects. The program does not require a pledge of the Authority's General Fund, only of future CDBG entitlements. By pledging future CDBG entitlement grants as security, the Authority can borrow at favorable interest rates because of HUD's guarantee of repayment to investors.
- 501(c)(3) Bonds: The Authority is authorized to issue 501(c)(3) bonds, including bonds issued to finance the acquisition, development and rehabilitation of mobile home parks.

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

To maintain a predictable debt service burden, the Authority will give preference in the future to debt that carries a fixed interest rate. An alternative to the use of fixed rate debt is variable rate debt. The Authority may choose in the future to issue securities that pay a rate of interest that varies according to a pre-determined formula or results from a periodic remarketing of securities. When making the determination to issue bonds in a variable rate mode in the future, consideration will be given in regards to the useful life of the project or facility being financed or the term of the project requiring the funding, market conditions, credit risk and third party risk analysis, and the overall debt portfolio structure when issuing variable rate debt for any purpose.

The Authority will not employ derivatives, such as interest rate swaps, in its debt program. A derivative product is a financial instrument which derives its own value from the value of another instrument, usually an underlying asset such as a stock, bond, or an underlying reference such as an interest rate. Derivatives are commonly used as hedging devices in managing interest rate risk and thereby reducing borrowing costs. However, these products bear certain risks not associated with standard debt instruments.

C. Relationship of Debt to Capital Improvement Program and Budget

The Authority intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the Authority's capital budget and the capital improvement plan.

The Authority 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 Authority's public purposes.

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

It is a policy goal of the Authority to protect its member agencies, 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 Authority 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.

Except as described in Section 2.A., when refinancing debt, it shall be the policy goal of the Authority to realize, whenever possible, and subject to any overriding non-financial policy considerations minimum net present value debt service savings equal to or greater than 4% of the refunded principal amount.

E. Internal Control Procedures

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

The Authority will periodically review the requirements of and will remain in compliance with the following:

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

The Authority shall be vigilant in using bond proceeds in accordance with the stated purpose at the time that such debt was issued. Whenever reasonably possible, proceeds of debt will be held by a third-party trustee and the Authority will submit written requisitions for such proceeds. The Authority will submit a requisition only after obtaining the signature of the Authority Manager or the Director of Finance/Treasurer.

F. Relationship to Other Policies

Special Tax Bonds issued on behalf of a Community Facilities District will also comply with any policy adopted by the Authority as required under Government Code Section 53312.7.

G. Waivers of Debt Policy

- There will be circumstances from time to time when strict adherence to a provision of this Debt Policy is not possible or not in the best interest of the Authority.
- If the Authority staff has determined that a waiver of one or more provisions of this Debt Policy should be considered by the Board of Directors/Executive Committee, it will prepare an analysis for the Board of Directors/Executive Committee describing the rationale for the waiver and the impact of the waiver on the proposed debt issuance and on taxpayers, if applicable.
- Upon a majority vote of the Board of Directors/Executive Committee, one or more provisions of this Debt Policy may be waived for a debt financing.
- The failure of a debt financing to comply with one or more provisions of this Debt Policy shall in no way affect the validity of any debt issued by the Authority in accordance with applicable laws.

RESOLUTION NO. 2017-2

A RESOLUTION OF THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY APPROVING A DEBT MANAGEMENT POLICY AND TAKING OTHER ACTIONS RELATED THERETO.

WHEREAS, the Independent Cities Finance Authority (the “Authority”) is a joint powers authority duly organized and existing under the laws of the State of California, with the authority to issue bonds pursuant to the laws of the State of California;

WHEREAS, on September 12, 2016, the Governor of the State of California signed into law Senate Bill No. 1029 (“SB 1029”);

WHEREAS, pursuant to California Government Code Section 8855, as amended by SB 1029, local governments are now mandated to adopt a debt management policy at least 30 days prior to issuance of any debt after January 21, 2017;

WHEREAS, the Board of Directors/Executive Committee of the Authority has been presented with a Debt Management Policy and attached to this Resolution as Exhibit “A” and now wishes to adopt said Debt Management Policy; and

WHEREAS, the Debt Management Policy presented to Council conforms to the requirements of Government Code 8855 and represents the goals and policies of the Authority;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY AS FOLLOWS:

SECTION 1. Recitals. The Recitals set forth above are true and correct, and by this reference incorporated herein.

SECTION 2. Approval. The Debt Management Policy attached hereto as Exhibit “A” is hereby adopted.

SECTION 3. Effective Date. This Resolution shall take effect immediately upon its adoption by the Authority and the Secretary/Executive Director shall certify to the adoption of the same.

PASSED, APPROVED, AND ADOPTED BY THE INDEPENDENT CITIES FINANCE AUTHORITY THIS 15TH DAY OF NOVEMBER, 2017.

President

Secretary/Executive Director

I, Deborah Smith, Secretary and Executive Director of the Independent Cities Finance Authority, do hereby certify that the foregoing Resolution was duly adopted by the Board of Directors/Executive Committee of said Authority at the meeting of the Board of Directors/Executive Committee of said Authority held on the 15th day of November, 2017, and that the same was passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Deborah Smith, Secretary and Executive Director of
the Independent Cities Finance Authority

Exhibit “A”

Debt Management Policy

[See Attached]

RESOLUTION NO. 2017-3

A RESOLUTION OF THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY AUTHORIZING THE ISSUANCE IN ONE OR MORE SERIES OF ITS NOT TO EXCEED \$24,500,000 AGGREGATE PRINCIPAL AMOUNT OF INDEPENDENT CITIES FINANCE AUTHORITY MOBILE HOME PARK REVENUE REFUNDING BONDS (WESTLAKE AND MILLBROOK MOBILEHOME PARKS) SERIES 2017A AND MOBILE HOME PARK SUBORDINATE REVENUE REFUNDING BONDS (WESTLAKE AND MILLBROOK MOBILEHOME PARKS) SERIES 2017B, AND APPROVING CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH.

WHEREAS, the Independent Cities Finance Authority, a joint powers authority duly organized and existing under the laws of the State of California (the "Authority"), is authorized to issue bonds pursuant to Chapter 8 of Part 5 of Division 31 of the Health and Safety Code of the State of California (the "Act") to finance the acquisition of mobile home parks by nonprofit organizations within the jurisdiction of the Authority; and

WHEREAS, the Authority previously issued its Mobile Home Park Revenue Refunding Bonds (Westlake Mobilehome Park) Series 2007A (the "Prior Westlake Bonds") pursuant to an Indenture of Trust, dated as of April 1, 2007 (the "Prior Westlake Indenture"), between the Authority and MUFG Union Bank, N.A. (formerly known as Union Bank of California, N.A.), in such capacity (the "Prior Westlake Trustee"), and loaned the proceeds of the Prior Westlake Bonds (the "Prior Westlake Loan") to Millennium Housing of California, a California nonprofit public benefit corporation (the "Borrower"), in order to provide financing with respect to the acquisition and improvement of a mobile home park with approximately 330 spaces known as Westlake Mobilehome Park (the "Westlake Project") located at 2706 W. Ashlan Ave. in Fresno, California (the "City"); and

WHEREAS, the Authority previously issued its Mobile Home Park Revenue Bonds (Millbrook Mobile Home Village) Series 2013A (the "Prior Millbrook Series A Bonds") and its Mobile Home Park Subordinate Revenue Bonds (Millbrook Mobile Home Village) Series 2013B (the "Prior Millbrook Series B Bonds") and together, the "Prior Millbrook Bonds" and, collectively with the Prior Westlake Bonds, the "Prior Bonds") pursuant to an Indenture of Trust, dated as of January 1, 2013 (the "Prior Millbrook Indenture" and, together with the Prior Westlake Indenture, the "Prior Indentures"), between the Authority and MUFG Union Bank, N.A. (formerly known as Union Bank, N.A.), in such capacity (the "Prior Millbrook Trustee" and, together with the Prior Westlake Trustee, the "Prior Trustees"), and loaned the proceeds of the Prior Millbrook Bonds (the "Prior Millbrook Loan" and, together with the Prior Westlake Loan, the "Prior Loans") to COACH of San Diego, Inc., a California nonprofit public benefit corporation (the "Prior Millbrook Borrower"), in order to provide financing with respect to the acquisition and improvement of a mobile home park with approximately 94 spaces known as Millbrook Mobile Home Village (the "Millbrook Project" and, together with the Westlake Project, the "Projects") located at 3404 N. Millbrook Ave. in the City; and

WHEREAS, the Borrower has requested that the Authority issue and sell one or more series of its revenue refunding bonds for the purpose of refinancing the Prior Loans, refunding the Prior Bonds and financing certain improvements to the Projects; and

WHEREAS, the Borrower is qualified as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), and the operation of the Projects by the Borrower will further its purpose to encourage, preserve, rehabilitate, develop, operate, and maintain decent, safe, sanitary and affordable housing for low income and disadvantaged persons in the State of California; and

WHEREAS, the operation of the Projects by the Borrower will lessen the governmental burden of the City by preserving affordable housing within the City and is in the public interest; and

WHEREAS, pursuant to the Act, the Authority proposes to issue its Mobile Home Park Revenue Refunding Bonds (Westlake and Millbrook Mobilehome Parks) Series 2017A in a principal amount not to exceed \$19,800,000 (the “Series A Bonds”) and its Mobile Home Park Subordinate Revenue Refunding Bonds (Westlake and Millbrook Mobilehome Parks) Series 2017B in a principal amount not to exceed \$4,700,000 (the “Series B Bonds”) and, together with the Series A Bonds, the “Bonds”) and to loan the proceeds of such Bonds to the Borrower in order to acquire the Millbrook Project, refinance the Prior Loans, refund the Prior Bonds, to finance certain improvements to the Projects and to pay certain costs incurred in connection with the issuance of the Bonds; and

WHEREAS, there has been presented to the Board of Directors/Executive Committee at this meeting proposed forms of an Indenture of Trust, a Loan Agreement, a Regulatory Agreement and Declaration of Restrictive Covenants for each Project, an Administration and Oversight Agreement, a Preliminary Official Statement relating to the Series A Bonds, a Purchase Contract among the Authority, the Borrower and Newcomb Williams Financial Group, securities offered through Stinson Securities, LLC (the “Underwriter”) pursuant to which the Series A Bonds will be purchased by the Underwriter for sale to the public, and a Bond Placement Agreement among the Eugene W.K. Hsu and Shirley N.A. Hsu Revocable Trust, dated September 1, 1995 (the “Series B Bonds Purchaser”), the Borrower and the Authority pursuant to which the Series B Bonds will be placed with the Series B Bonds Purchaser in exchange for an equal principal amount of the Prior Millbrook Series B Bonds; and

WHEREAS, as required by Section 147(f) of the Code, the City Council of the City has conducted a duly noticed public hearing with respect to the proposed issuance of the Bonds and financing of the Projects by the Authority, such notice having been published in a newspaper of general circulation in the City, and as the applicable elected representatives of the City, the City Council has approved the issuance of the Bonds; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the issuance of the Bonds exist or will exist, have happened or will happen and have been or will be performed in due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to issue the Bonds for the purposes, in the manner and upon the terms herein provided.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY AS FOLLOWS:

SECTION 1. Recitals. The above recitals, and each of them, are true and correct.

SECTION 2. Appointment of Trustee. MUFG Union Bank, N.A. is hereby appointed as the initial trustee (the “Trustee”) under the Indenture of Trust (the “Indenture”) relating to the Bonds, with the duties and powers of such Trustee as are set forth in the Indenture.

SECTION 3. Indenture. The Indenture authorizing the issuance of the Bonds, between the Authority and the Trustee, in the form presented at this meeting, is hereby approved and the President, Vice President or Executive Director (each, an “Authorized Officer”), each acting alone, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Indenture in substantially the form hereby approved together with such additions or changes as the officer executing the same, upon consultation with the Authority counsel or bond counsel, may approve, such approval to be conclusively evidenced by the execution and delivery thereof by the Authority.

SECTION 4. Form of Bonds. The forms of the Bonds, as set forth in the Indenture, are hereby approved and the President or Vice President and the Secretary are hereby authorized and directed to execute by manual or facsimile signature, for and in the name and on behalf of the Authority, the Bonds in substantially the forms hereby approved together with such additions or changes as the officer executing the same, upon consultation with the Authority counsel or bond counsel, may approve, such approval to be conclusively evidenced by the execution and delivery thereof by the Authority, in either temporary and/or definitive form in the aggregate principal amounts and all in accordance with the terms and provisions of the Indenture.

SECTION 5. Loan Agreement. The Loan Agreement (the “Loan Agreement”) by and among the Authority, the Trustee and the Borrower, whereby the proceeds of the Bonds are to be loaned to the Borrower for the purposes set forth therein, in the form presented at this meeting, is hereby approved and the Authorized Officers, each acting alone, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Loan Agreement in substantially the form hereby approved together with such additions or changes as the officer executing the same, upon consultation with the Authority counsel or bond counsel, may approve, such approval to be conclusively evidenced by the execution and delivery thereof by the Authority.

SECTION 6. Regulatory Agreements. The Regulatory Agreement and Declaration of Restrictive Covenants for the Westlake Project and the Regulatory Agreement and Declaration of Restrictive Covenants for the Millbrook Project, each by and among the Authority, the Trustee and the Borrower (together, the “Regulatory Agreements”) in the forms presented at this meeting, are hereby approved and the Authorized Officers, each acting alone, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Regulatory Agreements with respect to the Projects in substantially the forms hereby approved together with such additions or changes therein as the officer executing the same, upon consultation with the Authority counsel or bond counsel, may approve, such approval to be conclusively evidenced by the execution and delivery thereof by the Authority.

SECTION 7. Official Statement. The Preliminary Official Statement relating to the Series A Bonds (the “Preliminary Official Statement”) in the form presented at this meeting, is hereby approved for use in connection with the marketing of the Series A Bonds. The Executive Director is hereby authorized and directed to make changes to the form of the Preliminary Official Statement hereby approved, upon consultation with the Authority counsel or bond counsel, as necessary or desirable to reflect the terms of the financing and the documents with respect thereto.

The Preliminary Official Statement may be brought into the form of a final Official Statement which shall contain such changes or modifications thereto as may be deemed necessary or desirable by the Executive Director, upon consultation with the Authority counsel or bond counsel. The Authorized Officers, each acting alone, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the final Official Statement. The Authorized Officers, each acting alone, are authorized and directed, on behalf of the Authority, to certify the Preliminary Official Statement as “deemed final” for purposes of Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended (“Rule 15c2-12”), and to certify the Official Statement as “final” pursuant to Rule 15c2-12.

SECTION 8. Purchase Contract. The Purchase Contract with respect to the Series A Bonds among the Authority, the Borrower and the Underwriter, in the form presented at this meeting, is hereby approved. The Authorized Officers, each acting alone, are hereby authorized to execute the Purchase Contract in substantially said form, together with such additions or changes as the officer executing the same, upon consultation with the Authority counsel or bond counsel, may approve, such approval to be conclusively evidenced by the execution and delivery of the Purchase Contract by the Authority; provided that the principal amount, the net interest cost, the maturity date and the Underwriter’s discount for the Series A Bonds do not exceed the following: (i) Maximum Principal Amount: \$19,800,000; (ii) Net Interest Cost: 5.00%; (iii) Maturity Date: December 1, 2057; and (iv) Underwriter’s Discount or Fee: 2.00%.

SECTION 9. Bond Placement Agreement. The Bond Placement Agreement among the Authority, the Borrower and the Series B Bond Purchaser, in the form presented at this meeting, is hereby approved. The Authorized Officers, each acting alone, are hereby authorized to execute the Bond Placement Agreement in substantially said form, together with such additions or changes as the officer executing the same, upon consultation with the Authority counsel or bond counsel, may approve, such approval to be conclusively evidenced by the execution and delivery of the Bond Placement Agreement by the Authority; provided that the principal amount, the initial interest rate and the maturity date for the Series B Bonds do not exceed the following: (i) Maximum Principal Amount: \$4,700,000; (ii) Initial Interest Rate: 4.50% (the interest rate on the Series B Bonds shall increase from time to time as set forth in the Indenture); and (iii) Maturity Date: January 17, 2043.

SECTION 10. Administration Agreement. The Administration and Oversight Agreement (the “Administration Agreement”) in the form presented at this meeting, by and among the Authority, the Borrower, and Wolf & Company Inc. (or such other entity as the Executive Director shall select) as Oversight Agent, is hereby approved and the Authorized Officers, each acting alone, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute the Administration Agreement in substantially the form hereby approved, together with such additions or changes as the officer executing the same, upon consultation with the Authority counsel or bond counsel, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 11. Designation of Professionals. The law firm of Gilmore & Bell, P.C. is hereby designated as bond counsel and disclosure counsel to the Authority with respect to the Bonds. Newcomb Williams Financial Group, securities offered through Stinson Securities, LLC is hereby designated as underwriter for the Bonds. Wolf & Company Inc. is hereby designated as financial advisor to the Authority with respect to the Bonds. Best Best & Krieger, LLC shall serve as the issuer’s counsel.

SECTION 12. Ratification of Prior Acts. All actions previously taken (not inconsistent with the provisions of this resolution) by the Authority and by the officers of the Authority directed toward the issuance and sale of the Bonds are hereby ratified and approved.

SECTION 13. Other Acts. The President, Vice President, members of the Board of Directors/Executive Committee, Executive Director, Secretary, Treasurer, Authority counsel, and all other officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including without limitation, obtaining bond insurance and a rating for the Bonds, if either is deemed to be advisable upon consultation with the Authority's financial consultant and the Underwriter, and including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents which they, or any of them, may deem necessary or advisable in order to consummate the transactions as described herein in connection with the issuance and sale of the Bonds or to otherwise effectuate the purposes of this Resolution.

SECTION 14. Limited Obligations. The Bonds, together with interest thereon, shall be limited obligations of the Authority, giving rise to no pecuniary liability of the Authority, any member of the Authority, the State of California or any political subdivision thereof, nor any charge against its general credit, and shall be payable solely from the Indenture trust estate. The Bonds shall not constitute an indebtedness or loan of the credit of the Authority, any member of the Authority or the State of California or any political subdivision thereof within the meaning of any constitutional or statutory provisions.

SECTION 15. Severability. If any provisions of this Resolution should be held invalid, the invalidity of such provision shall not affect the validity of any of the other provisions of this resolution.

SECTION 16. Effective Date. All resolutions of the Authority or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This Resolution shall take effect immediately upon adoption.

PASSED, APPROVED, AND ADOPTED BY THE INDEPENDENT CITIES FINANCE
AUTHORITY THIS 15TH DAY OF NOVEMBER, 2017.

President

Secretary/Executive Director

I, Deborah Smith, Secretary and Executive Director of the Independent Cities Finance Authority, do hereby certify that the foregoing Resolution was duly adopted by the Board of Directors/Executive Committee of said Authority at the meeting of the Board of Directors/Executive Committee of said Authority held on the 15th day of November, 2017, and that the same was passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Deborah Smith, Secretary and Executive Director of the
Independent Cities Finance Authority

**INDEPENDENT CITIES FINANCE AUTHORITY
2017-18 FY BUDGET**

PURPOSE	2016-17 ESTIMATED	2016-17 ACTUAL	2017-18 ESTIMATED
<u>RECEIPTS</u>			
Manufactured home community financings and other financings (at issuance)	\$ 50,000	\$ 12,500	\$ 50,000
Manufactured home community financings and other financings (annual fees)	335,000	350,000	360,000
Audit fees	35,000	20,000	25,000
Home Ownership Lease Purchase Initiative program fees (at issuance)	80,000	-0-	-0-
Home Ownership Lease Purchase Initiative program fees (annual)	-0-	-0-	-0-
MASH Program	3,000	3,000	4,000
TOTAL RECEIPTS	\$503,000	\$385,000	\$439,000
<u>EXPENDITURES</u>			
Board Member Stipends	\$ 10,000	\$ 2,000	\$ 5,000
Staff Services	250,000	225,000	225,000
Office Rental/Expenses	15,000	11,200	-0-
Legal Services	50,000	64,000	60,000
Audit Services	40,000	30,000	35,000
Legislative Advocacy	-0-	-0-	-0-
Community Outreach Program	52,500	27,500	52,500
Public Relations/Marketing	30,000	15,000	25,000
Sponsorships/Conferences	10,000	5,000	10,000
ICFA Educational Seminars	5,000	-0-	10,000
Home Ownership Lease Purchase Initiative	20,000	-0-	-0-
CalHome Mortgage Assistance	1,500	1,200	1,200
MASH Program	2,000	-0-	-0-
Program Reserves	-0-	-0-	15,300
TOTAL EXPENDITURES	\$486,000	\$380,900	\$439,000
BALANCE	-0-	\$ 4,600	-0-

**INDEPENDENT CITIES FINANCE AUTHORITY
BUDGET NOTES
2017-18 FY**

RECEIPTS:	
Manufactured home community financings and other financings in California (at issuance)	Estimated \$250,000 of financings; ICFA receives 20 basis points at issuance
Manufactured home community financings and other financings in California (annual fees)	ICFA receives 10-12 basis points on outstanding balance annually
Audit fees	ICFA receives \$3,000-\$7,000 per issue from bonds per year (based on number of issues)
Home Ownership Lease Purchase Initiative program fees (at issuance)	ICFA receives \$80,000 administrative fees at issuance
Home Ownership Lease Purchase Initiative program fees (annual)	ICFA receives percentage of loan closing fee
MASH Program	ICFA receives \$250 counterparty fee per mobile home park
EXPENDITURES:	
Board Member Stipends	Elected Board Members receive \$150 per meeting
Staff Services	Executive Director receives \$225,000
Office Rental	Rental of office space/overhead costs
Legal Fees	General Legal Counsel – Monthly retainer plus special work
Audit Services	Auditor/Accountant fees
Legislative Advocacy	Legislative advocacy services in Sacramento
Community Outreach Program	\$7,500 per eligible Board Member
Public Relations/Marketing in and out of California	ICFA newsletters/email blasts, marketing efforts, website maintenance, assistance with seminars, etc.
Sponsorships/Conferences in and out of California	Sponsorship fees and attendance at conferences
Educational Seminars	Educational conference(s) and webinars throughout the year
Home Ownership Lease Purchase Initiative	Administrative/oversight fees
CalHome Mortgage Assistance	Administrative/oversight fees
MASH Program	Expenses related to MASH Program
Program Development/Reserves	Program reserves

AVAILABLE REVENUE:

ICFA will enter the 2017-18 FY with assets of approximately \$375,000 net. It should be noted that ICFA loaned Augusta Communities \$90,000 in 2013.